CSL™

Driven by Our Promise™

CSL Limited Annual Report 2020/21

Contents

CSL Calendar

2021

18 August	Annual profit and final dividend announcement
2 September	Shares traded ex-dividend
3 September	Record date for final dividend
30 September	Final dividend paid
12 October	Annual General Meeting
31 December	Half year ends

2022

16 February	Half-year profit and interim dividend announcement
7 March	Shares traded ex-dividend
8 March	Record date for interim dividend
6 April	Interim dividend paid
30 June	Full year ends
17 August	Annual profit and final dividend announcement
6 September	Shares traded ex-dividend
7 September	Record date for final dividend
5 October	Final dividend paid
12 October	Annual General Meeting
31 December	Half year ends

Annual General Meeting

The 2021 Annual General Meeting (AGM) of CSL Limited (ABN 99 051 588 348) will be held online on Tuesday, 12 October 2021 at 10am (Melbourne time).

Find out more **CSL.com**

About this report

This Annual Report combines CSL's financial and non-financial performance in one comprehensive account, linking our sustainability and strategic priorities to our business results. Unless otherwise stated, this report covers CSL's subsidiaries as listed on page 138. CSL's biennial sustainability materiality assessment was conducted in 2019/20 and will be repeated in 2021/22. The prioritised results of our fourth assessment (2019/20) are listed on page 17 and detailed throughout this report. In addition to an independent audit of our consolidated financial accounts, limited assurance on a selection of corporate responsibility (CR) metrics has been provided by Ernst & Young, and an assurance statement for non-financial indicators, along with more detailed Group and CR information, including our materiality assessment, can be found on CSL.com (Our Company > Corporate Responsibility).

Our Purpose

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

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

1 Chair and CEO message

US$2.375
billion in reported net profit after tax

US$2.22
dividend per share for 2021

Chair message

Dear Fellow Shareholders,

I am pleased to share our results and operating review for FY2021.

Over the last year, the COVID-19 pandemic has continued to challenge the world.

For our business, it added an enormous amount of complexity as we worked to protect the lives of our patients – who are heavily reliant on an uninterrupted supply of our products – while taking every measure to keep our employees safe and well. Our people have risen to these challenges and our performance has been strong, delivering a reported net profit after tax of $2.375 billion, up 13%.

On behalf of the Board, I express my deepest thanks to CEO Paul Perreault, to CSL's management team and to all 25,000 employees for keeping our operations and commercial networks running efficiently while navigating changing pandemic management conditions across the countries we operate in.

While the pandemic continues to evolve, I am optimistic for a global recovery in the not too distant future. The productivity we have seen from the scientific community to make this a possibility in a mere 18 months has been remarkable.

Our Company also rose to the challenge and played a meaningful part in the broader global response, collaborating across organisations, geographic borders and political lines to contribute to solutions.

Early in 2020, we worked with the University of Queensland during the primary stages of its UQ-CSL v451 COVID-19 vaccine candidate. While Phase I clinical trials showed promising results, at the time the candidate was deemed unsuitable to progress to Phase II/III clinical trials; a large-scale study that would have been led by Seqirus. Although this was a disappointing decision, the progress made through this collaboration in just 10 months of work was an impressive achievement.

CSL Behring co-founded the CoVIg-19 Plasma Alliance, an unprecedented industry group of 11 companies across more than 13 countries and five continents, to develop a potential plasma-derived hyperimmune therapy for treating COVID-19. The collaboration concluded in April 2021 as the research program did not meet primary endpoints, but we felt the learnings from the collaboration were worth every effort made.

As the pandemic emerged, along with a global shortage of vaccine, we offered our skills, breadth and capabilities to a number of leading COVID-19 vaccine developers in support of onshore vaccine manufacturing for Australia. We were very pleased to have been able to partner with AstraZeneca and the Australian Government so that AstraZeneca's COVID-19 vaccine could be produced for our home country. Our contribution builds on our 100-year history as a proven pandemic partner to Australia and demonstrates the deep skills and expertise in biotech manufacturing.

CSL's Board and Management Team are cognisant of the opportunities that may be unlocked for our industry, and organisation, from the pandemic. One is the 'acceleration' of science. Public confidence in scientific research has never been higher. We have clearly seen the benefits of an investment in science, and business, industry, academia and governments must now capitalise on this to make breakthroughs in other areas, with the aim of advancing new medicines to support human health.

For CSL, this goal has been in our DNA for over 100 years through our commitment to improving the lives of our patients.

Sustainability

Last year, we committed to engaging with stakeholders to understand how we can better demonstrate the responsibility we have to deliver our therapeutics and vaccines in an efficient, inclusive and environmentally respectful way.

Following consultation with investors and other stakeholders, the Board is pleased to include our Sustainability Strategy in this report. CSL is committed to a healthier world and our vision is a sustainable future for our employees, communities, patients and plasma donors, inspired by innovative science and a values-driven culture. You can read more about our approach throughout this report.

Navigating a strong path for the Future

Although a post-pandemic recovery is showing green shoots, there is still much uncertainty. For CSL to continue effective navigation of the years ahead, we need the right skills and expertise from the Board all the way through to our management teams and operations.

This year, the Board regretfully accepted the resignations of Mr Abbas Hussain and Mr Pascal Soriot. CSL has benefited from their immense experience and we wish them the best in their future endeavours.

We are pleased that Ms Alison Watkins and Professor Duncan Maskell joined the Board on 18 August 2021 as Non-Executive Directors. Both Directors bring great experience to CSL gained through senior and diverse roles across manufacturing, science, commerce and entrepreneurship. They will be valuable assets to our Board as we aim to grow shareholder value over the long term.

Like everyone, CSL's Board adapted to new ways of working through the past year. While we have travelled less, we have found that meeting more frequently outside of the Board meeting cycle has been beneficial to stay connected and keep abreast of the changing conditions. We have still visited some of the company's sites and met with our teams around the world, all through virtual connections.

Outlook

CSL is not immune to the effects of the pandemic and we have been clear with our shareholders the impact that this widespread societal disruption has had, particularly in our plasma collection business.

However, the Board has every confidence that CSL's strong foundations and disciplined execution of strategy will allow us to return to sustainable growth. The Board has increased the total full year dividend to US$2.22 per share as a reflection of this confidence.

At a macro level, a full economic recovery is dependent on vaccine uptake, the provision of government policy that inspires confidence in business investment and industry demonstrating confidence through investment in their own pipelines. I encourage all to continue to reflect the spirit that we have seen come to the fore throughout the pandemic so far; a spirit of working for the collective community so that the world can return to an open and prosperous environment.

Thank you for your ongoing support of our company.

Please stay healthy and safe.

Brian McNamee AO
Chair

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

1 Chair and CEO message

CEO message

Dear Shareholders,

Despite the uncertainty of the last 18 months, CSL continues to deliver for those who need us most: our patients. We are privileged to be trusted to do this, and never take it for granted.

The success we've achieved in delivering on our promise does not happen by chance. Every day more than 25,000 people go to work with this promise in mind. My own personal highlight for the past year has been the way CSL's people have demonstrated resilience and agility in the face of disruption. They have been asked to work in different ways and in different settings, and throughout it all they have shown an unwavering resolve to keep our promise to patients.

Every person who works at CSL carries a deep sense of purpose and meaning for their work. To that end, I was pleased to see CSL named in the Forbes' list of the World's Best Employers for the fourth year in a row.

I would also like to extend my thanks to our donors, including our convalescent plasma donors, who have continued contributing towards the production of life-saving medicines.

Resilient Foundations

In the 2020/21 financial year, our resilient business and the dedication of our people and our partners once again delivered a strong result for our shareholders.

Revenue increased by 13% to US$10,310 million and net profit was US$2.375 billion. Our balance sheet remains strong and we are well placed to continue our track record of success.

The importance of diversification across our business units is clear in this result. The essential nature of our plasma-derived and recombinant products demonstrates that the global demand remains strong. However, plasma supply has been depressed by government lockdowns and stimulus packages, particularly in the United States. As society moves past the worst of the pandemic we have implemented a variety of measures in order to attract donors back to our centres, including offering higher donor compensation, leveraging technology to make the donor experience more efficient, and initiated a collaboration to deliver a new plasma collection platform.

In response to these initiatives, we are starting to see a recovery in plasma volumes. However, this lower volume and the associated cost pressures will likely impact margins through the 2021/22 financial year. Regardless, the strong foundations of CSL remain in place and we are confident in our ability to resume our growth trajectory.

Several years ago, we embarked on a turnaround program in our Seqirus business. Our past efforts to focus on Seqirus' differentiated and high value product portfolio has allowed the business to thrive. It continues to be a great story for CSL and our shareholders. Revenue for this segment was up 34% for the year, driven by record demand for our products. Targeted innovation in cell-based influenza vaccines, on next generation self-amplifying mRNA technology for influenza, are promising and will contribute to a bright future for Seqirus.

Like Dr McNamee, I am proud that we have stepped up to provide onshore COVID-19 vaccine manufacture for Australia. Research and development involves approaching problems in many different ways, managing for risk and doing everything possible for one significant outcome. The nature of developing medicines also involves failure and learning from those failures translates into future success. Taking multiple shots-on-goal to help solve the COVID-19 pandemic has been worth it and we will capture our learnings for future benefit. Ensuring our communities are vaccinated is one of the most powerful steps we can take to help the world recover, and we are proud of the contribution we have made to this effort.

Our values

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

Patient focus
We deliver on our promise to patients

Innovation
We turn innovative thinking into solutions

Integrity
We walk the talk

Collaboration
We are stronger together

Superior performance
We take pride in our results

Reinvesting in our Business

The foundations we have laid for CSL have enabled consistent performance over the long run. It is vital that we continue to shape and invest in the organisation to build on this performance.

We have several major expansion projects underway that will be vital to the continued sustainable growth of CSL. In Bern, Switzerland CSL Behring is expanding its production capacity to meet the high demand for our products. The project began in 2017 and began commercial production earlier this year. When the two new production lines fully ramp-up, they can manufacture immunoglobulin products for more patients in need every year.

In the southern hemisphere, our new global headquarters in the heart of Melbourne's biomedical research precinct continues to take shape. On the manufacturing front, our A$900 million Broadmeadows Base Fractionation Facility is well over halfway complete and will further lift our capacity to meet forecast demand for plasma fractionation services and product supply.

In November, we announced that we plan to construct a new world-class biotech manufacturing facility in Australia to supply influenza vaccines to Australia and the rest of the world. The state-of-the-art facility will use innovative cell-based technology to produce influenza vaccines and will be the only cell-based influenza vaccine manufacturing facility in the southern hemisphere.

Our 2030 Strategy

At the start of the decade we laid out our plans to continue our track record of delivering for our patients, our partners and our shareholders. We embarked on this journey prior to the onset of COVID-19, but the pandemic has only strengthened our resolve to make sure we continue to be a leader in the sector.

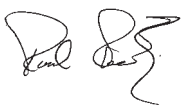
I encourage you to read about this strategy in detail in Our Strategy and Performance, but I am particularly enthusiastic about the innovative ways we are finding to better serve our patients and public health.

EntranaDez is an exciting new product that could transform the lives of patients with haemophilia B, and we anticipate being able to share results from our Phase III clinical trial of CSL112 in 2022. This promising product, developed to reduce the risk of recurrent cardiovascular events following a heart attack, will be a transformative treatment offering if it is successful.

In closing, despite the short-term plasma supply issues we experienced in the past year, we are proud to continue delivering sustainable growth for our shareholders.

While change is always a constant, I can assure you some things remain the same at CSL. We continue to be led by our values and deliver on our patient promise and are firmly committed to executing our 2030 strategy to ensure long term sustainability and growth for our customers, patients, shareholders and communities.

Thank you for your ongoing support.



Paul Perreault
CEO and Managing Director

2 2021 Performance

Business performance highlights

Focus

- Remained focused on delivering on our promise to patients and public health during an unprecedented time of uncertainty.
- US$20.2 million supporting product access across the world.*

Innovation

- Research and development (R&D) investment of US$1 billion.*
- Acquired the exclusive global licence rights to a late stage gene therapy candidate for the treatment of haemophilia B.
- CSL112 (currently in Phase III for cardiovascular disease) continues to progress with over 13,000 patients enrolled.
- Commenced a Phase II study for an adjuvanted QIV cell-based influenza vaccine.
- Accelerated research into self-amplifying mRNA technology to develop the potential next generation of influenza vaccines.
- Achieved 28 product registrations or new indications across the globe.
- US$55.2 million in global community investment across our strategic areas of support.

Efficiency and reliable supply

- Ongoing investment in major capital projects at all manufacturing sites to support future growth.
- In 2020/21, 25 new plasma collection centres opened.
- Record number of influenza vaccine doses distributed by Seqirus.
- Delivering on our agreements to supply 50 million doses of the AstraZeneca COVID-19 vaccine.
- Participated in 365 successful regulatory inspections of our manufacturing facilities.*

Sustainable growth

- A strong year of growth with revenue up 10% and reported net profit after tax of $2,375 million, up 10% at constant currency.
- Strong performance by HIZENTRA®, our market leading subcutaneous immunoglobulin product with sales up 15%.
- Seqirus revenue up 30% at constant currency driven by strong growth in seasonal influenza vaccines.
- US$9.9 billion distributed in supplier payments, employee wages and benefits, shareholder returns, government taxes and community contributions.*
- Release of CSL Group Sustainability Strategy.

Digital transformation

- Appointment of Chief Digital and Information Officer.
- New initiatives and technology implemented at plasma collection centres.
- New enterprise-wide digital platform rollout.

People and culture

- Achieved 73.7% employee engagement* score, on par with the previous year.
- 43% female representation at Board level, 57% female across the Group.
- Launched a new Promising Futures Scholarship Program to provide financial assistance to US employees and their dependants.

Patients and Public Health underpin everything we do

* Limited assurance by Ernst & Young.

Financial highlights

Interim unfranked dividend of
US$1.04
per share

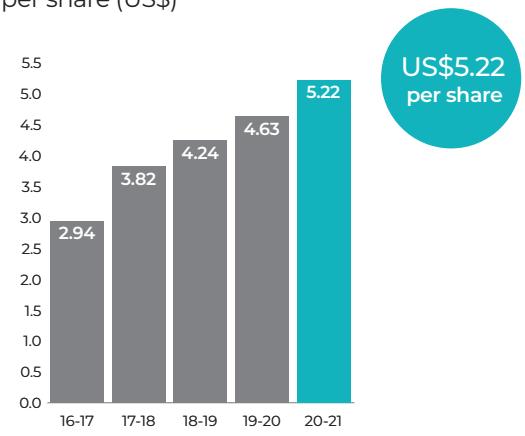
+

Final 10% franked dividend of
US$1.18
per share*

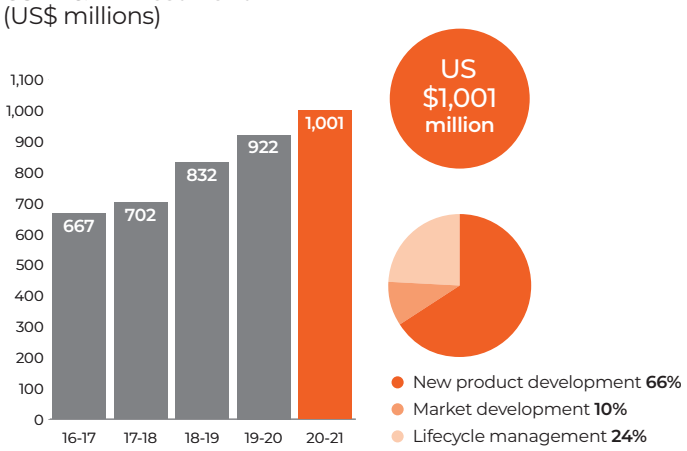
=

Total ordinary dividends for 2021
US$2.22
per share

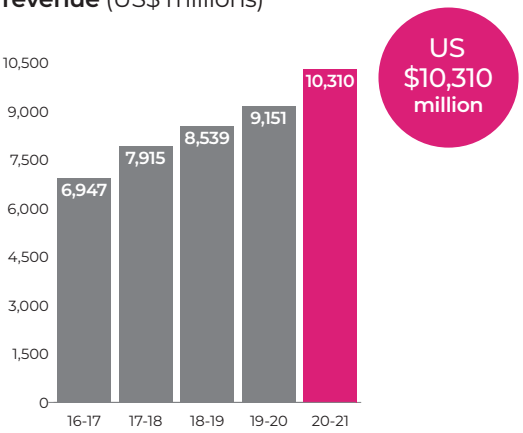
CSL Earnings
per share (US$)



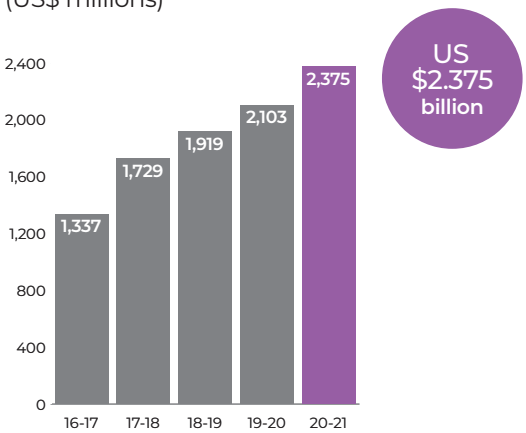
CSL R&D Investment
(US$ millions)



CSL Total operating revenue (US$ millions)



CSL Net profit
(US$ millions)



* For shareholders with an Australian registered address, the final dividend of US$1.18 per share (approximately A$1.61) will be franked to 10% for Australian tax purposes and paid on 30 September 2021. For shareholders with a New Zealand registered address, the dividend of US$1.18 per share (approximately NZ$1.68) will be paid on 30 September 2021. The exchange rates will be fixed at the record date of 3 September 2021. All other shareholders will be paid in US$. CSL also offers shareholders the opportunity to receive dividend payments in US$ by direct credit to a US bank account.

3 Our Company

CSL is a global biotechnology leader that develops and delivers innovative medicines that save lives, protects public health and helps people with life-threatening medical conditions live full lives.

CSL at a glance

35+
Countries of operations around the world

US$10.3
billion in annual revenue

US$4.1
billion in R&D investments in the last 5 years to advance product pipeline

25,000+
employees around the world

1,700
R&D employees

300+
Plasma collection centres across China, Europe and North America

Our businesses

CSL Behring

CSL Behring is a global leader in developing and delivering high-quality medicines that treat people with rare and serious diseases. Our treatments offer promise for people who are living with conditions in the immunology, haematology, cardiovascular and metabolic, respiratory, and transplant therapeutic areas. CSL Behring drives more than 80% of overall company revenue with markets in more than 100 countries across Asia Pacific, Europe, Latin America and North America.

Seqirus

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

Seqirus operates state-of-the-art production facilities in the United States (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 research and development (R&D) capabilities, a broad and differentiated product portfolio and commercial operations in more than 20 countries.

COVID-19: Our efforts

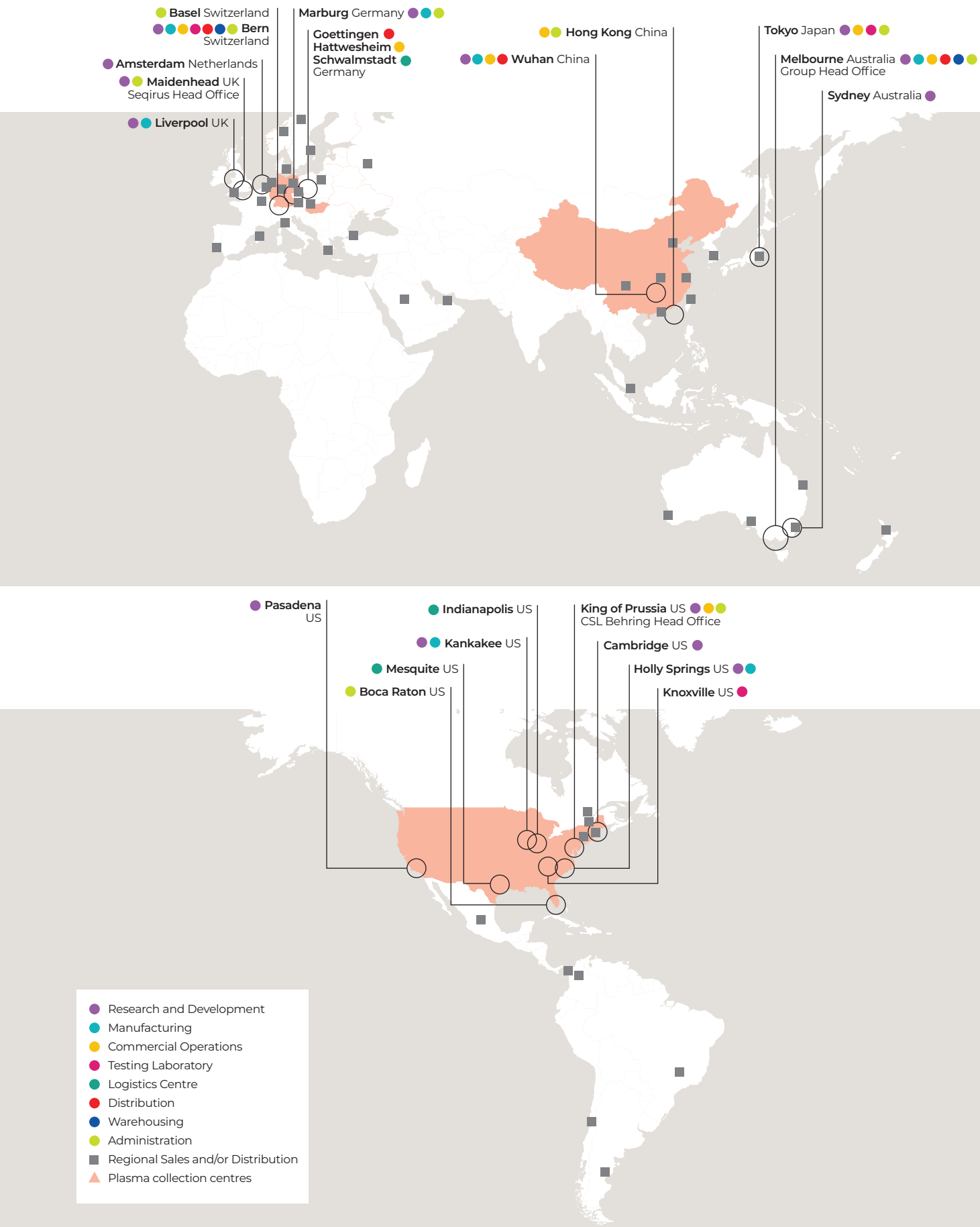
Despite the constantly challenging environment the pandemic has presented, and the potential for business continuity distraction, CSL not only remained focussed on delivering its promise to patients in the therapeutic areas, but took on extra commitments to protect public health through a number of initiatives and collaboration.

CSL has remained agile to stay ahead of the pandemic challenges and redirected resources to where it could add the most value to address the pandemic challenges. From the time the coronavirus was first identified in Wuhan, China – where CSL Behring has a manufacturing facility – the company has been assisting in the fight against COVID-19 in a number of ways, including offering expertise, resources, technologies, equipment and materials on a humanitarian basis. As the challenges grow and evolve from the pandemic, we continue to respond. However, it is difficult to quantify the exact impact on the business. We do know the pandemic is ongoing and will continue to influence how CSL manages its operations.

We are proud to share our efforts for FY21 as they relate to COVID-19:

- In 2020, CSL worked with the University of Queensland in the early stages of its UQ-CSL v451 COVID-19 vaccine candidate. A Phase I clinical trial showed that the vaccine elicited a robust response towards the virus and had a strong safety profile. However, following consultation with the Australian Government, CSL did not progress the vaccine candidate to Phase II or Phase III clinical trials due to the partial immune response causing an unexpected interference with certain HIV testing procedures. It was agreed the changes required to well-established HIV testing procedures in the healthcare setting, to accommodate the rollout of this vaccine, were too significant in the given timeframe.
- CSL rapidly established dedicated COVID-19 vaccine teams across its business units and transitioned elements of its Australian manufacturing capacity, at both our CSL Behring Broadmeadows and Seqirus Parkville facilities, to manufacture 50 million doses of AstraZeneca's COVID-19 vaccine for local use. First doses were rolled out in March 2021 with over 10 million doses released at the end of June 2021.
- Seqirus has provided its well-established adjuvant technology – MF59® – to the vaccine efforts of multiple entities, including the University of Queensland vaccine development program. MF59® is used in CSL's adjuvanted seasonal flu vaccine for the over-65 age group, one of the most vulnerable populations to COVID-19. Adjuvants can help improve immune response and reduce the amount of antigen needed for each vaccine, enabling more doses to be manufactured more rapidly. In parallel, Seqirus remains focused on the production of seasonal influenza vaccines, the importance of which is very much underscored by the COVID-19 pandemic.
- CSL Behring launched a clinical trial into the use of garadacimab (CSL312), our factor XIIa antagonist monoclonal antibody, to treat patients suffering from severe respiratory distress, a leading cause of death in patients with COVID-19–related pneumonia. A Phase II trial to assess the safety and efficacy of the potential treatment was rapidly completed; and whilst garadacimab was found to be safe for these critically ill patients, the treatment was not effective in reducing severe complications of COVID-19.
- CSL is evaluating additional assets in its portfolio, and partnerships with external researchers, for potential use in the fight against COVID-19. Our acumen and expertise across vaccine, monoclonal antibody, recombinant and plasma technology platforms, our manufacturing capabilities and partnerships, along with a therapeutic focus in immunology and respiratory, all align with the scope of this disease and, most importantly, our ability to contribute to the development of potential vaccines and treatments.
- CSL Behring co-founded the CoVIg-19 Plasma Alliance, an unprecedented industry of 11 plasma companies across 13+ countries and five continents, to develop a potential plasma-derived hyperimmune therapy for treating COVID-19. The one-year collaboration concluded in April 2021 after a Phase III clinical trial of the potential therapy did not meet its endpoints. In addition, CSL's work on an Australian hyperimmune, which was dependent on positive data, has also been discontinued.

Our locations



Our product portfolio

CSL Behring

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

CSL Behring's therapeutic areas

Immunology
Our world leading immunoglobulin franchise is the cornerstone of the immunology therapeutic area.

Key CSL products in market include: PRIVIGEN®, HIZENTRA®, BERINERT®, HAEGARDA® and a range of Hyperimmunes.

Haematology
We are focussed on maximising the value and performance of our existing coagulation portfolio, developing new therapies, and identifying transformational treatments to increase quality of life and help patients realise a life full of potential.

Key CSL products in market include: IDELVION®, AFSTYLA®, HUMATE P®/HAEMATE P®, BERIPLEX®/KCENTRA®, VONCENTO®/BIOSTATE® and Albumin.

Cardiovascular and metabolic
We are focussed on improving and extending the lives of patients with cardiovascular disease (CVD) and diabetes.

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

Key CSL products in market include: ZEMAIRA®/RESPREEZA®.

Transplant
While advances in transplantation techniques and therapies have markedly improved short-term patient survival, transplant rejection remains one of the greatest limitations to long-term graft and patient survival for both solid organ and haematopoietic stem cell transplant recipients.

Seqirus

Our broad range of influenza vaccines meets the needs of different populations around the world. 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.

Influenza Vaccines
Egg-based and cell-based products, seasonal, pre-pandemic and pandemic influenza vaccines.

Products of National Significance
Q fever vaccine and antivenoms for venomous creatures in Australia and other Pacific countries.

In-licensed Vaccines and Pharmaceuticals
For Australia and New Zealand.

More on CSL.com (Expertise)

* Limited assurance by Ernst & Young

Our research and development pipeline

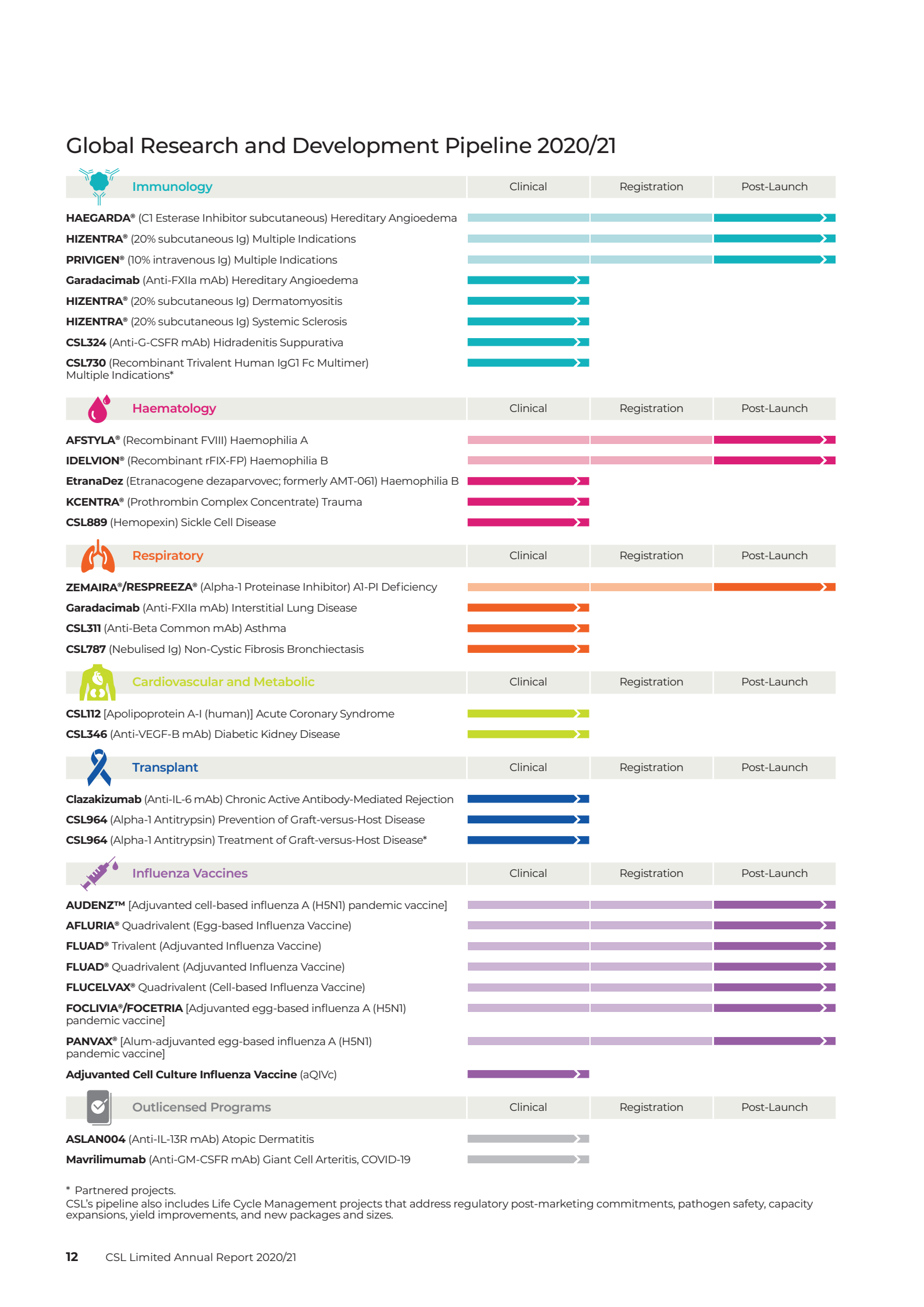
CSL's world-class R&D organisation continues to evolve as a biotechnology leader by advancing high-quality science and technology through our own high-calibre scientists and innovative collaborations. R&D utilises its expertise in four strategic platforms – plasma fractionation; recombinant protein technology; cell and gene therapy; and cell-based and egg-based vaccines. This ensures CSL can develop and deliver innovative medicines and vaccines that address unmet medical needs, help prevent infectious disease and protect public health, and help patients lead full lives. CSL's strong R&D pipeline includes new treatments that utilise these platforms and align with its leading-edge scientific technology and commercial capabilities across our six therapeutic areas: immunology; haematology; cardiovascular and metabolic; respiratory; transplant; and influenza.

In 2020/21 CSL invested US$1 billion* in R&D across our businesses, which is around 10-11% of our annual revenue.

Looking towards 2030, R&D continues to strive to deliver on the current portfolio of medicines and vaccines and build a full and innovative pipeline that will make a meaningful difference to the lives of patients with rare and serious diseases. This pipeline will also assist with planning future revenue well into the following decades.

10-11%
of revenue on R&D

Global Research and Development Pipeline 2020/21



* Partnered projects.
CSL's pipeline also includes Life Cycle Management projects that address regulatory post-marketing commitments, pathogen safety, capacity expansions, yield improvements, and new packages and sizes.

Driven by Our Promise™

Early stage research & collaboration

Product development & clinical trials

Our research & development hubs around the world are where innovation begins for patients like Emma. The scientific work here, and our clinical trial work, uncovers potential new treatments for patients living with rare and serious conditions.

4 Our Strategy and Performance

We are continually investigating new ways to bring lifesaving therapies to patients across the globe. We are also expanding production to meet future expected demand. The current decade will bring advancements in medicine and technology as part of a continued evolution of biotechnology. It is an evolution that we are excited to be a part of and our 2030 strategy is developed with this evolution at its heart.

CSL's 2030 strategy was developed to maximise our capabilities and advantages in a competitive and changing world. Historically and to this day, we have the most efficient supply chain from collections through to finished product for plasma-derived protein therapeutics, a business that has grown sustainably in recent years and does not face patent cliffs. Our differentiated cell-based influenza products offer communities improved protection against seasonal influenza and our extensive experience in rare disease allows us to focus on patients in our core therapeutic areas, delivering next generation innovative products across multiple platforms.

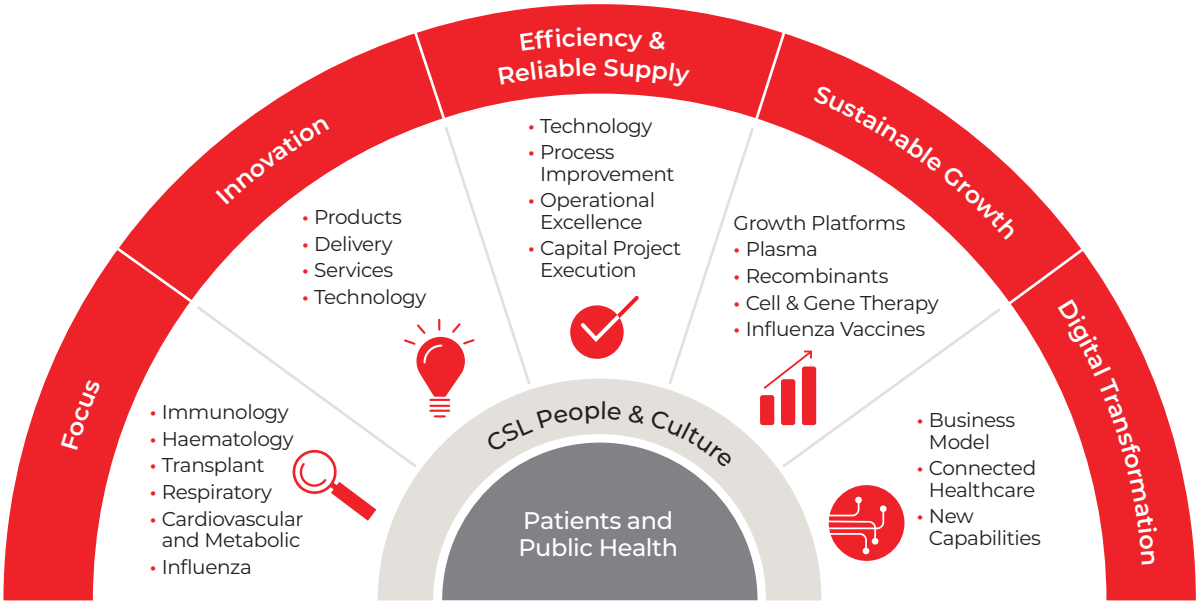
Plasma collections have been adversely impacted over the last year by the COVID-19 pandemic as communities respond to shelter-in-place orders, extended lockdowns, multiple stimulus initiatives and other government actions. In response to these challenging conditions, we have implemented multiple initiatives and we are starting to see a recovery in plasma collections.

CSL's core plasma products are effective in treating chronic disease and we are confident that COVID-19 has not impacted demand for these lifesaving products. We expect to return to our growth trajectory in the coming years.

Demand for influenza vaccine products has never been higher. We delivered a record number of doses worldwide last year amid heightened vigilance due to COVID. We expect this to continue in the coming years as the awareness of the burden of infectious disease grows. We are committed to the public health of Australia, having worked with partners in industry and government to supply 50 million doses of AstraZeneca COVID-19 vaccine to communities across the nation.

We believe the 2030 strategy is resilient in the face of the challenges today and will make us stronger. Our efforts over the last year have focused on maintaining our leadership position and preparing for strong growth when market forces become favourable.

Our 2030 strategy



Our **Focus** is on patients in our core therapeutic areas: immunology, haematology, cardiovascular and metabolic, respiratory, transplant, and influenza. We continue our leadership in areas such as immunology and haematology by serving patients and taking the lead with exciting new product candidates such as EntranaDez, a novel gene therapy that can transform the lives of patients with haemophilia B. Our future growth lies in the development of new treatments in the cardiovascular and metabolic, respiratory and transplant therapeutic areas.

Innovation is critical for CSL, as we look to find better ways to serve our patients and public health. This year, we reported excellent data from garadacimab (CSL312), our next generation treatment for patients suffering from HAE, which reduced the number of attacks by at least 88.68% versus placebo in a Phase II clinical trial. Our differentiated influenza vaccine products offer options for a range of at-risk populations and we are investigating the use of self-amplifying mRNA technology to develop the potential next generation of influenza vaccines. We also know that both internal and external ideas are key drivers of innovation and, in addition to a number of existing partnerships, have launched the Research Acceleration Initiative to co-innovate with leading academic groups.

Efficiency and Reliable Supply continues to be the core of our business. Over the last year, CSL has faced some of its most challenging times and has worked tirelessly to ensure supply for plasma products and deliver vaccines to the public. A new donor app was deployed that allows donors to check in online, saving time at the centre. Marketing has been increased to bring awareness of the critical need by patients for plasma. We are planning for the future continuing to invest in new centres that will allow us to recover quickly. We are also working with Terumo, a Japanese medical equipment and technology company, on a new plasma collection machine to enhance the donor experience and accelerate our plasma collection business. We continue to invest in influenza vaccines and have announced plans to build new capacity for our leading cell-based vaccine products.

We are committed to **Sustainable Growth** for all stakeholders. The value proposition of our products is high. In support of this commitment, we opened 25 new plasma collection centres in 2020/21. In addition to this, CSL has transitioned to the Good Supply Practice (GSP) licence in China, allowing us to serve patients in that important market more effectively. We believe there is continued strong growth ahead for the plasma business once the impacts of COVID-19 on the plasma supply chain have passed.

We have taken a step forward with the appointment of our new Chief Digital and Information Officer to accelerate **Digital Transformation**, from optimising the organisation to identifying key strategic areas of investment to accelerate our ambitious 2030 goals. CSL has plans to increase efficiency, enhance innovation and unlock value across our operations by designing fit-for-purpose digital architecture frameworks and applying digital learnings across the enterprise.

CSL's employees, our people and culture, are at the centre of our strategy. Our values guide us in what we do. Our success depends on our people feeling they belong (inclusion) and experiencing fair treatment and access to opportunities (equity). We are committed to building a more diverse workforce, fostering a culture of inclusion and partnering with organisations and suppliers who share our values and our passion for diversity, equity and inclusion (DE&I). Our commitment to DE&I extends to joining with the non-profit Center for Information and Study on Clinical Research Participation as part of a consortium to bring diversity to clinical trial participation.

Over the last 18 months, we have consulted widely to develop our sustainability strategy, which was endorsed by the CSL's Board of Directors in June 2021. Our sustainability vision is for a healthier world and a sustainable future for our employees, communities, patients and donors, inspired by innovative science and a values-driven culture.

To deliver on this vision and further support the execution of our 2030 strategy, we have identified three key strategic pillars: social, environment and sustainable workforce. We have prioritised a number of focus areas for each pillar and a series of actions that largely seek to validate data sets and develop robust baselines that will position us to set 2030 targets within the next two years.

A focus on plasma donor health, wellbeing and community, and strengthening societal health through access to our therapies are key tenets of our 'social' pillar that will drive our performance for patients and public health. For 'environment', we know that the responsible management and efficient use of natural resources is key to sustainable growth and our ability to enable efficient and reliable supply of our products. For 'sustainable workforce', we must provide a safe and rewarding workplace that embraces and drives diversity and provides opportunities for employees to directly support the health and wellbeing of our communities. Our people are excited and motivated by our vision, and our plan provides the basis for CSL to continue to deliver on its purpose.

These contributions are the first step in our 2030 strategy. While short-term challenges are expected, we believe that demand for our core products remains strong and that our 2030 strategy positions us for success to 2030 and beyond.

How we create value

CSL's ultimate goal is to deliver value through fulfilling unmet patient needs and protecting public health. With patients and public health at the core of our focus, we also strive to deliver sustainable financial growth for our shareholders and other stakeholders who rely on our operations for economic and social prosperity.

What we draw on

Unmet need
Opportunities to improve and protect the quality of life of patients in therapy areas we treat.

Natural resources
Includes: plasma donations for rare and serious diseases; influenza virus strains for product manufacture; and environmental inputs such as water and energy.

Physical assets
Plasma centres to collect raw material, manufacturing facilities for our products, warehouses, offices for our people and laboratories for our scientists.

Our people
25,000+ people with diverse skills that are driven by our purpose and values.

Financial resources
Cash, equity and debt for future growth.

Collaborators and business partners
Accessing and sharing intellectual know how to develop and innovate our products.

Value we create

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

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

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

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

We achieve value creation through high-quality, focused innovation capabilities, operational excellence and global commercial strength. At the origins of our value chain, plasma donors fuel our pipeline, while partners and collaborators support innovation and portfolio diversification. Employees enable value creation by driving our performance to deliver against our strategy and our promise.

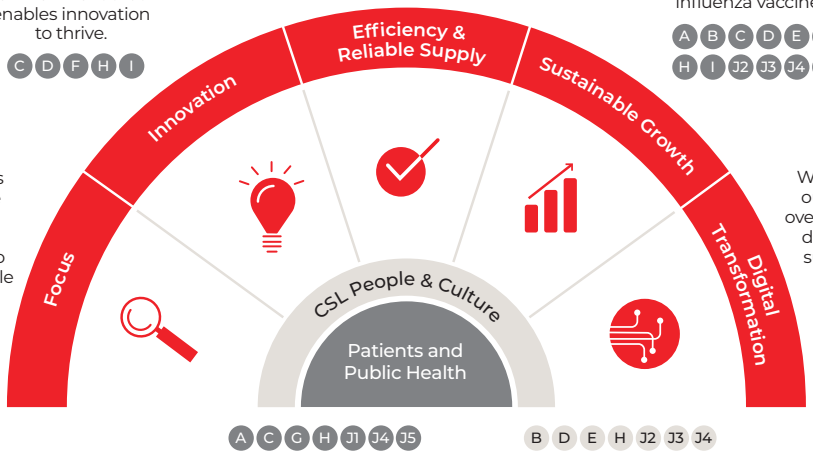
Our strategy

We are creating an environment that enables innovation to thrive.
C D F H I

We are investing in capacity ahead of projected demand and in technology and process improvements to ensure that we can supply the needs of our patients.
D F H I

Our growth platforms include plasma, recombinants, cell and gene therapy, and influenza vaccines.
A B C D E G H I J2 J3 J4 J5

We target areas where we have strong assets, expertise and opportunities to create sustainable franchises.
A C G J5



We are transforming our business model over the next decade to drive efficiency and support innovation throughout our business.
B H J2

A C G H J1 J4 J5 B D E H J2 J3 J4

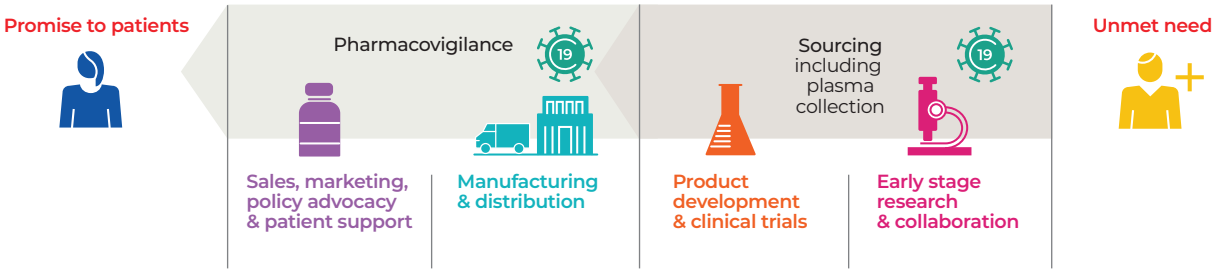
Our sustainability strategic pillars

Environment | Social | Sustainable Workforce

Priority sustainability topics *

- A Product safety and quality
- B Talent recruitment, development and retention
- C Access to healthcare
- D Environment – resource consumption and environmental protection
- E Employee health and safety
- F Innovation/R&D
- G Communities we operate in
- H Corporate governance
- I Climate change risk
- J1 Social investment
- J2 Diversity and inclusion
- J3 Human rights/labour practices
- J4 Integrity
- J5 Plasma donors

Our value chain



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

19 Indicates where across our value chain our resources and assets have supported efforts to address COVID-19 pandemic.

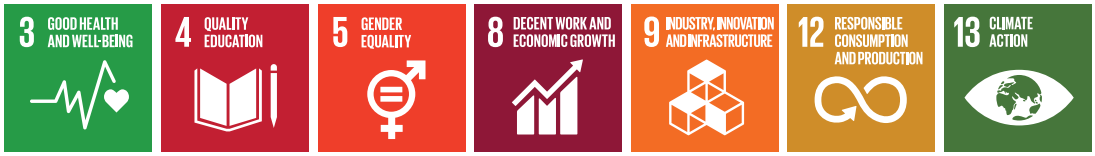
* For more detail on our material topics visit CSL.com (Our Company > Corporate Responsibility > Approach > Material topics). Topics J1 to J5 are equally ranked. CSL's biennial sustainability materiality assessment, conducted in 2019/20, has received limited assurance by Ernst & Young.

United Nations sustainable development goals

CSL continues to be guided by the General Assembly of the United Nations (UN) 2030 Agenda for Sustainable Development, which includes 17 Sustainable Development Goals (SDGs). The goals seek to address global challenges, including those related to health and wellbeing, education, poverty, inequality, climate change, peace and justice. For CSL, these goals have guided the development of our sustainability strategy, with seven being identified as goals where performance against our 2030 Strategy, including our sustainability strategy, can positively impact their achievement.

CSL's identified UN Sustainable Development Goals

For more information on how CSL supports the UN Sustainable Development Goals **visit CSL.com (Our Company > Corporate Responsibility > Approach).**



Reported results

CSL announced a net profit after tax of US$2.375 billion for the 12 months ending 30 June 2021, up 13% when compared to the prior comparable period. Net profit after tax at constant currency[1] grew 10%.

Sales revenue was US$9,980 million, up 10%[1] when compared to the prior comparable period.

Expense performance

- Research and development expenses were US$1,001 million, up 5%[1] when compared to the prior comparable period
- Selling and marketing expenses were US$980 million, an increase of 7%[1]
- General and administrative expenses were US$732 million, an increase of 5%[1]
- Depreciation, amortisation and impairment expense was US$590 million, up 38%[1]
- Net finance costs were US$167 million, up 7%[1]

Financial position

- Capital expenditure (including license agreements) was US$1,667 million, up 22% when compared to the prior comparable period.
- Cashflow from operations was US$3,622 million, up 46%
- CSL's balance sheet is in a strong position with net assets of US$8,381 million
- Current assets increased by 15% to US$7,390 million
- Non-current assets increased by 17% to US$10,767 million
- Current liabilities increased by 45% to US$3,104 million
- Non-current liabilities decreased by 4% to $6,672 million

Our Operating Review

CSL Behring

Total revenue was US$8,574 million, up 6%[1] when compared to the prior comparable period.

Immunoglobulin (Ig) product sales of US$4,238 million, up 3%[1] led by HIZENTRA® (Immune Globulin Subcutaneous (Human), 20% Liquid). HIZENTRA® sales grew strongly, up 15%[1], driven by the increased preference and patient benefits of home administration and the continued uptake for the treatment of chronic inflammatory demyelinating polyneuropathy, a debilitating neurological disorder.

The subcutaneous segment continues to be the fastest growing area of the Ig market in which HIZENTRA® continues to build its market leadership position. HIZENTRA® is the only subcutaneous product approved for CIDP in the US.

PRIVIGEN® (Immune Globulin Intravenous (Human), 10% Liquid) declined modestly, impacted by supply constraints and an accelerated patient shift to HIZENTRA®.

Underlying demand for Ig continues to be strong due to significant patient needs in core indications – namely primary immune deficiency, secondary immune deficiency and CIDP.

Specialty product sales of US$1,770 million, up 2%[1] led by demand for HAEGARDA® and KCENTRA®.

HAEGARDA®, a therapy for patients with hereditary angioedema, grew strongly by 14%[1], driven by continued patient growth and a shift from on-demand to prophylaxis treatment. New launches in Europe, Australia and Canada have contributed to the rise in patient numbers.

1 Constant Currency removes the impact of exchange rate movements to facilitate comparability of operational performance for the Group. This is done in three parts: a) by converting the current year net profit of entities in the group that have reporting currencies other than US Dollars, at the rates that were applicable to the prior comparable period (Translation Currency Effect); b) by restating material transactions booked by the group that are impacted by exchange rate movements at the rate that would have applied to the transaction if it had occurred in the prior comparable period (Transaction Currency Effect); and c) by adjusting for current year foreign currency gains and losses (Foreign Currency Effect). The sum of translation currency effect, transaction currency effect and foreign currency effect is the amount by which reported net profit is adjusted to calculate the result at constant currency.

KCENTRA® (4 factor prothrombin complex concentrate) recorded sales growth of 7%[1], a solid result given its demand profile was tempered by the COVID-19 pandemic and the resulting reduction in elective procedures and incidents of trauma.

Growth in the specialty portfolio was offset by lower wound healing product sales in Japan and a decline in ZEMAIRA® (alpha-1 proteinase inhibitor) which experienced supply interruptions at our Kankakee facility in the US.

Haemophilia product sales of US$1,107 million declined 4%[1]. The haemophilia portfolio was impacted by reduced doctor visits and patient consultations arising from reduced social mobility due to the COVID-19 pandemic.

IDELVION®, CSL Behring's novel long-acting recombinant factor IX product, achieved modest growth of 2%[1] and remained the market leader for the treatment of haemophilia B patients.

The haemophilia A market has been competitive resulting in sales declines for AFSTYLA®, a novel recombinant factor VIII product, and plasma-derived products.

Albumin sales of US$1,071 million, up 61%[1]. The company's new distribution model in China has now been fully operational for 12 months with sales reflecting a more normalized level.

Plasma collections, an important raw material, has been adversely impacted by the COVID-19 pandemic.

Plasma collection centres remained operational, however, stay at home orders and extended lockdowns restricted the movement of donors and influenced the company's ability to collect plasma. Consequently, collection volume has reduced and the cost of collection increased, in particular donor compensation.

A number of targeted initiatives have been introduced resulting in an improvement in the volume of plasma collected.

Seqirus

Total revenue of $1,736 million, up 30%[1] driven by strong growth in seasonal influenza vaccines of 41%.

Governments around the world have sought to vaccinate their populations against influenza, thereby easing the burden on health care systems that are already under pressure from COVID-19. This has seen strong demand for influenza vaccines across the industry. In addition, there has been an ongoing shift towards Seqirus' differentiated product portfolio, in particular FLUAD® and FLUCELVAX®.

5 Our Material Risks

CSL operates in a fast paced and constantly evolving environment of science, technology and healthcare. We are exposed to risks inherent in the global biotechnology industry, and in particular the plasma therapies industry. Therefore, we regularly review our group risk profile to proactively identify material business risks and opportunities that could impact our operations. Managing risks includes both the mitigation of disruptive risks and the preparation for seizing opportunities. Our global Enterprise Risk Management Framework is designed to ensure robust risk oversight that is fit-for-purpose for both the operation of our business and to support our strategy and deliver on our commitments to patients and public health.

As part of our enterprise risk management process, the Board and management have identified the key risks that are material to CSL. These material group risks are described below (in no particular order), and explain our approach to managing them in the context of delivering on our 2030 strategy. Key financial risks are set out in Note 11 to the Financial Statements. There are other risks that are inherent in the pharmaceutical and plasma therapies industries, besides those detailed below or in the Financial Statements, that could also adversely affect CSL's business and operations.

Patient safety and product quality

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

We ensure that our processes and procedures meet good pharmacovigilance practice (GPV) and good clinical practice (GCP) standards and that product information is up-to-date and contains all relevant information to assist healthcare practitioners to appropriately prescribe CSL products. For clinical trials, participants are informed and acknowledge awareness of the benefits and risks of participation in the trial through use of Informed Consent Forms approved by regulators.

In terms of ensuring product quality is met through our manufacturing and supply, we adopt and comply with a broad suite of internationally recognised standards (GxP), including good manufacturing practice (GMP), good laboratory practice (GLP) and good distribution practice (GDP). We are frequently inspected by independent regulatory authorities ensuring compliance with these standards, and we also undertake our own GMP quality audits of our third-party suppliers.

Product innovation and competition

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

We strategically review our existing and future product pipeline against market demand and continually evaluate our competitive landscape. A key part of our strategy includes diversity in our product pipeline, and focus on six therapeutic areas (immunology, haematology, respiratory, cardiovascular and metabolic, transplant, and influenza). We incorporate product lifecycle development and management, as well as development of new therapies, in strategies for each therapeutic area. In addition to proprietary research, CSL's competitive approach includes licensing, acquiring or partnering with third parties to remain competitive and advance growth within our chosen therapeutic areas.

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

Supply, capacity and operations

Having a sustainable and reliable supply chain is critical to the success of our 2030 strategy, particularly to achieving consistent and efficient supply. When considering this material risk, we are constantly monitoring the sustainability of collecting and acquiring human plasma. We also monitor the scalability of specialised companies who supply raw materials and bespoke manufacturing equipment to match our business demand and growth objectives.

In our newly opened plasma collection centres, we utilise modern techniques and technologies to facilitate the most efficient donation process in our new plasma collection centres, and we consistently update our existing plasma collection centres to seek to provide a comfortable and safe donor experience. External sources of plasma may be utilised as needed and available to supplement collections to meet demand.

We endeavour to invest in manufacturing capacity ahead of projected demand to ensure that we can supply the needs of patients. Our operations also accommodate investments in technology and process improvements to enhance efficiency and reduce costs. This includes improving immunoglobulin protein yield from each litre of plasma and pursuing the development of new plasma-derived proteins for therapeutic use to further improve the economic value of each litre of plasma. CSL also seeks to develop non-plasma alternative therapies to supplement patient needs.

Our end-to-end operations network strategy continually evaluates short-, mid-, and long-term needs to inform decisions on capital and operational expenditures to ensure a resilient, reliable and sustainable supply chain. We continually examine and prioritise our operational effectiveness efforts, capital plans, inventory targets, supply chain visibility and regulatory strategies to enhance the positions of our products from a business continuity and supply chain resilience standpoint.

Market access

Policymaking around market access is a multi-stakeholder engagement process, which includes governments, payers/insurers, patient advocacy groups, medical societies, and non-governmental organisations. We recognise that if we are not successful in maintaining an economic and reliable supply of our therapies for our stakeholders, it may adversely affect our ability to execute our strategy and to deliver sustainable growth. In particular, we recognise that macroeconomic pressures on pricing and payers (including barrier taxes) may impair access, growth and new market entries. We work closely with stakeholders in all markets and continually seek to ensure pricing of our therapies remains competitive in all markets. By striving to innovate in our product portfolio, we can also expand our access to competitive markets.

People and culture

Our people and our ability to maintain our desired culture are integral to operating at the standards expected by our stakeholders and community. We have a number of programs and policies in place to ensure that our Values underlie how we do things and guide our work, including our CSL Speak Up Policy and our Code of Responsible Business Practice (CRBP).

We also recognise the need to have the right people in the right roles in order to execute our 2030 strategy. To attract, develop and retain skilled and talented people in a globally competitive environment, we frequently benchmark ourselves against the markets in which we operate to ensure we offer total rewards that are comparable to our peers and competitors.

In addition to this, we recognise the evolution of our workforce environment. We constantly challenge ourselves to create a work dynamic that ensures our people can focus on meaningful, valuable work. We have recently implemented the Promising Futures initiative, which emphasises digitalisation and automation, development and re-skilling, collaboration and connectivity and customised rewards for attracting next-generation talent.

Privacy and cybersecurity

Maintaining privacy and security of all data including our patients, plasma donors, employees and company data is critical and at the forefront of all that we do. We continue to see a growing trend in cyberthreats against individuals and companies. The nature of these cyberattacks are constantly evolving and can include sophisticated phishing scams and attacks on critical infrastructure. The privacy and security of our patient, donor, employee and any other corporate information may be compromised by breaches of our IT security and unauthorised or inadvertent release of information through human error or espionage.

CSL continuously monitors and assesses its cybersecurity threats. We have implemented robust and externally tested security controls for our information technology (IT) systems, data centre infrastructure, and data sets based on our understanding of known threats and best practice industry knowledge. We also provide educational updates and training so that our people can recognise and properly respond to a cyberattack or report a privacy breach.

Further detail about our risk enterprise management framework and how we manage our business risks is provided in our 2021 Corporate Governance Statement available on CSL.com (Our Company > Corporate Governance).

6 Our Future Prospects

The fundamentals of CSL's business have never been stronger and the diversity of the pipeline is robust. CSL is well positioned to build on its track record of sustainable growth for many years to come.

Our purpose to serve our patients and deliver on innovative products still holds true. As CSL looks to the years ahead, the 2030 strategy is well designed to continue creating value to shareholders and our patients.

We are expanding markets and indications for our existing products as well as investing in several exciting projects in each of our six therapeutic areas. These include (but are not limited to):

- Immunology – The launch of PRIVIGEN® for the treatment of chronic inflammatory demyelinating polyneuropathy in Japan and enrolment of the first patient in two Phase III studies for garadacimab for the treatment of hereditary angioedema.
- Haematology – EtranaDez has the potential to be the first-ever gene therapy for haemophilia and builds on our commitment to complement our existing factor IX assets and provides an exciting opportunity to profoundly transform the treatment of haemophilia B patients.
- Cardiovascular and Metabolic – The Phase III trial for CSL112 continues to progress well and has successfully completed the first and second futility analyses. If successful, this will be the first therapy to demonstrate cardiovascular risk reduction through the novel apoA-I mechanism and will transform how acute myocardial infarction patients at high-risk of recurrent cardiovascular events are treated.
- Influenza Vaccines – The Phase II study for our adjuvanted quadrivalent cell vaccine has commenced. A pre-clinical assessment of self-amplifying mRNA technology for influenza has been undertaken and a Phase I study will be starting in 2022.

Demand for CSL Behring's core plasma products is expected to remain robust.

Plasma collection is expected to continue to improve as a result of the implementation of multiple initiatives combined with the global rollout of COVID-19 vaccines, leading to greater social mobility and more normalised conditions.

Demand for Seqirus' influenza vaccines remains strong, supported by its high value differentiated product portfolio.

The pressure on group gross margin is anticipated to continue in the short term following the increase in plasma collection costs; this is expected to continue to be partially offset by a modest margin expansion in Seqirus.

Our focus on extending and improving the lives of patients with rare and serious diseases has not wavered through the COVID-19 pandemic. Our research and development pipeline and product portfolio have advanced considerably and will continue to evolve. We will continue to broaden the geography and use of our medicines for rare and specialty diseases across the globe within all of our therapeutic areas and platforms.

More information in relation to our outlook is provided in our full year investor briefing presentation, and further information on the factors that could affect our outlook is provided in Our Material Risks.

Business strategies, prospects and likely developments

This OFR sets out information on CSL's business strategies and prospects for future financial years, and refers to likely developments in CSL's operations and the expected results of those operations in future financial years. Information in the OFR is provided to enable shareholders to make an informed assessment of the business strategies and prospects for future financial years of the CSL Group.

Certain information is excluded from the OFR (which forms part of the Directors' Report) on the basis that such information relates to impending developments or matters in the course of negotiation and disclosure would be unreasonably prejudicial to the interests of CSL. Reasons that could be considered unreasonably prejudicial to the interests of CSL include: providing information that is misleading due to the fact it is premature or preliminary in nature, relates to commercially sensitive contracts, would undermine the confidentiality between CSL and contract counterparties, or would otherwise unreasonably damage CSL. The categories of information omitted include forward looking estimates and projections prepared for internal management purposes, information which is developing and susceptible to change and information relating to commercial contracts and pricing.

Driven by Our Promise™

Manufacturing & distribution

Our six manufacturing hubs on four continents are part of an agile and responsive supply chain. CSL's enterprise-level mindset ensures quality and safety throughout the entire product lifecycle. It's a key reason why patients like Cheryl trust us as a reliable partner in their care.

7 Powered by Innovation

'Great science leads to great medicines. Great medicines don't just happen by themselves.'

Dr Andrew Nash, Chief Scientific Officer and Senior Vice President, Head of Research

Science has always been at the forefront of pioneering medical innovation. Where medical researchers in the past have unassumingly endeavoured to advance the next theory, to uncover the next breakthrough, and to bring life-changing medicines to people who need them, they are now doing so under close global attention as a result of the COVID-19 pandemic – and they are delivering.

Innovative science and discovery form the core of our R&D efforts and approach to drug development. What stands CSL in good stead is our quantitative approach to understanding the nature and biology of a disease at a molecular and cellular level.

Over the past year, whilst navigating the complex nature of a pandemic-ravaged world, CSL's world-class scientists have demonstrated an ability and agility to respond quickly and innovatively to the ever-changing social, economic and healthcare challenges brought on by the COVID-19 pandemic. Our focus remains the same: to deliver on our promise to patients by ensuring that high-quality science translates through to the discovery and development of new life-changing medicines for those who need them.

CSL's philosophy of global collaboration underpins our presence within research hubs and precincts around the world. Strong global research networks and collaborations are an integral part of our global R&D business as they provide valuable opportunities for our scientists to interact, discover and innovate with external partners. We continue to identify and expand our network of collaborators, both academic and industry-based, to enrich external innovation and thinking.

Expanding our R&D footprint

CSL continues to advance its global programs and teams and expand its R&D footprint. CSL has:

- access to worldwide, leading innovation that leverages knowledge from CSL employees as well as from research and medical institutions/alliances local to CSL's R&D centres;
- 1,700 scientists in nine countries, working in integrated teams; and
- R&D centres located in leading biomedical locations including in Melbourne, Australia; Bern, Switzerland; Marburg, Germany; Pasadena, California, US; King of Prussia, Pennsylvania, US; Amsterdam, Netherlands; and Cambridge, Massachusetts, US.

One of the benefits of having a collaborative global R&D organisation with R&D centres strategically situated in close proximity to world-class universities, institutes and biomedical precincts, is that it allows us to efficiently access external global talent and foster global innovation.

The following are some notable examples of our investment in our strategic growth over the last 12 months.

- Construction of CSL's new global headquarters in the Parkville Biomedical Precinct in Melbourne, Australia commenced in July 2020. Construction is expected to be complete toward the end of 2022 with occupation of the new building planned for early 2023. The facility will house around 800 employees, including product development teams from both CSL and Seqirus R&D, and include leading-edge laboratories along with space for external collaborators, innovators and start-ups. The facility is just 500m from the Bio21 Institute, where CSL's early stage research team has been based for over 10 years, and will further enable collaboration with other researchers in this multidisciplinary biomedical precinct.
- The new R&D campus, in Marburg, Germany will open its doors mid-2022 and will be the new home for CSL Behring R&D employees as well as academic partners and collaborators.

In early 2021, CSL signed a lease to expand operations at CSL Behring's R&D facility in Pasadena, California, US and add a dedicated office and laboratory facilities for cell manufacturing product development.

Construction of the new R&D campus in Marburg, Germany commenced in November 2019 and since then over 60,000m^2 of earth have been removed, over 3,630kg of steel used, 31,000,000L of concrete poured and over 450,000m of cabling installed.

Our therapeutic areas

Therapeutic Areas	Immunology	Haematology	Respiratory	Cardiovascular and Metabolic	Transplant	Influenza Vaccines (Seasonal, Pandemic)

Platform	Plasma Fractionation	Recombinant Technology	Cell and Gene Therapy	Adjuvanted: Cell-based, Egg-based

Immunology

Our efforts in this area focus on providing trusted products and technologies to serve patients with a range of serious immunologic and neurologic diseases, including primary and secondary immunodeficiencies (PID and SID) and chronic inflammatory demyelinating polyneuropathy (CIDP). We are optimising patient experience and convenience through more flexible ways to dose and administer our existing intravenous and subcutaneous plasma-derived products. We are also progressing key recombinant assets in early development such as our anti-G-CSFR monoclonal antibody, CSL324, in neutrophilic dermatoses. We continue to build on our strong 40-year legacy in hereditary angioedema (HAE) as we look to expand on our current medicines to provide optimal treatments for the full range of HAE patients, including our recombinant monoclonal antibody, garadacimab, which is currently in Phase III development.

Haematology

CSL remains focused on easing the burden of disease and improving the lives of patients with rare bleeding disorders. We have made major advances in haemophilia A and B in recent years with the launch of our novel recombinant coagulation factor medicines and through the acquisition of exclusive global licence rights to commercialise etranacogene dezaparvovec, uniQure's AAV5 (adeno-associated virus) gene therapy for the treatment of haemophilia B. Additionally, we are undertaking exciting research and development efforts to explore new indications in haematology as well as novel therapeutics in haemostasis and thrombosis. This includes planning for an important global Phase III study to evaluate the early administration of KCENTRA® (4-factor prothrombin complex concentrate) on survival in trauma patients suffering life-threatening bleeding.

Cardiovascular and Metabolic

The cardiovascular and metabolic therapeutic area is focused on improving and extending the lives of patients with cardiovascular disease (CVD) and diabetes. CSL112, apolipoprotein A-I (human), is being developed to reduce the risk of recurrent cardiovascular events during the 90-day high-risk period following a heart attack, the period when the majority of first year recurrent cardiovascular events occur. If successful, CSL112 will be the first therapy to demonstrate cardiovascular risk reduction through the novel apoA-I mechanism and will transform how acute myocardial infarction patients at high-risk of recurrent cardiovascular events are treated. Beyond CVD, type 2 diabetes is one of the fastest growing chronic diseases. Our innovative anti-VEGF-B monoclonal antibody therapy, CSL346, is being studied to augment the current standard of care to decrease the progression of diabetic kidney disease, a frequent long-term diabetic complication.

Respiratory

In addition to our existing product ZEMAIRA®/RESPREEZA® for patients with alpha-1 antitrypsin deficiency, CSL is investigating new clinical treatments for respiratory diseases using novel recombinant monoclonal antibodies and plasma-derived therapies to address this need. CSL311, our anti-beta common monoclonal antibody, will be investigated for the treatment of severe uncontrolled asthma and severe chronic obstructive pulmonary disease (COPD). In idiopathic pulmonary fibrosis (IPF), a severe debilitating disease, we are planning to start a clinical development program with garadacimab, the first of our compounds being explored in this disease area. Our plasma-derived immunoglobulin, CSL787, will be investigated in bronchiectasis and severe COPD patients.

Transplant

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

Influenza Vaccines

Developing new and better influenza vaccines across all age groups in expanded markets is a strategic priority for Seqirus, including further advancing our cell-based technology and our MF59® adjuvant and developing our self-amplifying messenger RNA (sa-mRNA) technology, to enhance the immune response of those particularly vulnerable to influenza such as children and older adults.

Strategic acquisitions to expand our therapeutic areas

EtranaDez – a novel therapy for a rare disease

CSL's focus remains on extending and improving the lives of patients with rare and serious diseases. Our R&D and in-market product portfolios have advanced and changed considerably over the past few years and look very different from the last decade. We continue to search for new and exciting opportunities that allow us to address previously unmet patient needs and improve the quality of patients' lives. Through the years, we have kept our promise to patients with haemophilia B to be leaders of innovation to ease the burden of treatment and ultimately help patients realise a life full of potential.

Haemophilia B is a rare life-threatening degenerative disease that results from the congenital absence or deficiency of normally functioning blood clotting factor IX protein, which prevents excessive bleeding. The deficiency of factor IX activity leaves people with haemophilia B particularly vulnerable to bleeds in their muscles, internal organs and joints, leading to pain, swelling and joint damage. Current treatment includes life-long prophylactic infusions of factor IX to temporarily replace or supplement low levels of the blood-clotting factor and missing an infusion may increase their likelihood of a life-threatening bleed or even premature death. For decades, CSL Behring's plasma-derived clotting factor products have offered haemophilia patients effective therapy to achieve haemostasis. The launch of IDELVION® in 2016 advanced the company's commitment to the haemophilia B community by the generation of a bioengineered extended-activity factor IX product for prophylactic infusion that achieves a zero median annualised spontaneous and joint bleeding rate. The initiation of prophylactic factor replacement from early childhood to prevent musculoskeletal bleeding has been shown to be essential to maintaining normal joint function into adulthood. Today, IDELVION® is the number one, globally prescribed factor IX product for the prophylactic treatment of haemophilia B.

'Haemophilia B patients live with the knowledge that they are at constant risk of bleeds, and that every bleed can mean that tissue or joints are irreparably damaged. Imagine what it might mean to be freed from that fear, secure in the knowledge that your self-generated factor IX levels will be high enough to protect you today, tomorrow and every day, ideally for years to come. This is the essence of great science bringing hope to patients.'

Dr William Mezzanotte
Executive Vice President, Head of Research & Development & Chief Medical Officer

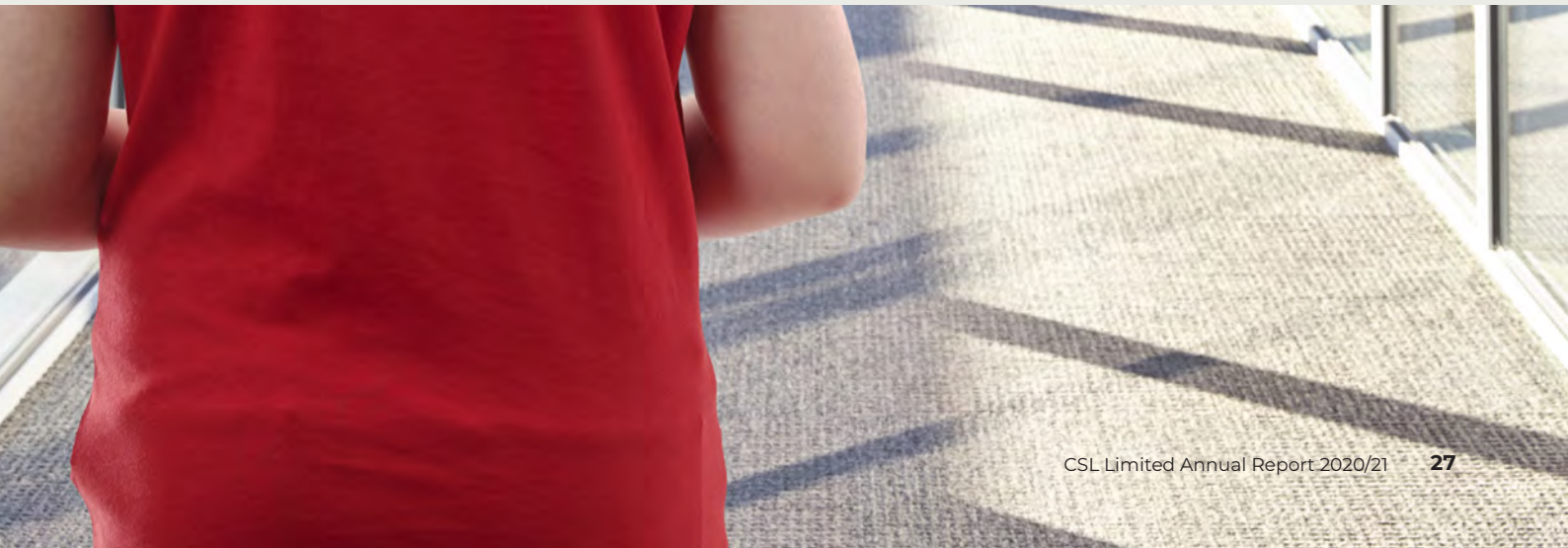
In May 2021, CSL closed its Commercialization and License Agreement with uniQure, a leading gene therapy company, for EtranaDez (etranacogene dezaparvovec; formerly AMT-061). EtranaDez is an adeno-associated virus vector serotype 5-based (AAV5) gene therapy for adult patients with haemophilia B. The vector is engineered to direct the recipient's liver cells to produce and release a variant of naturally occurring factor IX, designated FIX-Padua, into the bloodstream. EtranaDez is currently in Phase III clinical trials and has been shown to result in functional levels of factor IX. If approved, EtranaDez has the potential to be the first-ever gene therapy for haemophilia and will deliver on CSL's ongoing promise to improving the lives of those living with haemophilia B.

Expanding CSL's expertise in gene therapy demonstrates the company's commitment to innovation, expanding beyond the traditional plasma-derived and recombinant protein therapies consistent with our long-term strategy. The parallel development of both ex vivo and in vivo approaches to the correction of inherited disease provides our R&D clinicians, scientists and researchers an extensive toolkit to be able to match the optimal technology to specific disease challenges. EtranaDez has the potential to be life-changing, offering people with haemophilia B years of functional factor IX levels generated by their own bodies. The acquisition and clinical development of EtranaDez builds on our commitment to complement the company's existing factor IX assets and provides an exciting opportunity to profoundly transform the treatment of haemophilia B.

Driven by Our Promise™

Sales, marketing, policy advocacy & patient support

Patient Focus is one of our Values at CSL. We live up to that value every day through our ongoing commitment to patient organisations serving those with rare and serious conditions, like Leah's. We partner with these organisations to learn more about unmet patient needs and how we can drive innovation to deliver therapies that save and improve lives.



Our strategic scientific platforms

To ensure a robust and diverse innovation pipeline based on a foundation of scientific excellence, CSL has evolved and strengthened its therapeutic area focus. We will continue to use our four strategic scientific platforms of plasma fractionation, recombinant protein technology, cell and gene therapy, and cell-based and egg-based vaccines to support continued innovation and continually refine ways in which products can address unmet medical needs, help prevent infectious disease and protect public health, and help patients lead full lives.

Plasma Fractionation	Plasma is a valuable and natural but limited source of many current and potentially new biological therapies and we rely upon our donors to provide this lifesaving resource. As such, CSL Behring has an obligation to maximise the development and delivery of important products from this vital resource for the benefit of patients. Maximising patient benefit from as much of the donated plasma as possible is a critical area of focus as we strive to be the industry pacesetter.
Recombinant Protein Technology	The capability to develop and manufacture both recombinant proteins and monoclonal antibodies enables efficiency in manufacturing. It also facilitates the ability to manipulate the sequence of naturally occurring proteins to achieve desired therapeutic goals, such as the ability to selectively target specific biological mechanisms, enhanced potency and improved pharmacokinetics, resulting in more effective, highly differentiated medicines with the potential to optimise the route and frequency of delivery.
Cell and Gene Therapy	Cell and gene therapies are highly innovative, next-generation products that, after decades of research and development, are now starting to positively impact the lives of patients with serious diseases. For diseases with few effective therapeutic options, such as certain blood cell cancers, or where successful therapy has required a lifetime of regular symptomatic treatment, such as rare inherited genetic deficiencies, they offer the promise of a long-term cure.
Vaccines	Seqirus is a transcontinental partner in pandemic preparedness and a major contributor to the prevention and control of influenza globally. Our broad range of influenza vaccines – egg-based and cell-based products, seasonal, pre-pandemic and pandemic influenza vaccines – meets the needs of different populations around the world. 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.

Focus on influenza vaccine technologies

The core focus for Seqirus R&D is the development of improved and innovative solutions for global influenza protection. For more than 50 years, influenza vaccines have been manufactured using chicken eggs to grow virus, which is then extracted, inactivated and purified. Seqirus has pioneered the modernisation of influenza vaccine technologies to improve the effectiveness of influenza vaccines, such as the development of FLUCELVAX® QUADRIVALENT, a four-strain vaccine manufactured using state-of-the-art cell technology in our plant in Holly Springs, North Carolina, US. Cell-based manufacturing has a variety of potential advantages, including greater efficiency of production and improved matching of the virus strains included in the vaccine to those recommended by the World Health Organization (WHO).

One of our most important new product development projects is our adjuvanted quadrivalent cell culture influenza vaccine (aQIVc), which combines cell-culture vaccine with MF59® adjuvant and will be targeted for use in older adults and children.

Seqirus has also been researching self-amplifying mRNA for influenza, the next generation of mRNA technology with the potential to prevent influenza more effectively and consistently. When administered, self-amplifying mRNA has the capacity to replicate (or amplify) itself. As a result, far less mRNA may be required in the vaccine formulation to generate equivalent antigen production and an effective immune response. This has been verified in published preclinical studies where lower doses of a self-amplifying mRNA vaccine generate an equivalent or even stronger antibody and cellular immune response compared with current first-generation mRNA vaccines.

Global collaborations for innovation

Our R&D portfolio focuses on innovation in new products, improved products and manufacturing expertise, ensuring our continued growth. In addition, CSL continues to identify and build strategic collaborations that align with our therapeutic areas of focus.

CSL proactively sources promising external projects across the globe to add to our early stage therapeutic areas portfolios. Our strategy for sourcing external innovation consists of six pillars:

1. strategic partnerships with universities, medical research institutes and hospitals around the globe;
2. funding and collaboration initiatives including CSL's annual Research Acceleration Initiative (RAI), which aims to fast-track discovery of innovative biotherapies through partnerships between CSL and global research organisations;
3. venture capital (VC) investment, partnerships and seed-funding organisations;
4. partnerships with biotech companies;
5. participation in global partnering conferences such as BIO, BIO Europe, Biotechgate and AusBiotech; and
6. integration of our research sites within global science and innovation hubs.

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

Influenza remains one of our greatest global health threats. CSL is committed to collaborating with like-minded partners to advance understanding of the human response to influenza and to discover new and innovative vaccine solutions. We have continued our support of an international, non-profit venture, the Human Vaccines Project, dedicated to decoding the immune system to develop a universal influenza vaccine that affords long-lasting protection against seasonal and pandemic influenza across demographics and geography. The project unites leading academic research centres, industry partners, non-profits and governments to address the primary scientific barriers to developing new vaccines and immunotherapies. The project will utilise biomedical and artificial intelligence-based, machine-learning technologies to develop models of the immune system to rapidly accelerate vaccine research.

Strategic support for innovative medical research

One of our core values at CSL is innovation and over the past year we have continued to support collaborative innovation.

Netherlands

The Heimburger award is a global award available to researchers across the world. One of the recipients was Professor Dr Norbert Heimburger, a CSL Behring employee for over three decades, was a pioneer of modern coagulation therapy. Among his many achievements, Prof Dr Heimburger developed virus-safe plasma products based on pasteurisation, including launching the first effectively virus-inactivated FVIII concentrate in 1981. In his honour, CSL Behring created the Heimburger Award, recognising clinical and/or preclinical research of emerging coagulation specialists who are driven to improve the care of patients with bleeding disorders. In July 2020, five recipients from the Netherlands, received this award.

Australia

In October 2020, two Australian scientists were each awarded a CSL Centenary Fellowship, valued at A$1.25 million over five years, to investigate new ways to fight two of the world's biggest health challenges: cancer and infectious diseases.

Listening to our patients' needs

We have strong and deep relationships with key stakeholders across the sector, including healthcare professionals, regulators, patients and clinical groups. These ties are an important part of the social capital that adds value to our business.

CSL continues to find mutually beneficial ways to partner with patient stakeholders to address community needs and advance collective expertise and thinking across our therapeutic areas. CSL continues to work on developing methods and processes for periodically and consistently engaging with patient stakeholders at key points in the development continuum, thereby ensuring CSL will continue to deliver on its promise to patients.

'What does Kathrin think?' The hereditary angioedema (HAE) R&D program is leveraging the power of patients by asking that question and including HAE patient, Kathrin Schön, in clinical trial planning. Ms Schön, a German medical student, was selected to support the HAE operational team with the development of two Phase III studies focusing on the rare disease. Her experience as an HAE patient, combined with her medical background, gives her a unique perspective of great value to the CSL Behring team. Ms Schön's ongoing involvement provided easy access to valuable insights on a continual basis.

Clinical trial improvements which will benefit patients

In March 2020, following the onset of the COVID-19 pandemic, CSL was forced to make the difficult decision to place all clinical trials on enrolment hold. With patient safety at the forefront of our minds, our clinical teams developed strategies to re-engage clinical investigators before recruitment for clinical trials was recommenced in the second half of 2020. Robust clinical trial and site restart processes were implemented across all studies and included assessment of local conditions and ensuring our clinical sites had taken the necessary safety precautions before allowing patients to return.

While enrolment was paused, CSL study teams worked closely with clinical site staff to maintain contact with patients already enrolled in trials to confirm patient safety and conduct study procedures as feasible and appropriate. CSL also established a COVID Management Team (CMT) as the single point of contact to ensure harmonisation across all programs. As COVID-19 vaccines received emergency use authorisation, CSL medical and safety teams played an essential role in the review of available data and the creation of proper guidelines. Through the CMT, vital information was provided to the study teams, ensuring the appropriate and safe use of CSL investigational medicines for clinical trial participants who had received a COVID-19 vaccine. Our teams communicated clear guidelines and recommendations to our investigators on how best to navigate the situation and provided additional flexibility in our protocols, while maintaining patient safety and quality standards as our utmost priority. This flexibility translated into the use of telehealth and/or home visits, where appropriate, to collect study data and provide study medication.

Despite the global upheaval brought on by the COVID-19 pandemic, CSL has continued to increase its flexibility and approach to clinical research. This includes enhancing our medicine delivery procedures to include direct shipment of study medication to patients' homes and continuing to offer telehealth and home visits (where appropriate). During the COVID-19 pandemic, CSL was agile with the start-up and management of COVID-related clinical trials; these learnings will benefit other CSL clinical trials (present and future). CSL's patient recruitment for outpatient research has also evolved beyond just creating patient outreach programs to using online patient support groups and social media.

Clinical trials in progress and new

In 2020/21, CSL had 43 clinical trials in operation across all therapeutic areas. Of those, 16 had a first patient enrolled in the trial during the year.

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.

43
clinical trials in operation across all therapeutic areas

16
regulatory inspections with no impact to clinical licences

The CSL Clinical Quality Management System allows us to monitor and effectively oversee the quality of our clinical trials and includes good clinical practice (GCP), pharmacovigilance (PV), good laboratory practice (GLP) and good research laboratory practice (GRLP) audits.

Over the reporting period, 12 clinical trial registrations and nine clinical trial results were published and made readily available to stakeholders and the general public. These were all disclosed in a timely manner and in compliance with our transparency policy. Our policy reflects international requirements and standards including requirements from the International Committee of Medical Journal Editors, WHO guidance and legislative requirements.

In addition, 16 (seven CSL Behring and nine for Seqirus) inspections were undertaken by regulatory agencies such as the US Food and Drug Administration (FDA), the Medicines and Healthcare products Regulatory Agency (MHRA) in the UK, Health Canada, and the Australian Therapeutic Goods Administration (TGA). 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.

Delivering innovative solutions to unprecedented challenges

CSL's long-term effort to create an enterprise-wide culture of innovation delivered results in the reporting year with new and unique approaches to address hurdles imposed by the global pandemic.

Drawing on our digital expertise, the company was quick to implement strategies to keep employees connected amid travel restrictions and office closures. We also found new ways to collaborate, share knowledge and continue to develop and deliver our lifesaving therapies to patients.

Beyond the pandemic, CSL will continue its ongoing digital transformation by developing new ways to connect patients to researchers and each other through online initiatives that demonstrate the company's patient focus.

These new ways to work, collaborate and connect have CSL well-positioned to further drive innovation as we progress to our 2030 strategy.

Connecting organ transplant candidates and recipients

People who share the same health problems often look for each other online. TransplantLyfe, a new online platform for transplant candidates and recipients, makes those supportive check-ins a little easier. TransplantLyfe.com, created by Lyfebulb in collaboration with CSL Behring, offers resources, a find-a-friend option and forums. The platform is designed to address the emotional needs of transplant recipients – something that can be overlooked amid the highly complex medical journey. Recipients of a donated organ experience complex emotions post-surgery and are at risk of anxiety and depression. Relatively few people receive an organ transplant each year, so it's hard for people to meet someone local who's going through the same thing. The COVID-19 pandemic created another barrier, making TransplantLyfe a timely initiative.

Power of real-world evidence

The use of real-world evidence (RWE) is increasingly important amongst policy makers, decision makers and purchasers. CSL Behring leverages RWE in many facets of its business – from identifying disease burden and unmet medical needs; determining whether certain conditions meet the criteria for orphan drug designation; contextualising the observed rates of adverse reactions in ongoing clinical trials; through to post-approval assessment of the safety of marketed products. Seqirus continues to generate extensive RWE in support of our seasonal influenza vaccines to evaluate vaccine effectiveness on an annual basis and provide an ever-growing dataset to assess real-world outcomes, offering insights from larger, more diverse patient populations and healthcare settings. In the context of the COVID-19 pandemic and the simultaneous distribution of COVID-19 vaccines, gathering RWE on the performance of our vaccines is even more important.

Inviting clinical trial participation through patient-facing portal

Clinical trials sit at the heart of the process for developing and delivering lifesaving medicines for patients. With that in mind, CSL has broadened its efforts to recruit and interact with clinical trial participants by developing the Electronic Portal Exchange or EPEX platform. EPEX includes a patient-facing website that offers information about CSL's ongoing clinical trials, education on the clinical trial process and stories of interest about patients who have taken part in a clinical trial. The platform will also host a secured access participant engagement portal that allows CSL to provide information and interact with study participants from the screening process to the completion of their clinical trial participation.

Augmenting reality to overcome travel challenges

As part of CSL's ongoing digital transformation, we have been exploring the potential use of Augmented Reality (AR) across numerous business functions. Amid pandemic-related travel restrictions, a new usage of AR was quickly applied at our Quality Control site in Amsterdam. The Amsterdam site was busy getting up to speed in preparation for BREXIT.

Through the use of AR technology, UK-based members of the Quality Control team were able to virtually visit the Amsterdam laboratory to train colleagues and transfer knowledge. Employees in Amsterdam donned AR smart glasses and the team in Liverpool, UK demonstrated the necessary processes. The use of these AR headsets at the Amsterdam Quality Control laboratory continue to solve business challenges. As pandemic-related restrictions ease, using this technology enables our business colleagues and suppliers to work more flexibly, whilst reducing CSL's carbon footprint.

Expanding CSL's R&D footprint

Innovation doesn't occur in one place, and it certainly doesn't only occur within CSL. Our strength lies in our strong, interconnected global R&D network and the opportunity to foster innovation across boundaries.

CSL Behring Protinus facility, Bern, Switzerland

Marburg roof-topping ceremony
Despite the pandemic and very harsh German winter, construction of the new R&D campus in Marburg, Germany is progressing to schedule. The building shell was completed in April 2021 and this milestone was celebrated with a roof-topping ceremony.

CSL Behring – R&D Facility Pasadena, California, US
In early 2021, CSL signed a lease to expand operations at CSL Behring's R&D facility in Pasadena, California, US and add ~290 square metres to house dedicated office and laboratory facilities for cell manufacturing product development. These new facilities will provide essential capabilities to accelerate development of our cellular-therapy products and facilitate transfer to GMP manufacturing.

CSL Global Headquarters – Parkville, Melbourne, Australia
Construction of CSL's new global headquarters in the Parkville Biomedical Precinct in Melbourne, Australia commenced in July 2020. Construction is expected to be complete toward the end of 2022 with occupation of the new building planned for early 2023.

New products to market

CSL Behring continues to broaden the geography and use of our medicines for rare and specialty diseases across the globe within our immunology, haematology and respiratory therapeutic areas.

Within the immunology portfolio, regulatory indication expansion and new registrations are primarily focused on our subcutaneous immunoglobulin HIZENTRA® and our intravenous immunoglobulin PRIVIGEN®. In 2020/21, indication expansion was sought for HIZENTRA® for chronic inflammatory demyelinating polyneuropathy (CIDP) and for PRIVIGEN® for multifocal motor neuropathy (MMN) in select markets. CIDP is a chronically progressive, rare autoimmune disorder that affects the peripheral nerves and may cause permanent nerve damage. The myelin sheath, or the protective covering of the nerves, is damaged, which may result in numbness or tingling, muscle weakness, fatigue and other symptoms, which worsen over time. MMN is a rare, progressive neuropathy that presents as muscle weakness asymmetrically in the extremities. Additionally, three new product registrations were achieved for ALBUREX®, two each for RHOPHYLAC® 300 and BERINERT® and one for each of HIZENTRA®, PRIVIGEN®, TETAGAM® and Hepatitis-B-Immunoglobulin P Behring®.

In our haematology therapeutic area, the focus in 2020/21 was expansion of the current portfolio. Notably, IDELVION®, our coagulation factor IX (recombinant), albumin fusion protein (rFIX-FP) which is used to control and prevent bleeding episodes in people with haemophilia B, was approved in Mexico as IDELVIAN. In October 2020, the line extension for IDELVION® 3500 IU was approved by the TGA. Additionally, new product registrations were achieved for our recombinant factor VIII product AFSTYLA®, our human coagulation factor VIII product BERIATE®, and for our human prothrombin complex concentrate BERIPLEX®.

In our respiratory therapeutic area, we achieved a new product registration for ZEMAIRA®, our human alpha-1 proteinase inhibitor (A1-PI), which is indicated to raise the plasma levels of A1-PI in patients with A1-PI deficiency and related emphysema.

For Seqirus, 2020/21 brought significant progress in broadening our influenza vaccine portfolio.

In 2020, Seqirus achieved new product registrations for FLUCELVAX® QUADRIVALENT in Argentina and Switzerland and approval for expanded age indications, down to two years of age in the US, Europe and Canada and down to nine years of age in Australia. In addition, the cell-based quadrivalent vaccine is under review with other global health authorities to support expanding the indicated age to include infants down to six months of age in other countries. In addition, FLUCELVAX® TETRA was approved in the UK.

FLUAD® QUAD, our four-strain adjuvanted influenza vaccine, was officially launched in New Zealand for adults 65 years and above, and granted approval in Europe and UK, as FLUAD® TETRA.

AFLURIA® QUAD was approved for expanded age indications, down to three years of age, in Argentina and AFLURIA® QUAD JUNIOR was approved for use in Argentina in children from six months to less than three years.

As we continue to expand our pandemic portfolio, FOCLIVIA®, our adjuvanted, egg-based influenza vaccine designed to protect against influenza A (H5N1) in the event of a pandemic, was approved in Canada.

In Australia and New Zealand, Seqirus' in-licensing business continues to provide greater access to a broad portfolio of vaccines and medicines. REAGILA® (cariprazine) was approved for the treatment of schizophrenia in adult patients, as well as IKERVIS® (ciclosporin eye drops) for severe keratitis in adult patients.

28 product registrations or new indications for serious diseases

Product Registrations and Indications 2020/21*

Immunology Focus on improved patient convenience, plasma yield improvements, expanded labels, new formulation science, and recombinant technology.

Product	Type	Country/Region
ALBURX® 20/25 Human Albumin	NR	Bolivia, Honduras, Nicaragua
BERINERT® C1-Esterase Inhibitor Intravenous (Human) 500 IU	NR	Turkey, Croatia
Hepatitis-B-Immunoglobulin P Behring® 200 IU/ml	NR	Algeria
HIZENTRA® Immune Globulin Subcutaneous (Human) 20% Liquid	NR	Turkey
PRIVIGEN® Immune Globulin Intravenous (Human) 10% Liquid	NR	Ukraine
RHOPHYLAC® 300 Human Anti-D (Rh0) Immunoglobulin	NR	Ukraine, Bolivia
TETAGAM® Human Tetanus Immunoglobulin	NR	Hungary
HIZENTRA® Immune Globulin Subcutaneous (Human) 20% Liquid	NI	Indonesia, Malaysia (CIDP)
PRIVIGEN® Immune Globulin Intravenous (Human) 10% Liquid	NI	Serbia (MMN)
Haematology Maximize the value and performance of our existing coagulation therapies and develop new protein and gene-based therapies.		
AFSTYLA® Coagulation Factor VIII (Recombinant) 250 IU, 500 IU, 1000 IU, 2000 IU, 2500 IU, & 3000 IU	NR	Russia, Mexico
BERIATE® Coagulation Factor VIII (Human) 500 IU and 1000 IU	NR	Bolivia
COAPLEX® Prothrombin complex (Human)	NR	Belarus
IDELVIAN Coagulation Factor IX (Recombinant) Albumin Fusion Protein 250 IU, 500 IU, 1000 IU & 2000 IU	NR	Mexico
IDELVION® albutrepenonacog alfa 3500 IU	NR	Australia (Line Extension)
Respiratory Develop new treatments for respiratory diseases using our existing plasma-derived therapies and novel recombinant monoclonal antibodies.		
ZEMAIRA® Alpha-1 Proteinase Inhibitor (Human)	NR	Argentina
Vaccines Develop products for the prevention of infectious diseases.		
AFLURIA® QUAD JUNIOR Influenza Vaccine (inactivated, split virion)	NR	Argentina (for the prevention of influenza in persons age 6 months – less than 3 years)
FLUAD® TETRA Influenza Vaccine, Adjuvanted	NR	UK
FLUAD® QUAD Influenza Vaccine, Adjuvanted (surface antigen, inactivated)	NR	New Zealand
FLUCELVAX® QUAD Influenza Vaccine (cell culture)	NR	Argentina, Switzerland
FLUCELVAX® QUAD Influenza Vaccine (surface antigen, inactivated, cell culture)	NR	Australia (for the prevention of influenza in persons 9 years and older)
FLUCELVAX® TETRA Influenza Vaccine (surface antigen, inactivated, cell culture)	NR	UK
FOCLIVIA® Pandemic Influenza A Vaccine (H5N1), Adjuvanted (surface antigen, inactivated)	NR	Canada
AFLURIA® QUAD Influenza Vaccine (inactivated, split virion)	NI	Argentina (for the prevention of influenza in persons age 3 years and older)
FLUCELVAX® QUADRIVALENT Influenza Vaccine (cell culture)	NI	United States (for the prevention of influenza in persons 2 years and older)
FLUCELVAX® QUAD Influenza Vaccine (cell culture)	NI	Europe (for the prevention of influenza in persons 2 years and older)
FLUCELVAX® QUAD Influenza Vaccine (surface antigen, inactivated, cell culture)	NI	Canada (for the prevention of influenza in persons 2 years and older)
In-Licensed Products[1,2]		
IKERVIS® (ciclosporin eye drops) for severe keratitis in adult patients with dry eye disease	NR	Australia
REAGILA® (cariprazine) for the treatment of schizophrenia in adult patients	NR	Australia

* First-time registrations or indications for CSL products in the listed countries/regions over the reporting period.
CIDP=chronic inflammatory demyelinating polyneuropathy, MMN=multifocal motor neuropathy, NI=new indication, NR=new registration.

1 IKERVIS® is a registered trademark of Santen SAS.

2 REAGILA® is a registered trademark of Gedeon Richter Plc.

8 Global Reach and Impact

The COVID-19 pandemic has underscored the importance of CSL's ability to think globally and act locally to ensure that we can continue to meet growing demand, fulfil the critical need for our lifesaving medicines and improve public health. Throughout the global health crisis, CSL has leveraged its reach and strategic manufacturing and distribution capability with a high degree of coordination, agility and flexibility to continue meeting the needs of patients and healthcare providers worldwide.

CSL applies its world-class R&D, commercial strength and patient-focused management, along with its high-quality manufacturing, to develop and deliver innovative biotherapies, influenza vaccines and support programs.

Commercial strength

With more than 900 active product registrations in over 100 countries, CSL continues to deliver on our promise to make our novel therapies available to patients around the world.

Our commercial team continues to carefully and thoughtfully execute on product, therapeutic area and regional product strategies. While we remain agile working through the COVID-19 pandemic, we continue to support demand across our portfolio of therapy areas, with balanced regional and market growth.

The Commercial Operations Leadership Team oversees the delivery of our marketplace strategy and the CSL Board has strategic oversight and monitors performance through key subcommittees.

The decision to enter new markets is a long-term commitment driven by a desire to understand and respond to patients' needs.

While we invest locally to improve disease awareness and access to medicines, we also bring global benefits to the markets we serve. Our people are passionate about connecting local healthcare providers and other stakeholders to the global rare disease community, which in turn accelerates their ability to learn and exchange best practice.

Global reach and focus

In the past five years, CSL has grown rapidly due to strategic acquisitions, a rise in global demand for our products and investment in increased capacity and modernisation.

Our management team has significant experience in the industry and the confidence to drive our promise to patients into the next century.

Our commitment to strategic sourcing has allowed CSL to have a reliable supply of lifesaving therapies in multiple facilities across the globe.

A number of CSL's sites are supporting major capacity expansion projects, from Project Phoenix for base fractionation in Marburg, Germany to Project Protinus for PRIVIGEN® in Bern, Switzerland and Project Aurora for base fractionation in Broadmeadows, Australia. The timing of these projects coming online will help ensure a seamless supply of products to patients.

Although the COVID-19 pandemic briefly slowed construction work on CSL's state-of-the-art manufacturing facility in Lengnau, Switzerland, the site continues to move toward completion. In May 2020, CSL announced that we have entered into a strategic partnership with Thermo Fisher Scientific for the lease of the Lengnau facility. Thermo Fisher Scientific is scheduled to assume oversight and operation of the facility once construction is completed.

When the Seqirus business was formed, there were 400 applications inherited from the legacy businesses. A major milestone was achieved in October 2019 with the three-year Edge program successfully completed, enabling Seqirus to be fully integrated globally on a single information systems platform. This is greatly enhancing collaboration and efficiency across the business.

Seqirus has been able to simplify and streamline the testing process to release FLUCELVAX® influenza vaccine into the US each season. Since 2012, the FDA Center for Biologics Evaluation and Research (CBER) requirement to demonstrate that the influenza virus had been successfully inactivated in our cell-based vaccine was undertaken using egg-based testing. This required complex network logistics to ship a number of bulk lots of FLUCELVAX® from the US to the Seqirus Liverpool site in the UK for testing each year. Seqirus quality control teams collaborated over multiple years to prove that the cell-based testing was equivalent, or superior, to egg-based testing. With CBER agreement, the egg-based testing is no longer required. With testing now based at our Holly Springs plant in the US, the need for complex shipping is also removed, thereby reducing risk to the product.

Seqirus introduced a new process for inspection of harvested allantoic fluid, at the influenza vaccine manufacturing site in Parkville, Australia. This process was designed in-house and has enabled the removal of the cumbersome process of 'candling' over 440,000 eggs per day. Seqirus Liverpool, UK has optimised the process for incubation of eggs pre-inoculation that has resulted in yield improvement in certain strains of 15%.

Seqirus Liverpool saw the commissioning and start-up of a new line for production of MF59®, Seqirus' novel adjuvant. The line is now operating and capable of producing over 1000L per week of bulk sterile MF59®.

Production of the Seqirus antivenom portfolio has been improved. The TGA approved the chemistry, manufacturing, control (CMC) regulatory variation for the use of an adjuvant in venom dosing. Use of this adjuvant has significantly increased antibody potency for most antivenoms.

Donor management

A division of CSL Behring, CSL Plasma collects the plasma that is the foundation to manufacturing plasma-protein therapies – human plasma donated across one of the largest global plasma collection networks.

CSL Plasma has more than 300 collection centres around the world, primarily in the US as well as in Germany, Hungary and China. CSL Plasma operates plasma testing laboratories and logistics centres in the US, Germany and China. In addition, a US manufacturing facility produces saline and sodium citrate, both essential solutions to the plasma donation process. CSL Plasma continues to invest in new collection centre growth, as well as laboratory and logistics operations to automate and expand testing and storage capacities.

We continue to strengthen and grow the CSL Plasma footprint to support a safe and reliable plasma supply to meet increasing patient demand. A quality supply of raw material results from safe, compliant and efficient plasma collection and donor management. Over the reporting period, 461,715 surveys completed by CSL Plasma donors indicated 99% would be willing to donate again and 97% would be willing to refer a friend to donate.*

CSL Plasma donor profile

The socio-economic background of US CSL Plasma donors remains diverse.

Based on self-reported survey data (1 July 2020 to 30 June 2021), CSL Plasma donors provided details on their occupational status*:

- 48% described themselves as working full-time;
- 27% described themselves as unemployed, inclusive of full-time parents, donors who are not looking for work or unemployed;
- 13% described themselves as part-time;
- 2% described themselves as students; and
- 10% described themselves as other (e.g. military, retired).

99%
of plasma donors are willing to donate again*

97%
of plasma donors are willing to refer a friend to a centre*

Innovation at CSL Plasma

CSL Plasma upholds a tradition of innovation and customer focus. In April 2021, CSL Plasma and Terumo Blood and Cell Technologies together announced a collaboration to develop and deliver a new plasma collection platform at US CSL Plasma collection centres.

A clinical trial of the investigational plasmapheresis device began in April. Introduction of the new plasmapheresis platform is subject to the US Food and Drug Administration device clearance.

A subsidiary of Tokyo-based Terumo Corporation (TSE:4543), Terumo Blood and Cell Technologies is a medical technology company whose products, software and services enable customers to collect and prepare blood and cells for the treatment of challenging diseases and conditions.

Our collaboration with Terumo Blood and Cell Technologies to develop plasmapheresis technology is consistent with our aims to improve the donor and operator experience, and remain the plasma donation centre of choice for the future. We continue to explore process improvements and technological advancements in plasma collection to drive efficiency while maintaining donor safety and a sufficient plasma supply.

* Limited assurance by Ernst & Young.

Focus on efficiency, standardised manufacturing processes and integrated supply chain

CSL's end-to-end operations organisation has a critical role to play in helping to deliver on our 2030 strategy, so we can continue saving people's lives and improving public health across the globe. Over the last year, we have been evolving our end-to-end operations to build on its strengths and create an engaged and inclusive culture that consistently delivers top-tier results in the key areas of safety, quality, reliability and innovation.

To meet the global demand for CSL's lifesaving medicines, we are focused on driving a global mindset and creating an end-to-end operation organisation that is modern and scalable, from plasma collection through to our patients. Over the last year, we have made enhancements to our supply chain and manufacturing capabilities, introducing concepts such as reliability rooms, to give us greater visibility and control across our network. End-to-end operations is also working more closely than ever before with key internal partners such as commercial operations and R&D, and using more predictive thinking and modelling to anticipate potential challenges, minimise risk and identify solutions.

For CSL Plasma, the collection of vital human-derived plasma for the development of lifesaving products is industry-leading and a critical part of CSL's supply chain. With careful localised management of operations, including donor remuneration, CSL Plasma facilities minimise donor time via integrated donor management systems including electronic biometric identification and check-in, streamlined floor layouts and an operational excellence approach driving a cohesive culture of efficiency and teamwork. Throughout the COVID-19 pandemic, CSL Plasma has utilised a wide variety of measures to ensure the safety of donors and employees and address challenges such as the need for social distancing, stay-at-home orders and mandated capacity reductions.

Secure and reliable supply

During the financial year, the External Supply Integration function accelerated targeted partnering with world-class contract manufacturers, analytical services and logistics providers. The partnering efforts were focused on reducing risk and increasing supply reliability. A number of ongoing partnering initiatives will be operational in 2022/23 in support of the 2030 strategy by delivering growth, reliability and innovation through investments made by the chosen partners.

In June 2021, CSL deployed an improved end-to-end process for the assessment of third parties across a number of risk domains, including the implementation of a new risk management tool. The improved enterprise-wide third party risk management process and new platform will centralise the onboarding of third parties based on new critical third-party criteria, delivering significant benefits to our stakeholders including:

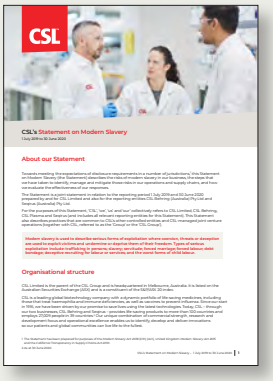
- proactive and comprehensive identification of supplier risks, delivering against our 2030 objective of efficiency and reliable supply, by identifying and remediating risk in our supply chain;
- standardised risk and performance scoring across suppliers, thus improving compliance and audit readiness;
- ability to report and revise supplier risk metrics more frequently and more proactively;
- defined criteria to consistently identify critical third parties; and
- automated integration between existing enterprise systems to enable efficiencies and improved data management.

Moreover, in February 2021, CSL joined the Pharmaceutical Supply Chain Initiative (PSCI) to leverage a growing industry membership base and its extensive supply chain expertise. The PSCI is a global non-profit business membership organisation based in the US with a vision to establish and promote responsible practices that will continuously improve social, health, safety and environmental sustainable outcomes for supply chains. As a result of our membership and in support of embedding PSCI's principles, in June 2021, CSL developed its first Third Party Code of Conduct. Complementing CSL's Code of Responsible Business Practice, the new Third Party Code makes explicitly clear our expectations for the conduct of CSL business by its third parties/suppliers.

During the COVID-19 pandemic, increased global demand put immense pressure on worldwide supply chains but we managed to mitigate this risk and keep our sites fully operational. This was achieved by working cross-functionally and with our external strategic supply partners to identify and implement alternative materials that created approved alternative sources of supply and concurrently de-risked the future on some critical materials.

In a multi-year investment, the first serialisation of Seqirus products was supplied for the 2019/20 influenza season in the US and Europe. Serialisation is where a unique serial number is printed on each pack of vaccines. It helps to combat counterfeit products and provides the basis for full track and trace of our vaccines in the future. Seqirus' southern hemisphere products are also now serialisation-capable.

Modern Slavery Statement



In February 2021, CSL's first, Board-approved, public Modern Slavery Statement under new Australian laws was published by the Australian regulator. While we are aware that the fight against forced labour and other egregious forms of modern slavery will take time, planning and collaboration to identify, remedy and ultimately prevent, inroads have been made. Through CSL's Supply Chain Integrity Council and new third party risk management process we have increased our efforts to better screen and identify modern slavery risks. You can read more on CSL's response in our 2020 Statement on CSL.com (Our Company > Corporate Responsibility > Key Publications).

Supplier assessments

In 2020/21, CSL conducted 481 quality audits of suppliers.* This level of effort reflects our continued focus on understanding our suppliers across our value chain and the expansion of the numbers of suppliers to accommodate growth.

Our Code of Responsible Business Practice 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. From 1 July 2020 to 30 June 2021, no instances related to human trafficking or slavery and forced labour were reported.

CSL's Modern Slavery Statement can be found on CSL.com (Our Company > Corporate Responsibility > Key Publications).

* Does not include CSL's operations in Wuhan, China. Limited assurance by Ernst & Young.

Environment, health and safety

CSL is committed to continuously improving our environmental, health and safety (EHS) performance with culture-driven, risk-centred methodologies that are focused on preventing workplace injuries and illnesses and reducing environmental impacts of our operations and products throughout their lifecycle.

Our EHS Management System provides the platform for policies, procedures and guidelines, which manage our business processes.

The following principles are applied and practised by CSL employees. We:

- adhere to applicable EHS laws and regulations and in the absence of governmental standards, apply sound EHS practices;
- instil ownership at all levels in the organisation;
- establish opportunities for EHS involvement and expect all employees to be responsible for EHS;
- set performance objectives and regularly measure and communicate results, progress and opportunity with our employees and stakeholders;
- provide the resources to implement an EHS culture that proactively identifies and controls EHS risk;
- share best practices with the intent to improve our operations and our communities;
- conduct internal audits to ensure the integrity of our operations against our EHS Management System; and
- provide training to all employees to ensure that they have the right level of skills, ability and knowledge to perform their work.

For further information on our employee health and safety performance, please see Safety and wellbeing on page 53.

8 Global Reach and Impact

Environmental performance

Over the reporting period, CSL's environmental footprint saw reductions in absolute energy consumption, greenhouse gas emissions and total waste, while water consumption increased. Reductions across these indicators are in part due to fluctuating plasma collection volumes and realising some capital improvements across our sites (see Our environmental impact trends on the next page for more).

In April 2021, CSL signed a consent agreement for our site in Kankakee and paid a US$527,144 civil penalty to the federal environmental authority for breaches of the Clean Air Act identified during a 2018 inspection. The inspection identified a number of deficiencies in the site's risk management practices related to the Act. CSL Behring has taken steps to comply with the regulator's requirements, including additional resources to support ongoing risk management activities.

For further information on our environmental performance, please see Section 10 of the Directors' Report.

Sustainability Strategy – Environment

At CSL we know that the responsible management and efficient use of natural resources is key to our sustainable growth and our ability to enable efficient and reliable supply of our products. As a result, we have identified 'environment' as one of three strategic pillars of our sustainability strategy.

In last year's report, we had foreshadowed the development of environmental targets. During 2020/21, we prioritised a number of focus areas and actions that seek to validate data sets and develop robust baselines to position us to set environmental targets within the next two years.

Our environmental strategy focus areas include:

- integrating environmental considerations into key business decisions;
- reducing carbon emissions;
- minimising end-to-end production of waste through removal, reduction and recycling; and
- reducing carbon emissions and waste in our supply chain.

Planning activities to ensure we have the best available information to identify gaps and drive improvements across these focus areas has commenced. For example, we are exploring alternative intensity measures to better reflect the nature of our expanding operations and manufacturing facilities and how power purchase agreements in areas where fossil fuels remain the key energy source can help to reduce overall emissions.

Climate change

CSL conducted a climate change risk assessment of our global operations in 2015 following the release of the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). This broad assessment will be repeated in 2022 when the IPCC publishes its Sixth Assessment Report, which is now scheduled for the second half of 2022. We expect climate scenarios and related models to be updated as a result of the IPCC's work, which will be critical for any future risk assessments. We are also working towards including the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) into future disclosures.

CSL undertook a targeted climate change risk assessment in the second half of 2019/20. It was based on two IPCC scenarios stemming from the Fifth Assessment Report (RCP 4.5 and RCP 8.5) which consider physical risks of climate change across both 10 and 30-year time horizons and climate transition risks over a five-year horizon. The main scope of the risk assessment focused on our North American plasma collection centres and some critical Tier 1 suppliers. The report identified some potential risks across 10-30 year timelines related to cooling systems, flood zones, allergen loads, heat stress and transport disruptions over that time. These findings were not considered unique to CSL nor to have a high impact but do provide management potential planning and design opportunities for future plasma centre site selection and centre expansion planning, and ongoing opportunities to engage with third party suppliers on the impacts of climate change as part of the third party due diligence processes.

Reporting transparency and performance

CSL is a longstanding participant in CDP (formerly the Carbon Disclosure Project) – an investor-led initiative to drive transparency and improvement in environmental performance. In 2020, we achieved a C in our climate change submission, consistent with the global average and biotech and pharmaceutical sector. For our water submission, we achieved a B–, slightly lower than the global average and the biotech and pharmaceutical sector (B). Both initiatives deploy an eight-point scale with A the highest possible score and D– the lowest. Our participation in both initiatives demonstrates a continued commitment to measuring and assessing our environmental impacts.

Our environmental impact trends

Our environmental performance includes our manufacturing facilities held by:

- Seqirus, three facilities – Australia, the UK and the US;
- CSL Behring, five facilities – Australia, Germany, Switzerland, the US and China;
- CSL Plasma operations, including testing laboratories and plasma centres, across China, Germany, Hungary and the US;
- administrative and R&D operations co-located with our manufacturing facilities; and
- the respective head offices for CSL Behring (King of Prussia, US), CSL Plasma (Boca Raton, US) and CSL Limited (Parkville, Australia).

Indicator	Unit	18-19 [1,5] (April to March)	19-20 [1,5] (April to March)	20-21 [1,5] (April to March)
Energy consumption [2]	Petajoules (PJ)	3.39	3.79	3.73
Greenhouse gas emissions [3]	Metric kilotonnes CO_2-e (KT)	319	344	326
Water consumption	Gigalitres (GL)	3.87	4.25	4.44
Total waste	Metric kilotonnes (KT)	61.40	66.75	59.02
Waste recycling rate [4]	%	42	46	40

1 Data reported, with offsets, are inclusive of manufacturing sites located in Bern (Switzerland), Marburg (Germany), Kankakee (US), Parkville (Australia) and Broadmeadows (Australia), CSL Plasma, CSL Behring headquarters (King of Prussia, US) and Seqirus' two manufacturing sites at Holly Springs (US) and Liverpool (UK). Only 2019/20 and 2020/21 data includes the production site in Wuhan (China) but excludes Lengnau (Switzerland) which is still under construction. Offsets are supply of energy to third parties on or near a CSL production site. Included offsets are Scope 1 and 2 energy supplies only.

2 Includes Scope 1 and 2 energy sources. Scope 1 energy sources are fossil energy sources supplied or used onsite. Scope 2 energy sources are electricity, steam, compressed air and nitrogen used onsite.

3 The major greenhouse gas (GHG) emitted from CSL's operation is carbon dioxide (CO_2). In the US, Germany, the UK and Switzerland, GHG emission factors are used to calculate CO_2 emissions only. In Australia, GHG emission factors used by CSL calculate carbon dioxide, nitrous oxide and methane emissions. Total emissions for Australian facilities are expressed as carbon dioxide equivalents (CO_2-e).

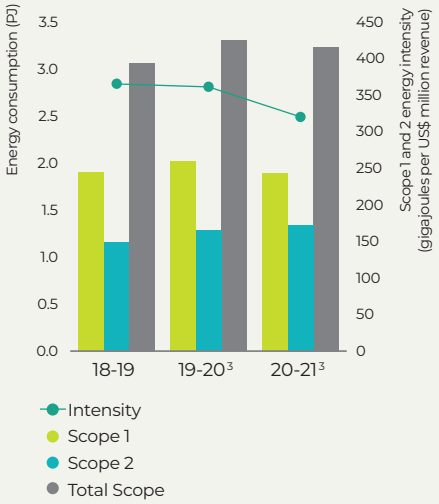
4 The recycling rate represents the proportion of total waste generated that is either reused or recycled.

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

Energy and greenhouse (GHG) gas trends

Scope 1 energy use reduced overall across CSL's manufacturing facilities due in part to new more energy efficient boilers and Scope 1 GHG emissions reductions due to transfer of energy use between heating oil and natural gas as the new boilers came online at Bern. Reductions in GHG emissions are driven by reduced Scope 1 energy use but also in part by lower emissions factors for electricity supplied to some sites. Scope 3 emission trends can be found on CSL.com (Our Company > Corporate Responsibility > Environment).

Energy consumption trends [1,2]

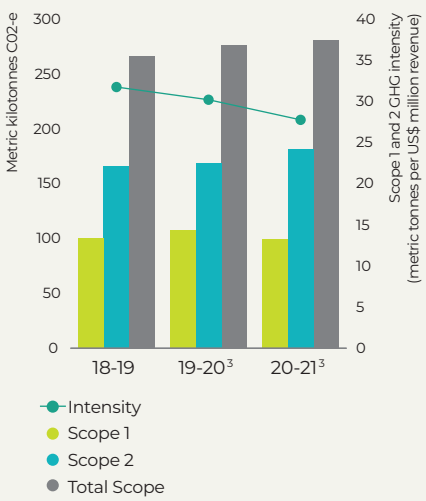


1 Trends for CSL manufacturing sites located in Bern (Switzerland), Marburg (Germany), Kankakee (USA), Broadmeadows (Australia) and for Seqirus' manufacturing sites at Parkville (Australia), Holly Springs (US) and Liverpool (UK).

2 Without offsets.

3 Data includes the manufacturing site at Wuhan (China) but excludes the site under construction in Lengnau (Switzerland).

Greenhouse gas (GHG) emission trends [1,2]



1 Trends for CSL manufacturing sites located in Bern (Switzerland), Marburg (Germany), Kankakee (USA), Broadmeadows (Australia) and for Seqirus' manufacturing sites at Parkville (Australia), Holly Springs (US) and Liverpool (UK).

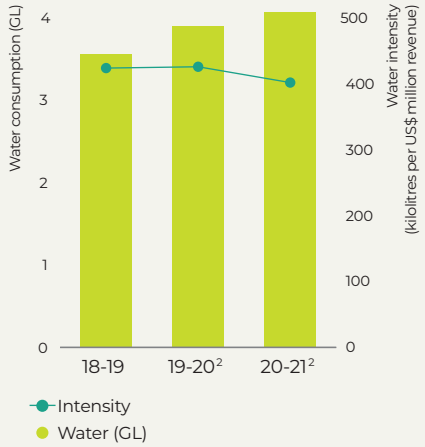
2 Without offsets.

3 Data includes the manufacturing site at Wuhan (China) but excludes the site under construction in Lengnau (Switzerland).

Water and waste trends

The overall increase in water consumption is largely driven by ongoing capital expansion works where commissioning activities are required to gain regulatory approval prior to product manufacture, and significant demand for influenza vaccines. The reduced volume of waste generated is caused by fluctuating plasma volumes due to the COVID-19 pandemic. Intensity reductions for water and waste is largely due to reduced plasma collections. We are identifying a range of waste streams for reduction over the medium to long-term.

Water consumption trends [1]



1 Trends for CSL manufacturing sites located in Bern (Switzerland), Marburg (Germany), Kankakee (USA), Broadmeadows (Australia) and for Seqirus' manufacturing sites at Parkville (Australia), Holly Springs (US) and Liverpool (UK).
2 Data includes the manufacturing site at Wuhan (China) but excludes the site under construction in Lengnau (Switzerland).

Waste generation trends [1]

1 Trends for CSL manufacturing sites located in Bern (Switzerland), Marburg (Germany), Kankakee (USA), Broadmeadows (Australia) and for Seqirus' manufacturing sites at Parkville (Australia), Holly Springs (US) and Liverpool (UK).
2 Data includes hazardous but not non-hazardous waste from the production site in Wuhan (China).

9 A Trusted Health Partner

We respect the trust that is placed in us by our stakeholders globally. To continue to earn that trust is a driving force throughout our business and is critical to our ongoing success. Trust drives value.

We earn stakeholders' trust by demonstrating responsible behaviour in our activities and decisions. Responsible conduct in the marketplace protects our reputation and sustains organisational growth.

Around the world, patients and healthcare professionals know that they can rely on the quality, safety and efficacy of our therapies. International organisations such as the World Health Organization rely on us to help prevent and prepare for influenza pandemics. Governments and regulators understand the ethical approach we bring to development and registration of our products and our commitment to fair pricing. Investors see that this trust and positive reputation is reflected in our strong financial performance.

US$9.9 billion

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

Product quality and safety

The development, manufacture and supply of high-quality and safe products is critical to our ability to continue to protect public health, save lives and improve the health and wellbeing of patients with rare and serious diseases. CSL employs an independent quality function that strives to maintain the highest standards through the use of global quality standards.

These are reflected in global policies and local procedures, as well as global electronic systems to support management of the quality processes. In 2020/21, despite the COVID-19 pandemic, CSL's quality systems, plasma collection and manufacturing operations were subject to 365 good manufacturing practice (GMP) regulatory agency inspections around the world. These independent inspections resulted in no suspensions or terminations of a licence to market a product in any market in which CSL is active and confirm that the quality systems established globally by CSL are effective and in line with regulatory agency expectations. In addition, as a new process resulting from the COVID-19 pandemic, CSL responded to 65 requests from regulators for electronic documents (record review requests) over the reporting period.

365

regulatory inspections of our manufacturing facilities with no impact to licenses*

481

quality audits of our suppliers†

During the reporting period, CSL Behring initiated three voluntary safety-related product recalls.* There were no recalls initiated by regulators.

- In January 2021, CSL Behring, Kankakee, US, initiated a recall across 20 markets for 147 batches of ZEMAIRA®/ RESPREEZA® and MONONINE® due to HEPA filter integrity test failures in the filling suites.
- In March 2021, CSL Behring, Marburg, Germany initiated a recall of RESPREEZA® in Germany, Austria and France for 10 batches. CSL Behring was notified by a third-party supplier that the sterility assurance of manufactured infusion sets used in packaging with RESPREEZA® could not be guaranteed.
- In April 2021, CSL Behring, Bern, Switzerland initiated a recall of one batch of HIZENTRA® due to an increase of injection site adverse events reported for the recalled batch.

To assure continued consistent high-quality materials from our partners, CSL Behring and Seqirus conducted a combined 481 quality (GMP) audits† of suppliers worldwide, comprised of on-site, virtual and paper-based audits.

Over the reporting period, there were 17 reported cases of counterfeit product; 10 of these were confirmed as counterfeit, five were CSL products, and two cases had limited data available or remain under investigation.

Oversight and management of pharmacovigilance and clinical safety affords our patients the opportunity to fully realise the benefits of our products. CSL's Global Clinical Safety and Pharmacovigilance function continues to assure the safety of patients and clinical study participants while further deepening its capabilities and improved quality outputs. Compliance metrics have remained at high levels.

64

pharmacovigilance audits of CSL and third-party operations with no outcomes diminishing reliable supply of quality product

Over the reporting period, CSL Behring and Seqirus pharmacovigilance quality assurance (PVQA) performed a total of 64 pharmacovigilance (PV) audits:

– 22 on internal systems and processes across our sites, including affiliates; and

– 42 on third parties that undertake PV responsibilities on CSL's behalf in various countries all over the world.

Seqirus also underwent one successful regulatory pharmacovigilance inspection by the UK's Medicines and Healthcare products Regulatory Agency (MHRA). None of these audits resulted in an outcome which affected our ability to supply product.

* Limited assurance by Ernst & Young.

† Does not include CSL's operations in Wuhan, China. Limited assurance by Ernst & Young.

9 A Trusted Health Partner

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 quality 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.

Reporting transparency and performance

The SARS-CoV-2 virus causing COVID-19 is large in size (approximately 120nm in diameter). The relatively large size and lipid envelope makes it highly susceptible to steps with virus inactivation and removal capacity used during the manufacturing processes, such as pasteurisation, solvent-detergent (S/D) treatment, low pH incubation, dry-heat treatment, and virus filtration. The effectiveness of these processes has been demonstrated on other coronavirus lipid-enveloped model viruses that are quite similar to SARS-CoV-2, such as SARS-CoV, human coronaviruses 229E and OC43, and porcine coronavirus TGEV. Based on these data, we were assured that existing manufacturing processes will provide significant safety margins for our plasma products against SARS-CoV-2. Studies completed in our laboratories and published in the medical literature have verified this confidence. (Schraeder, T, Koch, J, Ross, R., et. al. 'Effective coronavirus reduction by various production steps during the manufacture on plasma-derived medicinal products', *Transfusion*, 2020, 60: 1334–35.)

Sustainability Strategy – Social

At CSL our greatest opportunity to contribute to society is through the development of new therapies for serious unmet medical needs and through the continued supply of life-saving vaccines and plasma/protein-based therapies. Our relationship with plasma donors underpins our ability to contribute to our local communities.

In 2021, we developed a sustainability strategy underpinned by three strategic pillars, including 'social'.

Our social strategy focus areas include:

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

Planning activities to ensure we have the best available information to identify gaps and drive improvements across these focus areas has commenced.

Value and access

CSL invests in programs to develop and supply innovative vaccines and therapies that protect public health, and extend and improve the lives of people living with serious and rare diseases. The value our products provide to patients and society is substantial and meaningful to patients, healthcare providers, health insurance payers and healthcare systems around the world.

We are proud of these contributions and work diligently to ensure that patients and communities have access to biopharmaceuticals. We work with governments, health insurance payers and other stakeholders to support timely and appropriate market entry and access, as both play a critical role in the development of reimbursement frameworks and patient access regimes. We articulate and communicate comprehensive evidence on the value of our innovations to inform access and reimbursement decisions, and we provide patient assistance programs and support advocacy efforts that improve access to care.

In 2020/21, CSL's investment for humanitarian access programs and product support initiatives totalled US$20.2 million.* In the US, access programs are critical to patients who are uninsured, underinsured or who cannot afford therapy.

US$20.2 million
supporting product access across the world*

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

As a leader in our space, we are committed to dialogue with all interested stakeholders on how best to ensure continued patient access and affordability of medicines, and to preserve an ecosystem that sustains medical innovation for patients today and in the future.

In 2020/21, there were no findings against CSL relating to a breach of any fair trading or competition laws.

* Limited assurance by Ernst & Young. Accounting practices for Seqirus Australia product donations changed in 2020/21 to account for indirect and direct costs (versus direct only for prior years).

Saving lives in Papua New Guinea

Seqirus has renewed its Papua New Guinea (PNG) Snakebite Partnership program in collaboration with the Australian High Commission in PNG, the PNG Department of Health, and the University of Melbourne after three successful years. The program comprises of annual donations of snake antivenom, plus bespoke distribution and healthcare worker training conducted by a qualified PNG team working out of Port Moresby. PNG has one of the highest localised snakebite rates in the world and addressing this public health issue through the partnership continues to be important during the pandemic. Improved access to the timely administration of antivenom by trained healthcare workers has helped to save hundreds of lives that may have otherwise succumbed to envenomation, particularly from the deadly Papuan Taipan which is prolific in the southern coastal regions of Papua New Guinea.

Support for the haemophilia community in developing countries continues during the pandemic

CSL Behring's annual contribution to World Federation of Hemophilia (WFH) plays a critical role in helping the WFH towards achieving their mission of improving and sustaining care for all people with haemophilia and other inherited bleeding disorders.

The pandemic brought much instability to traditional revenue streams. However, CSL Behring's support to the Corporate Partner Program was maintained and provided the WFH with stable income necessary to take advantage of a new normal and ensure no patients were left behind.

CSL Behring has also been a longstanding contributor to WFH's Global Alliance for Progress (GAP) Program.

In 2020, CSL Behring's donation of 20,527,250 international units of coagulation factor to GAP supported patients in 38 countries including Afghanistan, Angola, Argentina, Armenia, Bahamas, Bangladesh, Barbados, Belize, Burkina, Cambodia, Cameroon, Congo, Cuba, Eritrea, Gabon, Ghana, Guyana, India, Ivory Coast, Jordan, Lebanon, Madagascar, Maldives, Mali, Mongolia, Nepal, Nicaragua, Niger, Nigeria, Rwanda, Senegal, Tajikistan, Togo, Uganda, Venezuela, Yemen, Zambia and Zimbabwe.

Public policy engagement

CSL recognises the importance of participating in the formulation of public policies that can affect business operations, patient access to medicines, and public health. To this end, we engage with governments directly and through participation in industry groups and other forums, and collaborate with a range of other interested stakeholders, including patient organisations, medical societies and public health agencies at the global, national and local levels.

Over the reporting period, CSL contributed a total of US$600 in corporate political contributions in the US and A$28,600 to political organisations in Australia solely for attendance at events including policy briefings, lunches, boardroom lunches and dinners. In all other regions, CSL made no political contributions.

CSL employees in the US have formed a Political Action Committee (PAC). CSL provides a small budget to cover PAC operational costs as is allowed by US law, but the PAC is managed by an employee member board. CSL otherwise does not control or manage the PAC nor contribute any funds for distribution by the PAC to political candidates. Management of the PAC is at the discretion of the PAC employee member board.

Examples of public policy initiatives across our regions

Asia

CSL continues to work with stakeholders in China to explore ways for rare disease patients to gain broader access to treatments as part of the Greater Bay Area healthcare initiative.

Australia

CSL worked closely with the Australian biotech and medtech sectors to promote the introduction of an Australian 'patent box' model to incentivise the onshore commercialisation of medical research.

As Australia's only onshore vaccine manufacturer, CSL was critical to the Australian Government's response to COVID-19, agreeing to retool our facilities in order to manufacture 50 million doses of the AstraZeneca viral vector vaccine for Australia and our Pacific Island neighbours.

Europe

In Europe, CSL Behring continued to lead industry and independent policy engagement at the European level in relation to the European Blood Directive and the European Pharmaceutical Strategy.

North America

CSL has undertaken a number of public affairs and policy initiatives in the US and Europe to prepare for the potential launch of EtranaDez, a gene therapy treatment for haemophilia B. These include engaging with governmental authorities to advocate our perspective on the appropriate payment frameworks for gene therapies, and becoming an active participant in multi-stakeholder forums such as the Alliance for Regenerative Medicine, Rare Impact Initiative and the European Alliance for Transformative Therapies.

Working independently and in partnership with the broader plasma protein therapies (PPT) industry and patient communities, CSL worked with the US government to ensure that PPTs are available to patients and reimbursed appropriately in a number of areas under the US Medicare program. This included the adoption of an exclusion for Ig from the prior administration's international price referencing proposal, and the permanent extension of an administrative payment for HIZENTRA® when administered through durable medical equipment.

CSL Behring worked with federal, state, and local officials in the US to ensure safe and adequate plasma collection capacity in the context of the COVID-19 pandemic. This included ensuring appropriate application of state and local COVID-19 occupancy and social distancing rules.

Building on the 2019 Executive Order (EO) 13887 on Modernizing Influenza Vaccines in the United States to Promote National Security and Public Health, the National Influenza Vaccine Modernization Strategy (NIVMS) outlines a vision for the United States' influenza vaccine enterprise to be highly responsive, flexible, resilient, scalable and more effective at reducing the impact of seasonal and pandemic influenza viruses. This vision is supported by three overarching strategic objectives:

1 strengthen and diversify influenza vaccine development, manufacturing, and supply chain;

2 promote innovative approaches and use of new technologies to detect, prevent, and respond to influenza; and

3 increase influenza vaccine access and coverage across all populations.

Seqirus has been engaged with the US Department of Health and Human Services (HHS) task force driving the NIVMS, providing input directly and through stakeholder groups and trade associations to ensure that the strategy is feasible and achievable. The strategy supports promotion of new vaccine technologies, such as cell-based manufacture, towards reducing US reliance on egg-based manufacture.

At a global level, Seqirus developed a white paper that highlighted insights from the southern hemisphere, which had experienced the bulk of its 2020 flu vaccination season amidst the early days of the COVID-19 pandemic. Published in *Human Vaccines & Immunotherapeutics* (circulation 7.3 million), the paper focused on policy changes that supported high influenza immunisation rates that could inform vaccination planning and implementation during the upcoming northern hemisphere flu season. These policy changes included alterations to the timing and location of vaccine administration to accommodate social distancing; new policies to ensure optimal management of public demand, access and uptake of available vaccines across the season; and the need for communications to be clear, frequent and aligned among all stakeholder groups.
To further amplify the learnings, we partnered with *The Economist* to publish an advertorial, including quotes from Seqirus leadership and leaders in influenza such as LJ Tan, Chief Strategy Officer of the Immunization Action Coalition. This supported advertorial with paid social targeting, garnered 4 million impressions across the US and Europe.

Influenza pandemic and emergency response

A measure of the trust we have built is our position as a global leader in influenza pandemic preparedness and response. Seqirus has three state-of-the-art manufacturing facilities on three different continents, together with a global fill and finish network located close to our end markets.

In 2020, Seqirus announced plans to build a new, world-class A$800 million influenza vaccine manufacturing facility in Australia. The state-of-the-art facility will use innovative cell-based technology to produce influenza vaccines for use in both influenza pandemics and seasonal vaccination programs – and will be the only cell-based influenza vaccine manufacturing facility in the southern hemisphere.

This new facility will bolster our existing operations in the US. Built in a partnership with the Australian Government, the facility is unique as it utilises cell-based technology for influenza vaccine production, which has the potential for the rapid ramp-up of pandemic vaccine production.

Each Seqirus facility provides pandemic response solutions to its host country and WHO. There are agreements in place with a number of other nations willing to reserve pandemic vaccine doses to protect their populations in the event of an influenza pandemic. In addition, Seqirus supplies pre-pandemic vaccine stockpiles that could be deployed to first-responders upon a declaration of an influenza pandemic.

In March 2021, Health Canada approved FOCLIVIA®, an MF59® adjuvanted, egg-based pandemic (H5N1) influenza vaccine. Seqirus Canada is an influenza pandemic vaccine partner to the Canadian Government through the Public Health Agency of Canada (PHAC).

Global flu preparedness and response models

In late 2020, the US National Academy of Medicine established an International Committee to assess the global impact that capabilities, technologies, processes and policies developed for COVID-19 could have on pandemic and seasonal influenza global preparedness and response, especially regarding vaccine development. Four consensus study committees were also established to explore the current state of the art and to develop recommendations for a number of key areas including R&D, clinical trials, regulatory approvals, scale-up, production, supply chain and distribution of influenza vaccines. Further perspectives were gathered through public workshop sessions. The final recommendations will be released as consensus reports later in 2021, which will inform the efforts of the US Health and Human Services Office of Global Affairs. Seqirus, along with industry association representatives from IFPMA and Bio is representing the vaccine manufacturers on the international committee and is actively involved in discussions to ensure that the manufacturers perspective is presented and considered in developing the recommendations.

Relationships with patient groups

Relationships with key stakeholders, including healthcare professionals, regulators, clinical groups and patients, deepen over time and add value to our business. When it comes to patients, these ties provide an increasing dimension of connection and commitment.

'The game plan was always to put patients first, to mean what you say, not just to have it on a poster in the office,' CEO Paul Perreault told attendees at the April 2021 Patients as Partners conference. Earlier that day, he reaffirmed CSL's commitment to patients in a memo to employees that said: *'From our start, patients have not only been at the centre of everything we do at CSL, they have served as our guiding star. The past year has only intensified our sense of urgency.'*

CSL's commitment to patient focus continues to be emphasised at a global and local level. Over the last 12 months, there has also been a substantial increase in the use of patient panels and advisory boards to co-create with patients on various projects. These valuable interactions have inspired better strategic development and decision-making for the clinical development and study execution teams; a wealth of information about idiopathic pulmonary fibrosis (IPF), including patient lifestyles and cultural nuances; and insights into how to optimise the Electronic Patient Engagement Exchange, which is currently being developed to improve access to information and interaction with clinical trial participants. Additionally, many departments within and outside R&D have sponsored 'patient days' where patients are invited in to discuss their journey with CSL scientists and employees.

To continue and expand our efforts for meaningful patient engagement, we added internally connected networks and developed information-sharing platforms to further embed patient focus into our daily work. These approaches will allow increased information-sharing and cross-collaboration and increase awareness throughout CSL.

The Patient Focus Peer Network includes key patient focus stakeholders from departments across the organisation. Members will leverage their combined experiences and serve as a guiding forum for CSL teams seeking advice and strategic input about patient-focused activities.

The Patient Focus Knowledge Centre is an online, internal portal for patient engagement offering guidance and access to case studies, patient-focused resources, useful links, downloads and success stories.

The CARE Network, an internal, social media platform, provides CSL employees a forum to discuss patient focus concepts and ideas. Colleagues can connect across the globe, suggest subjects for discussion and participate in innovation sessions with the aim of fostering cultural connections across CSL through meaningful conversations about work and experiences with, and for, patients.

You can read more about our direct support for patient communities in Section 11 of this report.

Improving patient experiences and public health

This year, CSL Behring has transformed how we approach customer engagement with the implementation of a best-in-industry customer relationship management platform that empowers our people to collaborate, while providing a superior customer experience and value for patients. This new capability enables us to connect with our customers both virtually and in person. It supports our customer-facing team in providing key product information, facilitating remote education and engagement, as well as delivering new medical insights for supporting patient care and enhancing the customer experience.

As part of the CSL strategy to drive digital transformation, we aspire to support patients with information, tools and assistance to manage the treatment of their disease. In September 2020, we launched our first digital health application – MyHizentra® for US users – on a new scalable and secure digital health platform. The MyHizentra® application allows patients to manage their disease by scheduling and recording infusions, confidentially sharing infusion information with their doctor and accessing online support materials. With the challenges brought on by the pandemic, providing patients with the confidence and assistance they need to safely infuse at home remains of utmost importance – something we believe MyHizentra® delivers. We seek to expand this offering into new geographies and to continue to enhance patient and caregiver experiences with CSL Behring therapies.

Responsible marketing and promotion

CSL recognises that reputation in the marketplace and success as a reliable supplier of biopharmaceuticals relies on ensuring our medicines 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.

During 2020/21, neither CSL Behring Australia nor Seqirus Australia were found to be in breach of the MA Code. 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 European Medicines Agency (EMA) with respect to the promotion or marketing of medicines, vaccines and therapies.

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breaches of product marketing and promotional activities by the US FDA, EMA or Medicines Australia*

Privacy and cybersecurity

As automation, digital transformation and emerging technologies rapidly reshape our industry, the ecosystem of cyber risk expands exponentially, and the frequency and sophistication of cyberattacks increase. That is why CSL is committed to continually evolving our information security capabilities and strengthening protections around our most important information assets and critical infrastructure. The threats we face today can alter the landscape of our success in the future. As a result, proactively managing risk is essential to ensuring that we can deliver on our 2030 strategy and is an ongoing focus of CSL's senior leadership group and CSL's Audit and Risk Management Committee of the Board.

Today, by taking a collaborative, enterprise-wide approach to confronting cybersecurity and privacy challenges, we are better able to meet the needs of the business. We have placed business enablement and patient and donor safety at the forefront of our cyber strategy, driving CSL to adopt innovative approaches and technologies that will enable continuous monitoring and assessment of cybersecurity threats, and prevent disruption to our supply chain, drug development and manufacturing operations.

* Limited assurance by Ernst & Young.

As we continue to build and improve our information security program, including our business continuity plans, critical event and incident response processes, and security technology infrastructure, we recognise that our security initiatives must support the global scale of our business, and that compliance with local data protection and privacy laws in each region where we do business is imperative.

We also recognise that our security posture is dependent on every one of our employees, contractors, suppliers and partners. In order to enable these stakeholders to support our enterprise security priorities, we continue to focus on strengthening security governance, including supply-chain risk management processes to assess whether our vendors can protect our data and infrastructure, and educational updates and training so that our people can recognise and properly respond to a cyberattack or report a privacy breach. Over the reporting period, employees were required to undertake cybersecurity training in security awareness, introduction into phishing, data entry phishing and avoiding dangerous links.

At CSL, as we meet the challenges of a new age of cybersecurity risk, we are driven by our commitment to protect the privacy and security of our patients, donors, employees and company data.

Ethical conduct

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

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

Based on these controls, 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 those we are seeking to enter.

CSL's Code of Responsible Business Practice (CRBP) underpins our commitment to operating with the highest integrity in the marketplace. From 1 July 2020 to 30 June 2021, 259 reports were identified for the attention of management through our global hotline. 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.

259

As of 30 June 2021, a total of 259 hotline reports received with no allegations resulting in any regulatory action or action by law enforcement authorities

In addition, over the reporting period, our operations conducted an annual assessment of bribery and corruption risk within their businesses. This was achieved by means of a standardised questionnaire that was completed and the responses reviewed with the GCC. During the reporting period, these assessments did not identify any material issues with the Company's management of corruption risks.

FTSE4Good

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

10 Promising Futures

In 2021 our highest priority was the safety and wellbeing of our people, donors and patients.

Guided by our Values, our CSL employees navigated unprecedented challenges while demonstrating remarkable agility and resiliency. The majority of our 25,415 (as at 30 June 2021) global employees worked onsite in our manufacturing facilities and plasma donation centres to ensure our lifesaving medicines and vaccines were available to patients and communities.

While it was a challenging year, we remained committed to investing in our people. CSL's success relies on creating a culture and workplace where people can do their best work and have a promising future.

Diversity, Equity and Inclusion (DE&I)

We work to embed diversity, equity and inclusion in everything we do – from how we attract talent and support our employees to how we engage with the communities where we live and work.

CSL defines diversity in the broadest of terms, including but not limited to gender, nationality, ethnicity, disability, sexual orientation, gender identity, generation/age, socioeconomic status, marital/family status, religious beliefs, language, professional and educational background, and cultural experiences. However, a focus on diversity alone is not enough. We also need our people to feel like they belong (inclusion) and experience fair treatment and access to opportunities (equity).

CSL's global diversity policy is integral to our talent and culture strategies. We set annual diversity objectives. Our current 2021/22 fiscal year objectives are to:

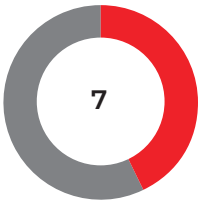
1 build a more diverse workforce in order to bring a wide variety of viewpoints and ideas to the work that we do every day – this includes introducing a DE&I Leader Accountability Model to ensure all CSL leaders understand their important role and responsibilities in this area;

2 foster an inclusive culture where all employees are respected, valued and inspired to do their best work – this includes expanding our new Promising Futures scholarship to non-US locations; and

3 enhance our external reputation by partnering with organisations and suppliers who share our passion for DE&I.

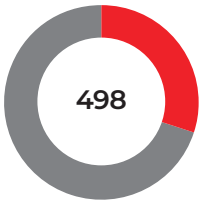
The following graphs highlight the proportion of women and men on the Board, in senior executive positions (senior director and above), people managers with three or more direct reports as well as all employees across the whole organisation as at 30 June 2021.

Board



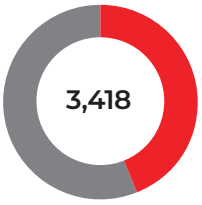
- Female **43%**
- Male **57%**

Senior Executives



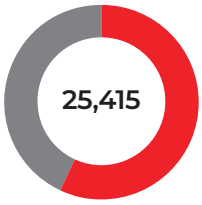
- Female **30%**
- Male **70%**

People Managers



- Female **44%**
- Male **56%**

All Employees



- Female **57%**
- Male **43%**

CSL's Generational Diversity Profile

Our workforce is multigenerational ranging from Baby Boomer to Generation Z.

- Generation Y (Millennials) (1980–2000) 53%
- Generation X (1962–1979) 38%
- Baby Boomer (1946–1961) 7%
- Generation Z (2001+) 2%

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

Encouraging, developing and celebrating the promise of our people

At CSL, we want all employees to pursue their career aspirations and have promising futures. We are committed to helping them develop, grow and thrive. We are proud to share and celebrate their successes as teams and individuals.

The Power of Education to Create Opportunities and Change Peoples' Lives

CSL launched a new Promising Futures Scholarship Program to provide financial assistance to US employees and their dependants for technical school, vocational school, two- and four-year colleges or advanced education. The program was specifically designed to support individuals from traditionally underprivileged, under-represented communities – those who have had to overcome substantial obstacles to pursue their studies or first-generation college students. In this first year, the program granted **37 scholarships**.

'This scholarship is a perfect example of CSL going above and beyond for employees and their families. I'm so proud of my daughter, Aditee, and her many academic accomplishments. She has worked so hard and even established a Math Circles program to encourage girls to explore STEM careers. In the future, we are hoping she will come to CSL as an intern and have the opportunity to give back. This is such a proud moment for us!'

Anuja Prabhutendolkar
Director, Product Development and Research Quality

CSL Behring Pasadena, Pasadena Lab

A Week's Worth of Virtual Learning Opportunities

CSL held our first-ever, week-long virtual development event for all employees. The program included 62 hours of live sessions, 40 CSL experts and panellists, and four keynote speakers. Topics ranged from innovation and personal wellbeing to resilient leadership and digital fitness.

Developing Our Future Leaders, Today

Leader expectations are continuing to rise. From strategy development and execution to fostering an innovative and inclusive culture, the role of a leader has never been more important than it is today. That is why we are committed to the ongoing development of CSL's future leaders, including two 9-month interactive learning journeys detailed below.

Leadership Excellence Program for Associate Directors and Directors

Launched in February 2021 for 81 CSL leaders – 41 females and 40 males – across all areas of our business. The program includes:

- learning sessions on topics such as agility, future trends and effectively translating enterprise strategy;
- hands-on business simulation;
- reverse mentoring to build relationships and gain valuable insights directly from our GenZ employees; and
- a personalised leadership assessment and action plan to help translate learnings into meaningful actions.

Executive Edge Program for Senior Directors and Executive Directors

Originally designed as a mix of in-person and virtual learning, this program was entirely revamped to be virtual due to COVID-19. A cohort of 25 CSL leaders – 11 females and 14 males – across all areas of our business are currently participating. Key program elements include:

- leadership assessments;
- 1:1 executive coaching sessions;
- learning sessions on topics such as leading in disruptive times, inclusive leadership and decision-making during uncertainty; and
- peer accountability teams to pull the learnings forward and expand the individual's network.

Once international travel resumes, the cohort will also participate in the original in-person program.

EMEA Early Career Program Aimed at Attracting and Retaining STEM Talent

To be successful, future leaders need development early on in their careers. The EMEA Trainee Program offers newly graduated candidates (Bachelor, Master and PhDs) a two-year, cross-functional rotation program in the areas of engineering, marketing, medical affairs, manufacturing, quality and/or R&D. Candidates receive a mentor and participate in a wide-range of development and social opportunities, including leadership assessments, innovation sessions and project management. For this fiscal year, 17 trainees enrolled in the program. All trainees that have completed the program so far have secured full-time employment with CSL.

Celebrating Employees' Contributions

CSL's new global recognition program, Celebrate the Promise, launched in September 2020. This new online platform allows employees and leaders to easily send recognition to anyone at any time and for any reason – from a simple thank you to a major accomplishment. Each recognition is tied to a specific CSL Value. For more significant achievements, employees may receive points to purchase merchandise from an online catalogue. To date, results have been impressive with over 63,000 global recognition moments being shared and Collaboration and Superior Performance being the top two most-recognised Values.

Listening to Our People

We conduct an annual survey to capture employees' feedback on everything from CSL's future vision to development, collaboration, decision-making and living the CSL Values. In the most recent survey conducted in April/May 2021, over 17,000 employees shared their thoughts and opinions. New this year, we:

- added questions specifically related to DE&I and contributing to the community; and
- transitioned to the external benchmark database maintained by our survey administrator, Perceptyx, which represents responses from over 11 million employees across multiple industries and geographies.

This year's Engagement Index is 73.7 and on par with the prior year. However, we did make a change to the underlying index questions to better align to our overall strategic priorities, so this year's index represents our new engagement baseline.

73.7*%
Employee Engagement Index Score

7.1
Points Below Global Benchmark

While our engagement index score remains strong, we are not content to be below the global benchmark. We know from our results that after a year of uncertainty and having to adapt to new ways of working, employees are looking to CSL to provide stability and clarity.

At an enterprise level, the Global Leadership Group identified two focus areas based on employee feedback – reinforcing the company's vision for the future and providing clear communications regarding important changes. CEO, Paul Perreault, acknowledged these in a recent company-wide video. There is also a full-year plan in place to engage leaders at all levels in discussing the company's vision for the future with their teams, including leadership podcasts and a new leadership portal to house key resources (e.g., talking points, videos).

As in prior years, each member of our Global Leadership Group analyses their respective results to identify one or two meaningful engagement objectives and related action plans for the new fiscal year. We also offer 'Analytics to Action' training to managers to support them with interpreting their team feedback and identifying strengths to build on or improvement opportunities.

Caring for employees during COVID-19

When the pandemic began last year, we introduced a number of programs focused on the safety and wellbeing of our employees, including increased safety protocols, emergency caregiver policies, remote working for those able to do so, the expansion of our Employee Assistance Program and travel restrictions. We also implemented a new global benefits minimum standard for parental and caregiver leave in the US, Hong Kong and Singapore with plans to implement in the remaining Asia-Pacific region (APAC) countries in the new fiscal year.

This year, we conducted a COVID-19 employee pulse survey. Results were positive on CSL's development of safety protocols, distributing timely and informative communications and providing remote-working options and tools to keep us seamlessly connected. However, we also learned that the pandemic was putting increased pressure on our people whether they were working onsite or remotely. In response, we introduced Wellness Days for 2021 – extra time employees can use to focus on their own physical and emotional wellbeing when they need it most.

93%
understand what is expected to maintain a healthy and safe environment at work

87%
believe the company has implemented effective systems to keep remote employees connected

Sustainability Strategy – Sustainable Workforce

At CSL, our people are our greatest asset, driving our performance and delivering for our patients and public health. Ensuring we have a sustainable workforce is critical to our sustainability strategy and performance over the long term.

In 2021, we developed a sustainability strategy underpinned by three strategic pillars, including 'sustainable workforce'.

Our sustainable workforce focus areas include:

- raising awareness, visibility and action including the promotion of sustainability across the end-to-end working experience;
- communicating to and involving employees in programs that maximise diversity, equity and inclusion; and
- ensuring all employees have access and opportunity to engage with community-giving programs and volunteering for local needs.

Along with our environmental and social strategic pillars, work has commenced to build out data sets and learnings from programs that are currently, or historically, operated across some regions.

* Limited assurance by Ernst & Young.

Safety and wellbeing

In order to achieve environmental, health and safety (EHS) excellence and stay true to our commitment to promising futures, CSL has in place a robust, flexible and global approach to EHS management that ensures our operations are safe and environmentally responsible. Our EHS Management System seeks to uphold our EHS principles that aim to keep people safe, protect the environment and build trust internally and externally. Each year, CSL establishes robust key performance indicators to measure our adherence to our values and drive improved results.

The EHS team works collaboratively with site operations management and employees to proactively identify and correct workplace hazards and risks, strengthen communication, define roles and responsibilities and promote a company-wide culture of safety at all of our manufacturing, laboratory and office locations. This safety culture improvement journey fosters employee involvement in our workplace EHS programs, promotes awareness and strives to maintain a safe workplace for all. With our unwavering commitment to employees, we have established targeted improvement plans to address our performance.

This year we implemented Enablon®, a cloud-based EHS software solution that can be used by all employees, contractors, and visitors for event reporting, incident investigation, inspections, corrective measures and metrics. Enablon® will be used to standardise and modernise safety reporting and processes across the organisation. This creates transparency and ownership, putting safety in everyone's hands, making our company a safer place.

Our Health and Safety Performance*

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

Year		Targets‡	Results‡
20-21	Non-CSL Plasma sites	≤3.5	1.88
	CSL Plasma	≤10.8	11.20

* Limited assurance by Ernst & Young.

† Total Recordable Injury Frequency Rate (TRIFR) is the rate of injuries resulting in a fatality, lost time from work ≥ one day/shift, and medical treatment beyond first aid calculated as TRIFR = (# Injuries)x(1,000,000)/(Hours Worked). Includes employees and workers directly supervised by an employee. There were no fatalities across our employee and contractor workforce during this reporting period.

‡ Data is calculated over a 36-month period of time. Targets are set at 50% of the 36-month industry average for the period published. Data is separated into CSL Plasma and non-CSL Plasma sites to account for the difference in the inherent hazards in plasma collection centres as compared to manufacturing facilities and the resulting differences in how industry data is published.

Employee safety performance indicators

CSL has developed leading indicators focusing on the early detection and mitigation of hazards in the workplace. We are currently monitoring the suitability and performance against these indicators and look to disclose meaningful data in future reports.

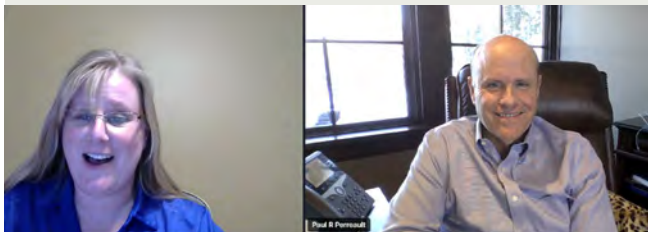
Wellbeing at work, wellbeing at home and wellbeing every day

The past year has been unlike any other and the impact this has had on our daily lives and routines cannot be underestimated. Recognising a need to support employee wellbeing, including physical, mental and social health, CSL launched activities promoting positive health and wellbeing at both the global and site level over the financial year. Examples include, but are not limited to:

- workplace ergonomics (with a special focus on the home-office working);
- health checks;
- mental fitness activities;
- mental health support resources;
- movement activities;
- nutrition support;
- meditation;
- sleep support; and
- vaccination clinics.

Helping employees break through virtual barriers

Working for a global company means having co-workers around the world and often getting a chance to meet each other in person. However, this is not possible during the global pandemic. With the move to virtual meetings and conferences, employees have missed out on face-to-face experiences and opportunities to build relationships. During CSL's week-long Development Days event in March, employees were invited to join 'Speed Networking' sessions in an effort to bridge the gap. Participants were randomly paired for five-minute conversations with co-workers in 15 countries. In short order, 1,727 quick meetings happened, including a few sessions that paired lucky employees with CSL Limited CEO and Managing Director Paul Perreault. Mr Perreault said he enjoyed the speed networking experience and listed it among many steps CSL has taken to keep people connected during the global pandemic.



11 Our Communities

Among our most valuable partnerships are the relationships with the communities we serve. Whether it's through supporting organisations that serve patients, collaborating with our medical and scientific colleagues or being a valued corporate citizen in the places where we live and work, CSL strives to have a positive impact on our communities. Our focus on communities also helps us gain insight into the evolving needs of our stakeholders and positions us well to provide new and helpful solutions, including improved medicines and advocacy programs.

Our approach

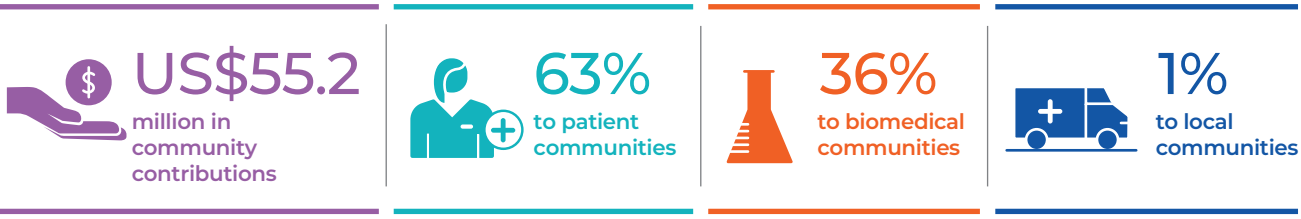
CSL's approach to community support is guided by our Code of Responsible Business Practice and supplemented by our Global Community Contributions Policy. The policy applies to all CSL businesses and employees and is intended to be implemented to guide decision-making and management of any form of community contribution, financial or by other means. The core of the policy is our community contributions framework, which sets out our key focus areas of support.

Support for patient communities	
– Enhancing quality of life for patients in the conditions our therapies treat – Improving access to our biological medicines	Aligns with CSL's Values of Patient Focus and Integrity. Supports CSL's Patient and Public Health and Focus strategic objectives by improving patient outcomes.

Support for biomedical communities	
– Advancing knowledge in medical and scientific communities – Fostering the next generation of medical researchers	Aligns with CSL's Values of Innovation and Collaboration. Supports CSL's Innovation strategic objective by fuelling new breakthroughs, enhancing scientific knowledge and building capability and capacity.

Support for local communities	
– Supporting community efforts where we live and work – Supporting communities in times of emergency	Aligns with CSL's Value of Superior Performance. Supports CSL's People and Culture strategic objective by creating an environment that employees feel proud to perform within.

Collaborative relationships with communities are an important part of our commitment to advance scientific knowledge and foster the next generation of medical researchers, as well as enhance the quality of life for patients and improve access to our medicines. In 2020/21, CSL contributed US$55.2 million to patient, biomedical and local communities, reflecting our commitment to nurturing communities in which we work and live.



Support for patient communities

Our support for patient communities continues as a priority, with the majority of total funding directed towards programs that enhance patient quality of life, protect public health and improve access to our medicines.

Some of these strategic programs are detailed below.

CSL Behring

Bleeding disorders

Empowering patient communities through education and advocacy

CSL Behring sponsored the first ever Virtual Summit of the World Federation of Haemophilia (WFH) in June 2020. WFH is an international not-for-profit organisation that works to improve the lives of people with haemophilia and other inherited bleeding disorders, and CSL Behring is proud to be a long-term partner with the WFH to connect the global bleeding disorders community.

CSL Behring was the first corporate partner to commit to a multi-year agreement with WFH and in 2019 announced its fourth multi-year commitment as Visionary Corporate Partner to advance programs that help improve diagnosis and access to care for patients in developing countries, provide medical training, increase awareness, establish education initiatives, and achieve government support through advocacy.

CSL Behring is a WFH 'Visionary Partner' and has supported a number of the Federation's programs over the years, including their Path to Access to Care and Treatment Program that aims to increase the diagnosis and treatment of patients with haemophilia and other bleeding disorders in developing countries. In addition, CSL Behring is a significant contributor to the WFH Humanitarian Aid Program's efforts to provide consistent and predictable treatment access through product donations and financial support. As part of CSL Behring's most recent commitment, while we promised to donate 50 million international units (IUs) of product over a three-year period, we donated almost twice that amount (US$174 million value) inclusive of both plasma-derived and recombinant therapies, ultimately helping patients in 48 countries.

Influenza

Commitment to donate 10% of influenza vaccine output in the event of a global pandemic.

The COVID-19 pandemic has highlighted the importance of rapid sharing of both physical samples and the genetic sequence information of pathogens to enable an effective response to pandemics and epidemics. Access and Benefit Sharing (ABS) models, including the Nagoya Protocol, pose a significant threat to our ability to do this. WHO and its member states are reviewing a number of proposals, including those for the establishment of a Pandemic Treaty and a Biohub for biological samples to ensure that access to pathogens is maintained and that there is fair and transparent sharing of the benefits with all countries. The WHO Pandemic Influenza Preparedness (PIP) Framework has been highlighted as an example of an established ABS model. Seqirus continues to play a leading role in industry interactions with WHO in this area, highlighting concerns about the PIP Framework model, raising awareness of the impact of ABS and Nagoya protocol legislation on pathogen sharing and urging for the lessons learned through the response to the COVID-19 pandemic to be incorporated into any new mechanism. We continue to work through the industry associations to track progress on these developments and to ensure that the industry perspective is presented.

Uncovering 'Suffering in Silence'

Commitment to raising awareness in APAC on assessing rare diseases.

CSL Behring commissioned the Economist Intelligence Unit to explore the state of rare-disease understanding and management throughout the Asia-Pacific (APAC) region in 2020.

The result is a paper called 'Suffering in Silence: Assessing Rare Disease Awareness and Management in Asia-Pacific' which takes a deep dive into the realities facing patients living with rare diseases across five APAC economies.

Despite their classification as 'rare', these diseases affect an estimated 258 million people in APAC, approximately 50% of whom are children. This represents a significant disease burden that cannot be ignored. The report seeks to understand the rare disease landscape including complexities for healthcare professionals and governments in addressing the needs of this diverse group, as well as the perceived challenges facing rare disease patients.

The hope for the report is that it will spark constructive discussions among all stakeholders in the rare disease space and will help honour CSL's promise to improve the quality of life for rare disease patients and their families in Asia-Pacific and beyond.

Support for biomedical communities

As we look to advance scientific knowledge and develop new solutions in areas of unmet patient needs, CSL collaborates with select partners throughout the scientific and medical communities on research and other initiatives.

Among our collaborations are partnerships with medical research institutes and universities. We also offer research grants to institutes, hospitals and patient organisations. Additionally, CSL funds investigator initiated studies (IIS), projects undertaken by researchers outside CSL's R&D activities to better understand the potential use of its products to treat new indications or therapy areas.

For an IIS, CSL does not have any role in the conduct of the study and does not claim exclusivity over research outcomes, but does provide support through the provision of product and/or financial grants. In 2020/21, there were more than 20 studies supported that spanned a multitude of areas including von Willebrand disease, secondary immunodeficiency, haemophilia A and B, kidney transplant, lung transplant, chronic inflammatory demyelinating polyneuropathy and hypogammaglobulinemia.

At CSL, we are committed to supporting established researchers and the researchers of tomorrow – the scientists whose discoveries will help patients lead longer, fuller lives.

The CSL Centenary Fellowships are competitively selected, high-value grants available to mid-career Australians who wish to continue medical research in Australia. Two individual, five-year, A$1.25 million fellowships are awarded each year. The 2021 Centenary Fellowships were awarded to Dr Alisa Glukhova, a structural biologist at the Walter and Eliza Hall Institute of Medical Research in Melbourne, and Professor Si Ming Man of Australian National University's John Curtin School of Medical Research. Dr Glukhova is investigating the Frizzled protein, a signal receptor in a fundamental cell communication system that guides the growth of embryos. Professor Man will use his fellowship to study disease-fighting proteins produced by the immune system and how those proteins may be used to fight infectious diseases.

Supporting promising innovation through CSL Research Acceleration Initiative

In 2020, four Australian medical researcher programs were awarded a CSL Research Acceleration Initiative partnership, including a A$500,000 investment in each program over two years, to fast-track the discovery of innovative biotherapies to address unmet patient needs.

The CSL Research Acceleration Initiative establishes partnerships between CSL and global research organisations and includes funding as well as access to CSL R&D experts.

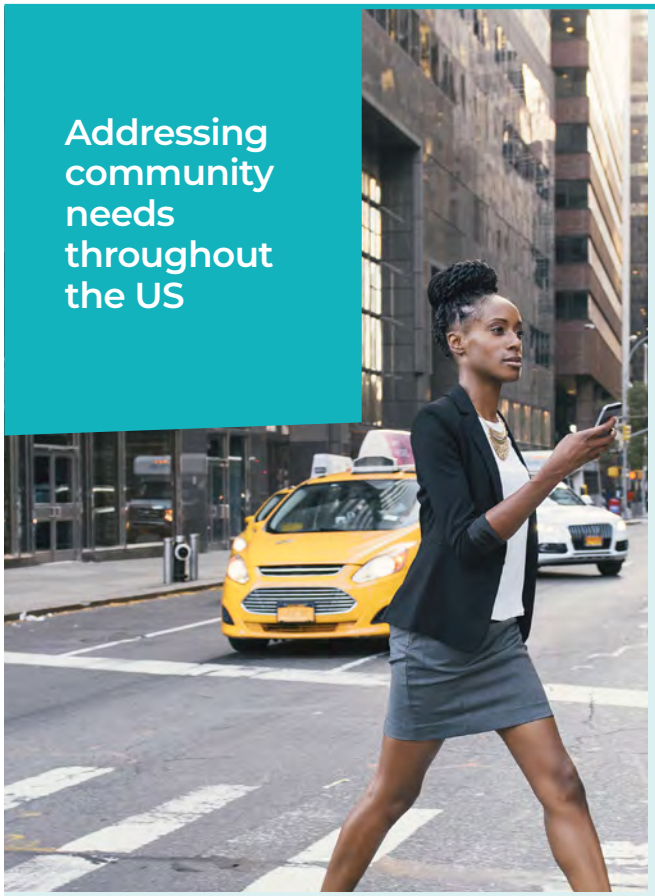
Recipients of the 2020 funding round include researchers from the University of Western Australia, the University of Queensland and two groups from QIMR Berghofer. Their proposals address a wide range of diseases aligned with CSL's therapeutic areas, including immunology, cardiovascular, respiratory and transplant.

Support for local communities

Local community initiatives are centred on engaging employees in local giving, both financially and through volunteered time.

These programs invite the broader participation of our employees in the community. While seeking to address a community need or gap, support for the local community encourages teamwork and collaboration and builds a sense of pride in the workplace and organisation. A number of activities are undertaken across our sites to support local organisations.

Addressing community needs throughout the US



CSL has launched a community partnership with six National Urban League affiliates across the US to provide support to address the most pressing needs where CSL has a strong community presence.

The National Urban League is a historic civil rights and urban advocacy organisation that provides direct services that impact and improve the lives of more than 2 million people across the US.

Areas of focus of the partnership include strengthening public health, leadership development, workforce diversity and job creation and training. The partnership also works toward the goal of improving understanding and awareness about plasma donation in coordination with CSL Plasma centres in each of the affiliates' communities.

CSL, with global operational headquarters in the greater Philadelphia region, piloted the collaboration with the Urban League of Philadelphia, focusing on leadership and career development as well as public health, with specific funding to support the Black Doctors COVID-19 Consortium.

The company is also working directly with five other Urban League affiliates, including Chicago, Detroit, Atlanta, Baltimore and South Florida (Broward County), to have company leaders volunteer on their respective boards and align on goals and priority areas of support for these regions. An additional CSL Behring contribution will go to the National Urban League Career Services Center to promote talent identification and job placement throughout the U.S.

Tackling rare diseases by supporting emerging researchers

Young researchers in search of treatments and cures for rare diseases received US$140,000 in unrestricted grants at the Uplifting Athletes Young Investigator Draft Presented by CSL Behring.

The draft spotlights scientists and helps boost their research projects by awarding US$20,000 grants. CSL Behring has been supporting the event since it launched in 2018.

Normally held with much fanfare at Lincoln Financial Field, home of the Philadelphia Eagles, the Young Investigator Draft was held virtually for the first time in 2021.

Founded in 2007, Uplifting Athletes (UA) brings hope and inspiration through the power of sport with a powerful network of over 20 college football student-athlete led chapters, Uplifting Ambassadors and Team UA participants.

Banksia Gardens Community Services

CSL's Australian Legal Department proudly provided pro-bono legal services to the recipients of CSL Behring Australia's annual 'Community Grant' in 2020 and 2021.

Banksia Gardens Community Services is a dynamic neighbourhood house and community service organisation located in Broadmeadows, Victoria, with programs focusing on education, training, community participation with more than 30 groups and Associations based at the Broadmeadows centre. Banksia Gardens received pro-bono legal advice in 2020 regarding contractual, policy, legislative and governance matters, which enabled the service to systematically improve governance and compliance.

Banksia Gardens
Community Services

Youth Projects – Life Changing Opportunities

Youth Projects is an independent, registered charity providing frontline support for young people and individuals experiencing disadvantage, unemployment, homelessness, alcohol and other drug issues and assisting those seeking to re-engage with learning and employment.

In 2021, the service has the benefit of CSL's pro-bono legal advice and we are pleased to assist Youth Projects in advancing their dynamic and varied programs to ensure relevant legal, risk, compliance and governance matters are appropriately addressed.

youth projects

12 Governance

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

Governance structure

Our approach to corporate governance and the role it plays goes well beyond meeting our compliance obligations. We believe that our governance framework fosters our high performing and respectful culture while underpinning CSL's Values of Patient Focus, Innovation, Integrity, Collaboration and Superior Performance. The Board has a formal charter documenting its membership, operating procedures and the allocation of responsibilities between the Board and management. CSL's Board charter is central to the governance framework at CSL as it embodies our corporate purpose, strategy and values and defines when we are successful.

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

The Board has delegated the day-to-day management of CSL, and the implementation of approved business plans and strategies, to the CEO and Managing Director, who in turn may further delegate to senior management.

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

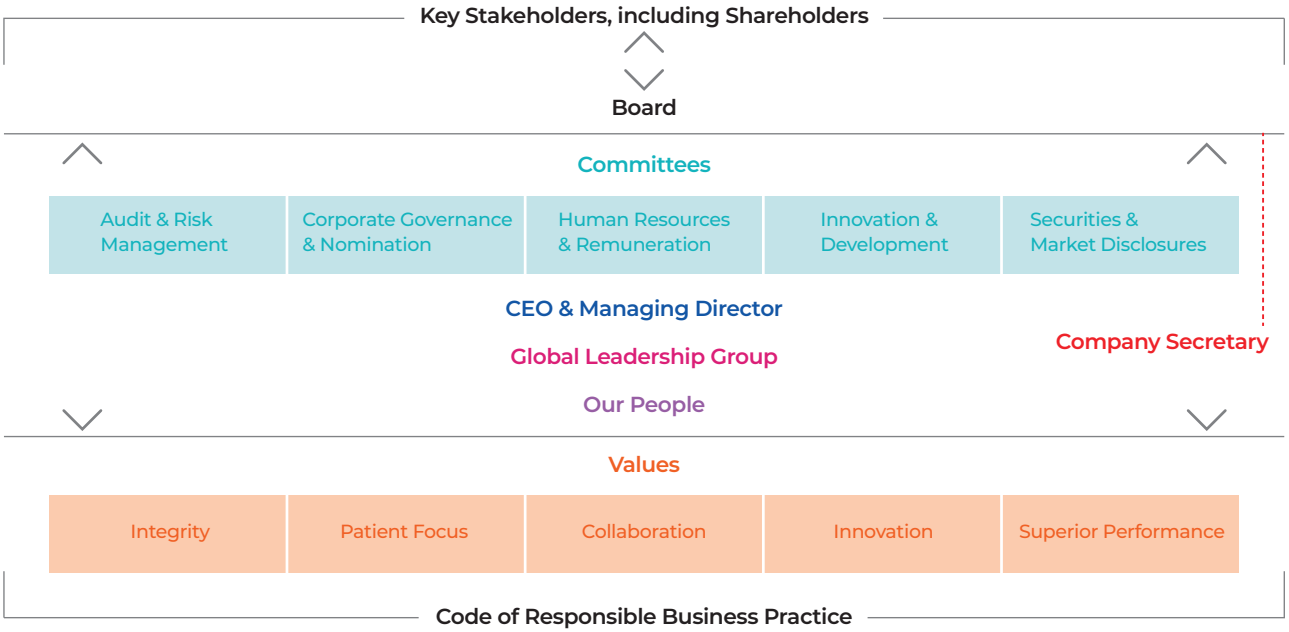
Board composition

Throughout the year there were between 7 and 10 directors on the Board. At the date of this report, there are 8 directors on the Board, comprising five independent, Non-Executive directors and two Executive directors.

Since 1 July 2020 to the date of this report, the following changes to directorships occurred:

- Ms Christine O'Reilly retired from the Board, effective at the end of the 2020 Annual General Meeting (AGM);
- Mr Bruce Brook was re-elected as a director at the 2020 AGM;
- Mr Pascal Soriot was appointed to the Board on 19 August 2020; Mr Pascal Soriot and Ms Carolyn Hewson AO were elected as directors at the 2020 AGM;
- Mr Pascal Soriot retired from the Board, effective from 1 February 2021;
- Mr Abbas Hussain retired from the Board, effective 25 June 2021;
- Ms Alison Watkins was appointed to the Board, effective 19 August 2021, and will seek election at the 2021 AGM; and
- Professor Andrew Cuthbertson AO is retiring from the Board as an Executive Director effective 1 October 2021, and will seek re-election as a Non-Executive Director at the 2021 AGM.

The Board is focused on maintaining an appropriate mix of skills and diversity in its membership. This includes a range of skills, experience and background in the pharmaceutical industry, international business, finance and accounting, and management, as well as gender diversity. A detailed matrix of Board skills is available in CSL's 2020/21 Corporate Governance Statement available at CSL.com (Our Company > Corporate Governance).



Board of Directors

Brian McNamee AO

MBBS, FTSE Age 64

Chair and Independent Non-Executive Director

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

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

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

Other directorships and offices (current and recent):

– Chair of Geoff Ogilvy Foundation (since May 2021); and
– Chair of GenesisCare Limited (since July 2019).

Board Committee memberships:

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

Paul Perreault

BA (Psychology) Age 64

Non-independent Executive Director

Director of CSL Limited since February 2013, and appointed Chief Executive Officer and Managing Director in July 2013.

Mr Perreault has more than 35 years of experience across both the global biotech and pharmaceutical industries.

He was appointed Chief Executive Officer and Managing Director of CSL Limited in July 2013, and was appointed to the CSL Board of Directors the same year. Since then, CSL has grown to become the third largest biotech company in the world, with more than 25,000 employees bringing lifesaving medicines to people in more than 100 countries.

Mr Perreault, who previously served as CSL Behring's president, joined CSL in 2004 with the acquisition of Aventis Behring. Prior to CSL, he spent more than 15 years in key senior roles at Wyeth-Ayerst Laboratories, now part of Pfizer. Mr Perreault holds a bachelor's degree in psychology from the University of Central Florida and completed advanced business management training at the Kellogg and Wharton schools of business.

Other directorships and offices (current and recent):

– Director of the US Pharmaceutical Research and Manufacturers of America Association (PhRMA) (since December 2020).

Board Committee memberships:

– Member of the Innovation and Development Committee; and
– Member of the Securities and Market Disclosure Committee.

Bruce Brook

BCom, BAcc, FCA, MAICD Age 66

Independent Non-Executive Director

Director of CSL Limited since August 2011.

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

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

Other directorships and offices (current and recent):

– Director of Djerriwarrh Investments Limited (since August 2021);
– Director of Guide Dogs Victoria (since November 2018);
– Director of Incitec Pivot Limited (since December 2018);
– Director of Newmont Corporation (since October 2011); and
– Former Director of the Deep Exploration Technologies Co-operative Research Center Limited (from August 2011 to September 2018).

Board Committee Memberships:

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

Megan Clark AC

BSc (Hons) PhD Age 63

Independent Non-Executive Director

Director of CSL Limited since February 2016.

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

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

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

Other directorships and offices (current and recent):

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

Board Committee memberships:

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

Andrew Cuthbertson AO

BMedSci, MBBS, PhD, FAA, FTSE, FAHMS Age 66

Non-independent Executive Director

Director of CSL Limited since October 2018, and appointed Senior Adviser to the CEO in July 2020.

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

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

Other directorships and offices (current and recent):

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

Board Committee memberships:

– Chair of the Innovation and Development Committee.

Carolyn Hewson AO

BEc (Hons), MA Age 66

Independent Non-Executive Director

Director of CSL Limited since December 2019.

Ms Hewson is a former investment banker with over 35 years' experience in the finance sector. She was previously an executive director of Schroders Australia Limited and has extensive financial markets, risk management and investment management expertise. She has long-term Non-Executive experience in a number of sectors bringing a breadth of experience and insight on strategy, capital management and portfolio optimisation through cycles, financial and non-financial risk, social value, organisational culture and the changing external environment.

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

Other directorships and offices (current and recent):

– Director of Reserve Bank of Australia (since April 2021);
– Director of Infrastructure SA (since January 2019);
– Former Director of BHP Group Limited and BHP Group Plc (from March 2010 to November 2019);
– Former Director of Stockland Group (from March 2009 to September 2018);
– Former Trustee Westpac Foundation (from May 2015 to May 2019); and
– Former Member of Federal Government Growth Centres Advisory Committee (from January 2015 to May 2021).

Board Committee membership:

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

Duncan Maskell

MA, PhD, FMedSci, Hon Assoc RSVC
Age 60

Independent Non-Executive Director

Director of CSL Limited since August 2021.

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

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

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

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

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

Other directorships and offices (current and recent):

– Director of the Grattan Institute (since November 2018);
– Vice-Chancellor of the University of Melbourne (since October 2018);
– Director of Melbourne Business School (since October 2018);
– Director of the Group of Eight Limited (since October 2018);
– Director of Universities Australia Limited (since October 2018); and
– Former Director of Genus Plc (from 2014 to 2018).

Board Committee memberships:

– Member of the Innovation and Development Committee.

Marie McDonald

BSc (Hons), LLB (Hons) Age 64

Independent Non-Executive Director

Director of CSL Limited since August 2013.

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

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

Other directorships and offices (current and recent):

– Director of Nanosonics Limited (since October 2016);
– Director of Nufarm Limited (since March 2017); and
– Director of the Walter & Eliza Hall Institute of Medical Research (since October 2016).

Board Committee memberships:

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

Alison Watkins

BCom Age 58

Independent Non-Executive Director

Director of CSL Limited effective from August 2021.

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

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

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

Other directorships and offices (current and recent):

– Director of Reserve Bank of Australia (since Dec 2020);
– Director Wesfarmers Limited (effective from 1 September 2021);
– Chancellor, University of Tasmania (effective from 1 July 2021);
– Director of Centre for Independent Studies (since December 2011);
– Director of Business Council of Australia (since August 2015); and
– Former Group Managing Director of Coca-Cola Amatil Limited (from March 2014 to May 2021).

Board Committee Memberships:

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

Fiona Mead

LLB (Hons), BComm Age 52

Company Secretary and Head of Corporate Governance

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

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

Board committees

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

Leadership team

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

Paul Perreault

BA (Psychology)
Age 64

Chief Executive Officer and Managing Director

Paul was appointed to the CSL Board in February 2013 and was appointed as the Chief Executive Officer and Managing Director in July 2013. He joined a CSL predecessor company in 1997 and has held senior roles in sales, marketing and operations with his most recent prior position being President, CSL Behring.

Paul has also worked in senior leadership roles with Wyeth, Centeon, Aventis Bioservices and Aventis Behring. He was previously chair of the global board for the Plasma Protein Therapeutics Association. Paul has had more than 36 years' experience in the global healthcare industry.

The Harvard Business Review named Paul among the Top 100 Performing CEOs in the world during this fiscal year. See above for further biographical details.

Greg Boss

JD, BS (Hon)
Age 60

Executive Vice President, Legal and CSL Group General Counsel

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

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

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

Bill Campbell

BSc (Business Administration)
Age 62

Executive Vice President, Chief Commercial Officer

Bill was appointed Executive Vice President, Chief Commercial Officer in September 2017. He has responsibility for a variety of global functions, including sales, marketing, commercial development, medical affairs and public policy. Prior to being appointed to his current role, Bill led CSL Behring's North American commercial operations since 2014. He has more than 35 years of diverse pharmaceutical and biotechnology experience across a range of therapeutic areas, including oncology, women's health, vaccines and plasma proteins. Bill has held senior management positions at a number of pharmaceutical and biotechnology companies.

Mark Hill

BA (Organizational Management)

Executive MBA (Information Technology Management)
Age 60

Executive Vice President, Chief Digital Information Officer

Mark Hill was appointed Chief Digital Information Officer in October 2020 and leads the enterprise-wide Information and Technology organisation, including both the CSL Behring and Seqirus businesses, and its accompanying strategy.

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

Mark is a global IT leader with extensive experience in utilising enabling technology to deliver efficiency, productivity, quality and solutions for patients and public health. Prior to joining CSL, he was senior vice president and chief information officer at Gilead Sciences, where he led the IT organisation during a period of rapid growth for the company and delivered key initiatives that encouraged collaboration and new ways of working. With more than 30 years of experience, Mark held leadership roles with Merck and Schering-Plough earlier in his career. Mark is also a US Army veteran.

Joy Linton

BComm; F. Fin; GAICD
Age 55

Chief Financial Officer

Joy was appointed Chief Financial Officer in March 2021.

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

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

Paul McKenzie

PhD (Chemical Engineering)
Age 54

Chief Operating Officer

Paul was appointed Chief Operating Officer in June 2019 and leads CSL's global end-to-end operations organisation and its accompanying strategy. He has responsibility for manufacturing, quality, engineering, supply chain, procurement and environment, health and safety, as well as CSL Plasma and its network of collection centres in the US, China and Europe. Paul also has responsibility for Seqirus.

Prior to joining CSL, Paul served as executive vice president of Pharmaceutical Operations and Technology at Biogen. With more than 25 years of experience, Paul held various senior roles in research and development and manufacturing for Johnson & Johnson, Bristol-Myers Squibb and Merck & Co.

Paul holds a Bachelor of Science degree in Chemical Engineering from the University of Pennsylvania and a PhD in Chemical Engineering from Carnegie Mellon University. He was elected to the National Academy of Engineering in 2020.

Bill Mezzanotte

MD, MPH
Age 62

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

Bill was appointed Head of Research & Development (R&D) in October 2018 and assumed the role of Chief Medical Officer in 2020. He is responsible for developing and executing CSL's R&D strategy and portfolio, including the identification and development of all R&D platforms, skills and expertise necessary for success. Bill initially joined CSL as head of clinical development in 2017. Prior to CSL, Bill was senior vice president and therapeutic area head for the respiratory unit for Boehringer Ingelheim and spent 16 years with AstraZeneca in research and development, assuming roles of increasing leadership and management responsibility across multiple therapeutic areas. Bill obtained his MD at the University of Pennsylvania and a Master of Public Health degree from Johns Hopkins University. He is board certified in internal medicine, pulmonary medicine, critical care medicine and sleep medicine and currently serves as a member of the Board of Directors of the Philadelphia-based University City Science Center.

Elizabeth Walker

BA, MS (Organisational Development and Leadership)
Age 51

Executive Vice President, Chief Human Resources Officer

Elizabeth was appointed Chief Human Resources Officer in December 2017.

She joined CSL Behring as chief talent officer in 2016 and served as interim chief human resources officer from October 2017. Prior to joining CSL, Elizabeth was vice president Global Talent Management at Campbell Soup Company. She has more than 25 years' experience in both management consulting and human resources. Elizabeth has worked across a variety of industries, including healthcare, financial services and food manufacturing.

Alan Wills

BA (Zoology), MBA
Age 57

Executive Vice President, Strategy and Business Development

Alan joined the company in February 2015. He is responsible for strategy, portfolio management and business development activities at CSL. Prior to joining CSL, Alan was executive vice president, corporate development at Auxilium Pharmaceuticals. He was previously head of corporate strategy for Bristol-Myers Squibb and Pfizer, and has worked in strategy and business development roles at United Healthcare and Stanford Medical Center. Alan began his career with the Boston Consulting Group.

On 1 October 2020, CSL announced the appointment of Joy Linton to replace David Lamont as the Chief Financial Officer who left CSL on 30 October 2020. Other leadership changes during the financial year include Mark Hill, Chief Digital Officer, joining CSL and the Global Leadership Group.

More on CSL.com (Our Company > Board and Management)

Ethics and transparency

While our Values serve as the directional compass of our work, our Code of Responsible Business Practice (Code) provides a more detailed map to deliver on our promise in ways that exemplify the highest standards of conduct throughout the organisation. This applies in all areas, from our R&D facilities to our plasma centres to our manufacturing sites to our commercial affiliates.

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

In 2020/21, following an independent review and consultations with employees, heads of function from across the organisation and CSL's Global Leadership Group, our Board-endorsed 4th-edition Code was published on 1 July 2021.

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

The Code is available in 15 languages and has been distributed to all directors, management and employees and training programs will be implemented across the CSL Group.

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

We expect third parties with which we work to comply with the applicable local laws and regulations of the countries in which they operate, and to observe all of the principles set out in our Code.

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

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

Disclosure

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

We have a policy that sets clear guidelines and describes the actions that the directors and all employees should take when they become aware of information that may require disclosure.

Corporate governance

Throughout 2020/21, CSL's governance arrangements were consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition). Our 2020/21 Corporate Governance Statement has been approved by the Board and is available on CSL.com (Our Company > Corporate Governance).

The Board continually reviews governance at CSL to ensure that our arrangements remain appropriate in light of changing expectations and general developments in good corporate governance.

Risk management

CSL has adopted and follows a detailed and structured risk framework to ensure that risks in the CSL Group are identified, evaluated, monitored and managed. This risk framework sets out the risk management processes and internal compliance and control systems, the roles and responsibilities for different levels of management, the matrix of risk impact and likelihood for assessing risk, and risk management reporting requirements.

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

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

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

A description of CSL's material risks and key risk management activities for each risk can be found in Our Material Risks.

Tax transparency

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

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

CSL's approach to tax is underpinned by our Value of Integrity. This is consistent with our commitment to complying with all tax laws in the countries in which we operate. CSL has a low appetite for tax risk and does not engage in aggressive tax planning.

CSL supports efforts to promote prevention of tax avoidance and to improve tax transparency in order to support a fairer economy and ensure there is confidence in the robustness of country tax regimes.

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

13 Financial Performance

Contents

Directors' Report

The Board of Directors of CSL Limited (CSL) has pleasure in presenting their report on the consolidated entity for the year ended 30 June 2021.

1. Principal activities, strategy and operating model

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

CSL is a leader in global biotechnology, and develops and delivers innovative medicines that save lives, protect public health and help people with life-threatening medical conditions to live full lives. CSL's strategy is delivered through its five strategic objectives for 2030: focus, innovation, efficiency and reliable supply, sustainable growth and digital transformation. More detail on CSL's performance against its 2030 strategic objectives can be found in Our Strategy and Performance.

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

2. Operating and Financial Review

CSL discloses financial performance primarily by business. This provides the most meaningful insight into the nature and financial outcomes of CSL's activities and facilitates greater comparability against industry peers. Information on the operations and financial position for CSL and likely developments in the Group's operations in future financial years is set out in the Operating and Financial Review (OFR). The OFR consists of the Chair and CEO messages, Our Strategy and Performance, Our Company, Our Material Risks and Our Future Prospects accompanying this Directors' Report.

3. Directors

The directors who served at any time during 2020/21 or up until the date of this Directors' Report were Dr Brian McNamee AO, Mr Paul Perreault, Professor Andrew Cuthbertson AO, Mr Bruce Brook, Ms Carolyn Hewson AO, Dr Megan Clark AC, Mr Abbas Hussain, Ms Marie McDonald, Ms Christine O'Reilly and Mr Pascal Soriot.

Further details of the current directors are set out in the Governance section of CSL's 2020/2021 Annual Report or on CSL.com. These details include the period for which each director held office up to the date of this Directors' Report, their qualifications, independence, experience and particular responsibilities, the directorships held in other listed companies since 1 July 2018 and the period for which each directorship has been held.

Ms Christine O'Reilly served as a Non-Executive Director of CSL from February 2011 until her retirement on 15 October 2020.

Mr Pascal Soriot was appointed as a Non-Executive Director of CSL with effect from 19 August 2020, and served as a Non-Executive Director of CSL until his retirement on 1 February 2021.

Mr Abbas Hussain served as a Non-Executive Director of CSL from 13 February 2018 until his resignation on 25 June 2021.

Ms Alison Watkins was appointed as a Non-Executive Director of CSL with effect from 19 August 2021.

4. Company secretary

Ms Fiona Mead, BCom/LLB (Hons) FGIA, GAICD, was appointed and commenced in the position of Company Secretary and Head of Corporate Governance on 4 June 2018 and continues in office as at the date of this report. Ms Mead was previously the company secretary and a member of the executive leadership team at Tabcorp Holdings Limited. Prior to that, she was the company secretary at Asciano Limited. Ms Mead also served as assistant company secretary at Telstra Corporation.

5. Directors' attendances at meetings

The Board meets as often as necessary to fulfil its role. Directors are required to allocate time to CSL to perform their responsibilities effectively, including adequate time to prepare for Board meetings. During the reporting year, the Board met 11 times, with all of those meetings held in Australia.

Members of the Global Leadership Group and other members of senior management attend Board meetings by invitation. Attendance at Board and standing Board committee meetings during 2020/21 is set out in Table 1 below. Due to COVID-19 restrictions, the directors also leveraged virtual technologies to participate in focused sessions on the CSL Group's operations inside and outside Australia and meet with local management.

Table 1: 2020/21 Director Attendance at Board and Committee meetings

	Board of Directors		Audit and Risk Management Committee		Securities and Market Disclosure Committee		Human Resources and Remuneration Committee		Innovation and Development Committee		Corporate Governance and Nomination Committee	
	A	B	A[1]	B	A	B	A[2]	B	A	B	A	B
B McNamee	11	11		5*	5	5		8*	5	5	8	8
B Brook	11	11	5	5		1*		2*		5*	8	8
C Hewson	11	11	5	5			9	9		5*	8	8
M Clark	11	11		2*			9	9	5	5	8	8
A Cuthbertson	11	11		1*				1*	5	5		
A Hussain	11	11		2*			9	9	5	5		
M McDonald	11	11	5	5			9	9		5*		
P Perreault	11	11		5*	5	5		9*		5*		8*
C O'Reilly	4	4	1	1			5	5		2*	2	2
P Soriot	2	2							1	2		

A Number of meetings held whilst a member.

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

6. Dividends

On 17 August 2021, the directors resolved to pay a final dividend of US$1.18 per ordinary share, 10% franked, bringing dividends per share for 2021 to US$2.22 per share. In accordance with determinations by the directors, CSL does not operate a dividend investment plan.

Dividends paid during the year were as follows:

Dividend	Date paid	Unfranked dividend per share US$	Total dividend US$
Final Dividend for Year Ended 30 June 2020	09/10/2020	1.07 cents	$484.7m
Interim Dividend for Year Ended 30 June 2021	01/04/2021	1.04 cents	$473.3m

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

7. Developments in operations in future years and expected results

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

8. Significant changes

Other than as disclosed in the Annual Report, the directors are not aware of any significant changes in the consolidated entity's state of affairs during the year or to the Group's principal activities during the year. Other than Ms Watkins joining the CSL Board from 19 August 2021 and information as disclosed in the financial statements, the directors are not aware of any other matter of circumstance which has arisen since the end of the financial year which has significantly affected or may significantly affect the operations of the consolidated entity, results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

1 One of the Audit and Risk Management Committee meetings was held jointly with the Human Resources and Remuneration Committee.
2 One of the Human Resources and Remuneration Committee meetings was held jointly with the Audit and Risk Management Committee.

9. Environment, Health, Safety and Sustainability Performance

CSL has an Environmental, Health and Safety (EHS) Management System that its facilities operate to industry and regulatory standards. This system includes compliance with government regulations and commitments for continuous improvement of health and safety in the workplace, as well as minimising the impact of operations on the environment. To drive this system, CSL implemented an EHS Management System (EHSMS) Standard. Internal audits at three sites demonstrated compliance with the EHSMS in 2020/21. Completion of the remaining internal audits are planned over the next year.

Development, implementation and improvement of employee health and safety processes and programs continue to focus on enhancement of a strong safety culture. Our Australian operations continue classification as an established licensee in respect to CSL's self-insurance licence as granted by the Safety, Rehabilitation and Compensation Commission.

Australian and foreign laws regulate environmental and safety obligations and waste discharge quotas. Government agency audits and site inspections monitor CSL environmental and safety performance. The following is a summary of findings identified or with continued action over the reporting period.

In 2021, CSL, Parkville (Australia) submitted a remediation feasibility study and clean-up plan for identified groundwater contamination to the environmental authority which was assessed by an EPA appointed auditor who confirmed the site has complied with the EPA clean up notice. CSL will continue to monitor the matter as part of its ongoing environmental monitoring plan.

In 2021, CSL signed a consent agreement for our site in Kankakee and paid a US$527,144 civil penalty to the federal environmental authority for breaches of the Clean Air Act identified during a 2018 inspection. The inspection identified a number of deficiencies in the site's risk management practices related to the Act. CSL has taken steps to comply with the regulator's requirements, including additional resources to support ongoing risk management activities.

In 2021, CSL Plasma, Oak Park (US) received a citation from Occupational Safety and Health Administration (OSHA) for not having a plumbed eyewash station in place. The incident was categorised 'Other Than Serious' with no fine.

In 2021, Seqirus, Holly Springs (US) received a Notice of Violation from the local water authority for a wastewater discharge of chlorine in exceedance of the local limit. No fine was issued.

As part of compliance and continuous improvement in regulatory and voluntary environmental performance, CSL continues to report on key environmental aspects, including energy consumption, emissions, water use and management of waste as part of CSL's annual reporting on CSL.com (see Corporate Responsibility) and submission to the CDP (previously known as Carbon Disclosure Project). CSL has met its reporting obligations under the Australian Government's National Greenhouse and Energy Reporting Act (2007) and Victorian Government's Industrial Waste Management Policy (National Pollutant Inventory).

Monitoring environment, climate change risks, and control measures means that CSL is ready for new and emerging regulatory requirements. CSL's environmental performance is particularly important and relevant to select stakeholders and CSL reaffirms its commitment to continue to participate in initiatives such as CDP's (climate change and water disclosures) to help inform investors of its environmental management approach and performance.

Additional EHS performance details, including workplace safety, can be found in Our Future Prospects, in the Global Reach and Impact section of the 2021 Annual Report and on CSL.com.

10. Directors' shareholdings and interest

The interests of the Directors in the shares, options and performance rights of CSL are set out in the Remuneration Report – Tables 11 and 12 for executive Key Management Personnel (KMP) and Tables 17 and 18 for Non-Executive Directors. It is contrary to Board policy for KMP to limit exposure to risk in relation to these securities. From time to time the Company Secretary makes inquiries of KMP as to their compliance with this policy.

11. Directors' interests in contracts

Section 13 of this report sets out particulars of the Director's Deed entered into by CSL with each director in relation to access to Board papers, indemnity and insurance.

12. Performance rights and options

As at 30 June 2021, the number of unissued ordinary shares in CSL under options and under performance rights are set out in Note 5 and Note 18 of the Financial Statements. Holders of options or performance rights do not have any right, by virtue of the options or performance rights, to participate in any share issue by CSL or any other body corporate or in any interest issued by any registered managed investment scheme. The number of options and performance rights exercised during the financial year and the exercise price paid to acquire fully paid ordinary shares in CSL is set out in Note 5 of the Financial Statements. Since the end of the financial year, no shares were issued under CSL's Performance Rights Plan. Since the end of the financial year, there has been no change to the information contained in Note 5 or Note 18 to the Financial Statements.

13. Indemnification of Directors and Officers

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

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

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

b. that CSL will purchase and maintain an insurance policy which covers directors against liability as a director and officer of CSL and its directors. Coverage will be maintained for a minimum of seven years following the cessation of office for each director; and

c. the relevant director with a right of access to Board papers in connection with any relevant proceedings.

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

CSL paid insurance premiums in respect of a contract insuring each individual director of CSL and each full time executive officer, director and secretary of CSL and its controlled entities, against certain liabilities and expenses (including liability for certain legal costs) arising as a result of work performed in their respective capacities, to the extent permitted by law.

14. Indemnification of auditors

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

15. Auditor independence and non-audit services

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

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

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

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* accompanies this report.

Ernst & Young and its related practices received or are due to receive the following amounts for the provision of non-audit services to CSL and its subsidiaries in respect to the year ended 30 June 2021:

AUDIT SERVICES – Ernst & Young (Australia)	2021 US$	2020 US$[3]
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**1,956,994**	1,841,091
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements (here there is discretion as to whether the service is provided by the auditor or another firm)		
– Sustainability assurance	**66,819**	110,982
– Agreed upon procedures and other audit engagements	**90,045**	9,749
Fees for other services		
Subsidiaries directors' training	**80,000**	–
Due diligence	**211,449**	375,384
Remuneration advisory	**357,646**	232,728
Tax compliance	**–**	22,288
Total fees to Ernst & Young (Australia)	**2,762,953**	2,592,222
AUDIT SERVICES – Ernst & Young Overseas Member Firms		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**3,556,179**	3,649,937
Fees for assurance services that are required by legislation to be provided by the auditor	**13,845**	13,322
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements (here there is discretion as to whether the service is provided by the auditor or another firm)		
– Agreed upon procedures and other audit engagements	**77,009**	146,024
Fees for other services	**35,224**	34,463
Total fees to overseas member firms of Ernst & Young (Australia)	**3,682,257**	3,843,746
Total audit services	**5,760,891**	5,771,105
Total non-audit services	**684,319**	664,863
Total auditor's remuneration	**6,445,210**	6,435,968

The role of the Audit and Risk Management Committee of the CSL Board of Directors (ARMC) is to oversee the integrity and quality of half-year and full-year financial reporting and disclosures. A key responsibility arising from this role is the appointment of the Company's independent auditor, including the selection, review and evaluation of the audit signing partner(s) and the negotiation of audit fees.

In accordance with its Charter and with CSL's commitment to best practice corporate governance practices, the ARMC regularly reviews the performance of the Company's independent auditor.

Matters considered in reviewing the performance of the Company's independent auditor in the 2021 financial year included:

- the professional qualifications and effectiveness of the auditor, the audit signing partner(s) and other key engagement partners;
- the auditor's historical and recent performance on the Company's audit, including the extent and quality of their communications with the ARMC;
- an analysis of the auditor's known legal risks and significant proceedings that may impair its ability to perform CSL's annual audit;
- the appropriateness of the auditor's fees;
- the auditor's independence policies and its processes for maintaining its independence and objectivity;
- the auditor's tenure as the Company's independent auditor and its depth of understanding of the Company's global business, operations and systems, accounting policies and practices, including the potential effect on the financial statements of the major risks and exposures facing the Company, and internal control over financial reporting; and
- the auditor's capability, expertise and efficiency in handling the breadth and complexity of CSL's global operations.

The current audit signing partners for CSL's auditor, EY, are Mr Rodney Piltz and Ms Kylie Bodenham.

The next rotation of audit signing partner for Ernst & Young is scheduled to take place at the conclusion of the 2023 financial year.

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

16. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $100,000 (where rounding is applicable) unless specifically stated otherwise under the relief available to CSL under ASIC Corporations Instrument 2016/19. CSL is an entity to which the Instrument applies.

3 There were changes to the classification of two prior year non-audited services, which has resulted in changes to the amounts reported in the 2020 Directors' Report and accompanying financial statements. CSL notes that the changes are immaterial however wish to disclose the changes as a matter of full disclosure.

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Building a better working world

Auditor's Independence Declaration to the Directors of CSL Limited

As lead auditor for the audit of the financial report of CSL Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Rodney Piltz
Partner
17 August 2021

17. Remuneration Report

Dear Shareholder,

On behalf of the Board, I am pleased to present CSL's Remuneration Report (Report) for the year ended 30 June 2021. This Report contains detailed information regarding CSL's Key Management Personnel (KMP) for 2021.

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

Delivering on our Promise in 2021

During the current pandemic, CSL under the leadership of our Chief Executive Officer and Managing Director (CEO), Mr Paul Perreault, has achieved a strong result.

Remaining focused on delivering on our promise to patients and public health, in 2021 we have delivered:

- Continued production of our core life-saving therapies – influenza vaccines and plasma and recombinant protein therapies;
- Support for COVID-19 vaccines across multiple programs and partnerships spanning vaccines, monoclonal antibodies and plasma therapies;
- An increase in reported Net Profit after Tax (NPAT) of 13.0%;
- An increase in reported Revenue of 12.7%;
- Cashflow from Operations (CFO) of US$3,621.9m – an increase of 45.6% over prior year;
- Growth in Basic Earnings per Share (EPS) of 12.7%;
- Return on Invested Capital (ROIC) of 21.2%;
- 25 new plasma collection centres globally – taking the total to 303;
- Key research and development milestones to further strengthen and grow our pipeline;
- Improved our Environmental, Social and Corporate Governance (ESG) performance, including recognition in the FTSE4Good Index series;
- On our diversity strategy, including being named on Refinitiv's Diversity & Inclusion Top 100 list and named on the Forbes World's Best Employers list; and
- An employee engagement result of 73% – on par with prior year.

2021 Executive Key Management Personnel Changes

In March 2021, we welcomed Ms Joy Linton as our Chief Financial Officer. Ms Linton is a well-respected global leader with extensive strategic and financial experience as a Chief Financial Officer and brings significant experience and leadership capabilities to CSL.

On commencement of employment, Ms Linton received awards to compensate for the remuneration forgone at her previous employer. The CSL awards are pro-rata replacements and vest either at or beyond their original dates. Further details can be found in section 6.4.3.

As noted in 2020, we farewelled our former Chief Financial Officer, Mr David Lamont in October 2020.

CSL's Response to COVID-19 and Board Discretion Applied to Remuneration

CSL has played a meaningful part in the global response to COVID-19, collaborating across organisations and countries to contribute to solutions. We worked with the University of Queensland during the primary stages of its UQ-CS v451 COVID-19 vaccine candidate and co-founded the CoVIg-19 Plasma Alliance, joining a group of 11 companies to develop a potential plasma-derived hyperimmune therapy for treating COVID-19. While both efforts concluded as deemed unsuitable to continue, learnings were taken and significant efforts were made by the CSL team.

Seqirus donated its well-established adjuvant technology – MF59® – to the vaccine efforts of multiple entities. We partnered with AstraZeneca and the Australian Government and produced AstraZeneca's COVID-19 vaccine for Australia.

Our employees kept our operations and commercial networks running efficiently throughout a changing pandemic environment. We have supported our people and introduced wellness leave, allowing employees to take two leave days in 2021 to focus on their own physical and emotional wellbeing. We continue to support staff working from home and for our US based employees, including plasma collection centre staff, launched care@work, providing access to services for caregiving of dependents where a staff member needs to work on site.

During the year we offered higher donor compensation, leveraged technology to make the donor experience more efficient and initiated a collaboration to deliver a new plasma collection platform.

The impact of COVID-19 on business performance has varied across the Behring and Seqirus businesses. Plasma collections have been challenged due to decreased mobility and government stimulus but are recovering to pre-COVID-19 levels due to multiple initiatives to drive solid growth. Demand for influenza vaccine products is at the highest levels seen and in 2021 we have delivered a record number of doses worldwide.

Our teams have delivered strongly on the financial and non-financial targets. There have been no adjustments made to the terms and conditions, including performance measures, of short term incentive (STI) and long term incentive (LTI) awards on foot. The Board chose not to apply the 'Leading and Managing' modifier to outcomes which allows for recognition of extraordinary contribution in exceptional circumstances or significant leadership failure.

The Board considered the quality of the financial performance, management of risk and the impact of COVID-19. The Board considered the outcomes for the STI financial metrics and determined not to use discretion to adjust these outcomes. However, in assessing the non-financial STI outcomes for Executive KMP for 2021 and ensuring appropriate balance between remuneration and performance, the Board exercised its discretion on the CEO's objectives relating to reduced plasma collections in 2021 due to factors associated with COVID-19.

In recognition of his extraordinary contribution to supporting vaccine development and manufacturing in Australia, Professor Andrew Cuthbertson AO received a discretionary bonus of US$483,067.

2021 CEO Remuneration Outcomes

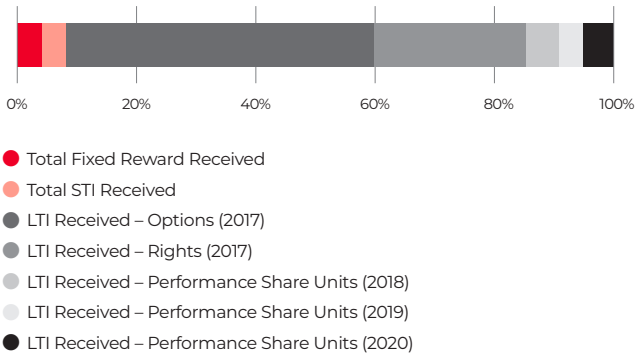
In 2021, Mr Perreault had no increase to any component of reward, his fixed reward remained at US$1,751,000, and his STI target was held at 120% of fixed reward and the LTI target at 400%.

Mr Perreault will receive a STI payment of US$1,807,032. The outcome is 86% of Mr Perreault's target reflecting target performance on NPAT, a maximum CFO outcome and an individual performance outcome that was below target. Details of these outcomes can be found in section 6 of the Report.

Following another strong year of LTI outcomes, Mr Perreault received vesting of awards granted annually over the period October 2016 to September 2019 of US$41,686,616 (based on the market value of the award at the date of vesting). Further detail can be found in sections 6.4 and 8.2.

The 2021 'realised' remuneration for Mr Perreault was US$45,360,031 and was a 61% increase on 2020 (full detail is provided in section 8.2, Table 13). This outcome was driven by the vesting of legacy LTI awards and the significant increase in share price since the date of grant of each award. From the total vesting value of US$41,686,616, US$32,975,340 is share price growth over the vesting period – a 79% increase. There are no further legacy LTI plans outstanding.

2021 CEO Realised Remuneration



Remuneration in 2022

For 2022, the Board has determined that Mr Perreault will receive a market increase to fixed reward of 3% and no change to his STI and LTI target opportunity. This is the first increase to Mr Perreault's fixed reward since September 2015. While Mr Perreault's total direct compensation is below the median of our global pharmaceutical/biotechnology peer group, the Board feels that given reward outcomes for Mr Perreault in 2021 and the changes being made to the executive remuneration framework in 2022 which will see Mr Perreault's maximum STI opportunity increase from 180% to 240% of fixed reward, no further adjustment is appropriate at this time.

For our remaining Executive KMP, in 2022 a merit increase to fixed reward will be applied to Dr McKenzie and Ms Linton. There will be no change to STI and LTI target opportunities however, the maximum opportunity will increase to 200% of STI target opportunity for both. Professor Cuthbertson will retire from his current position in October 2021 and will not receive an annual reward review.

Following benchmarking to ASX12 and ASX25 Non-Executive Director (NED) remuneration, there will be an average increase of 4.2% for Board and Committee Chair roles and an average 2.8% increase for member fees in 2022.

Remuneration Framework Changes for 2022

Our current executive remuneration framework has been in place since 2017 and has effectively incentivised and rewarded executives and provided meaningful levels of equity in the hands of executives more quickly than before.

As communicated in our 2020 Remuneration Report, over the course of the 2021 financial year, we have undertaken a review of the framework with the aim of ensuring a fit for purpose design, alignment to our Total Reward Principles and responding to feedback from our investors. Competing for talent in a global market, it is critical that we have a framework that attracts and retains high quality talent to deliver on our strategy and deliver results. I thank shareholders and proxy advisors for their feedback on our executive remuneration framework provided during the year.

In response to this feedback, effective 1 July 2021 the following changes will be implemented:

- ***Maximum STI:*** Increase of the maximum STI payout to 200% of STI target opportunity – driving our pay for performance philosophy and incentivising for outperformance, and aligning to our global pharmaceutical/biotechnology peers;
- ***LTI Performance Measures:*** Introduction of a second LTI measure of EPS growth – aligned to shareholder experience, a second measure will ensure focus on long term sustainable earnings growth and is aligned to market practice and investor expectations;
- ***LTI Vesting Period:*** Removal of vesting of awards at years one and two to a single point, three year vest. Responding to investor feedback, this also aligns with the approach taken by our global pharmaceutical/biotechnology peers;
- ***ESG Measures in Remuneration:*** While certain ESG measures are already included in the individual key performance indicators for Executive KMP, in the year commencing 1 July 2022 we will introduce a CSL global ESG measure for which all executives will be held accountable. In addition to the CSL financial measures of NPAT and CFO, this will ensure collective focus and accountability on our long term sustainability and global footprint; and
- ***Mental Health:*** CSL will secure access to quality and affordable coverage for mental health conditions for employees and their dependents.

Further detail on the changes is provided in section 4 of this Report.

Competition for talent in the pharmaceutical/biotechnology industry continues to increase and the Board will continue to review the competitiveness of our remuneration framework.

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

Dr Megan Clark AC
Chair
Human Resources and Remuneration Committee

Contents

Independent audit of the Report

The Remuneration Report (Report) has been audited by Ernst & Young (EY). Please see page 149 of the Financial Statements for EY's report.

1. CSL Key Management Personnel

This Report sets out remuneration information for Key Management Personnel (KMP) which includes Non-Executive Directors (NEDs), Executive Directors (i.e. the Chief Executive Officer and Managing Director (CEO) and Senior Advisor to the CEO) and those key executives who have authority and responsibility for planning, directing and controlling the activities of CSL during the financial year (together with the Executive Directors, herein referred to as Executive KMP). The CSL KMP during the year ended 30 June 2021 and changes to KMP are outlined in Table 1. Each of the KMP listed in Table 1 held their position for the full reporting period, unless stated otherwise. Ms Alison Watkins will join the CSL Board as an independent NED on 19 August 2021.

Table 1: CSL Key Management Personnel in 2021

Non-Executive Directors
Chairman Dr Brian McNamee AO
Mr Bruce Brook
Dr Megan Clark AC
Ms Carolyn Hewson AO
Ms Marie McDonald
Executive Key Management Personnel
Executive Director and Chief Executive Officer and Managing Director (CEO) Mr Paul Perreault
Executive Director and Senior Advisor to the CEO Professor Andrew Cuthbertson AO
Chief Financial Officer Ms Joy Linton – appointed 5 March 2021
Chief Operating Officer Dr Paul McKenzie

Former Non-Executive Directors
Mr Shah Abbas Hussain – resigned 25 June 2021
Ms Christine O'Reilly – retired 14 October 2020
Mr Pascal Soriot – appointed 19 August 2020/resigned 31 January 2021
Former Executive Key Management Personnel
Chief Financial Officer Mr David Lamont – resigned 31 October 2020

2. 2021 Key Management Personnel Remuneration Outcomes at a Glance

CEO		• No increase to fixed reward (refer to section 8.1) • A short term incentive (STI) payment of US$1,807,032 – 57% of maximum opportunity (refer to section 6.2) • Long term incentive (LTI) vesting during the year of US$41,686,616 (face value at vesting date – refer to section 6.4) • Received 'realised' remuneration of US$45,360,031 (refer to section 8.2)
Other Executive KMP	A Cuthbertson	• LTI vesting US$3,846,568 (face value at vesting date – refer to section 6.4) • Received a discretionary bonus of US$483,067 to recognise extraordinary contributions over the year (refer to section 6.3) • 'Realised' remuneration in 2021 of US$4,855,069 (refer to section 8.2)
	J Linton	• Received a sign on cash award of US$78,220 and an equity award of US$3,307,510 as partial compensation for forgone cash-settled LTI awards at prior employer (refer to section 6.4) • STI of US$288,464 was paid – 75% of maximum opportunity (refer to section 6.2) • 'Realised' remuneration in 2021 of US$766,899 (refer to section 8.2)
	P McKenzie	• Received an increase to fixed reward of 3% (refer to section 8.3) • STI of US$1,028,970 was paid – 72% of maximum opportunity (refer to section 6.2) • LTI vesting of US$2,065,127 (face value at vesting date – refer to section 6.4) • 'Realised' remuneration in 2021 of US$4,134,485 (refer to section 8.2)
NEDs	Received an increase to fees of 2.8% (refer to section 9.2)	

3. Global Remuneration Framework

3.1 Global Total Rewards Principles

To deliver on our promise to patients and to protect public health, we rely on our people and need to ensure a strong global talent supply. Our Total Rewards Principles enable us to attract, engage and retain talent, provide us with the flexibility to address talent challenges in various markets and allow us to compete with larger global pharmaceutical companies. We motivate our people to deliver their best performance by enabling an approach that integrates market competitive and differentiated reward programs that align to CSL's strategy and business objectives.

Common Global Structure

- We leverage a market-based approach to offer competitive rewards, balancing both a global and local view
- We align employee and shareholder interests, and consider community expectations
- We benchmark ourselves against the life sciences industry[1]
- We have a single pay design for all senior executives

Effort Matters

- We celebrate and recognise both the effort that is required along the way as well as the real results created by our employees

Results and Behaviours

- We are committed to a pay for performance culture based on both role requirements and how the individual performs
- Living our CSL Values is a non-negotiable expectation

Holistic Approach to Well-Being

- We foster an environment of well-being that is multi-dimensional – physical, emotional, financial and social health

Internal Equity, Inclusive Culture

- We reward fairly and competitively
- We strive and monitor for equal pay for equal work

Simplicity and Clarity

- We aim to create easy to understand programs and policies so people value and use them
- We are committed to transparency in our communications – internally and externally

3.2 Remuneration Framework

As a leading global biotechnology company with manufacturing sites across six countries and over 25,000 employees in 39 countries, CSL develops and delivers innovative biotherapies and influenza vaccines that save lives, and help people with life-threatening medical conditions live full lives. This requires a research to commercialisation lifecycle that can extend seven to ten years. Accordingly, we have designed a remuneration framework that effectively incentivises and rewards our executives over the long term.

Our remuneration framework combines elements of traditional Fixed Reward (or base salary), STI and LTI plans with enhancements to several design factors to suit CSL's business, a very different business to other companies in Australia, and with a diverse global employee and shareholder base. Our international footprint requires global leadership and, with executives based in different countries, we need to ensure our framework is fair, equitable and market competitive in the countries and industry in which we operate in order to attract and retain highly talented people.

1 CSL Plasma is benchmarked against the Retail industry.

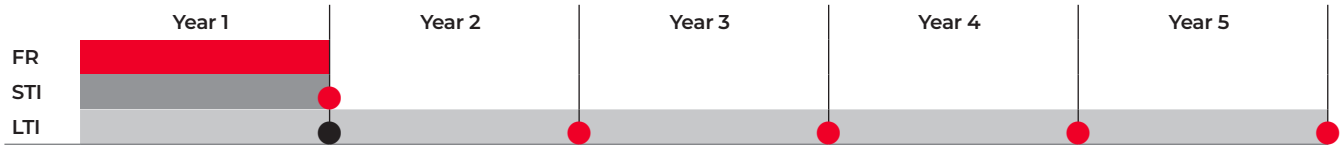
3.2.1 2021 Remuneration Framework Elements for Executive KMP

	Fixed Reward (FR)	Short Term Incentive (STI)	Long Term Incentive (LTI)
Purpose	Attract, retain and engage key talent to deliver our CSL strategy	Reward performance against annual Key Performance Indicators (KPIs) – maintaining a focus on underlying value creation within the business operations is critical to CSL's success and sustainability	Alignment to longer term performance and strategy of CSL, building economic alignment between Executive KMP and shareholders over the long term
Structure	Cash – salary and superannuation/pension	Cash	Performance Share Units[2]
Approach	Reviewed annually Determined based on the scope, complexity and responsibilities of the role, experience and performance Reviewed through both an internal and external relativity lens Peer group – global pharmaceutical/ biotechnology peers or a general industry view depending on role (desired positioning at the median)	Paid annually Maximum payout is 150% of an Executive KMP's target STI opportunity (i.e. STI target multiplied by 150%) Outcomes based on business (60%) and individual performance measures (40%)	Granted annually with vesting in instalments over a four year period – 25% each year Performance measure is Return on Invested Capital – measured on a seven year rolling return in the year the award vests
Peer Group	The global pharmaceutical/biotechnology industry peer group serves as a primary reference group for remuneration benchmarking, created such that CSL falls in the middle of the group with respect to market capitalisation and revenue. The group represents global industry peers and is updated annually. The peer group in 2021 included: AbbVie Inc.; Alexion Pharmaceuticals, Inc.; Allergan plc; Amgen Inc.; AstraZeneca PLC; Bausch Health Companies Inc.; Bayer Aktiengesellschaft; Biogen Inc.; Bristol-Myers Squibb Company; Eli Lilly and Company; GlaxoSmithKline plc; Gilead Sciences Inc.; Grifols, S.A.; Merck Kommanditgesellschaft auf Aktien; Novo Nordisk A/S; Regeneron Pharmaceuticals, Inc.; UCB SA and Vertex Pharmaceuticals Incorporated. For the 2022 year, BioMarin Pharmaceutical Inc. and Takeda Pharmaceutical Company Limited have been added In addition, two general industry reference groups representing Australia and North America also help us appropriately reward senior talent and may be used as a primary, or hybrid, data set for certain Executive KMP dependent on role and location		
Risk Management	Before determining remuneration outcomes and vesting, we assess alignment with risk management outcomes to hold executives accountable for effective risk management – both financial and non-financial. In addition, all variable reward is subject to the Malus and Clawback Policy and the Board has full discretion over the outcome of any variable reward payment and vesting The Board has the discretion to apply a 'Leading and Managing' modifier to STI and LTI outcomes – formally recognising the importance of CSL's culture including leadership behaviours, values, diversity objectives and management of risk. The modifier allows for the Board to adjust in exceptional circumstances +20%/-50% of annual STI earned, and/or LTI opportunity granted. The modifier is also available to adjust for risk management outcomes under our formal risk/consequence management framework. The Board has a discretion in all circumstances, including a significant risk management failure, to reduce further, including to zero		
Malus and Clawback	Executive KMP STI and LTI arrangements are subject to malus and clawback provisions that enable the Board to adjust both vested and unvested awards as appropriate. The circumstances include material misstatement or omission in financial statement, fraud, dishonesty, risk management outcomes or other serious misconduct		
Shareholding Requirement	Executive KMP must hold CSL shares equal to 100% of FR (300% for the CEO) within five years from the date of appointment to their role		
Benefits	We also provide market competitive benefits to attract and retain key talent. Benefits may include, but are not limited to, accident, disability and death insurance, health insurance, car parking and participation in local benefit programs		

2 Our legacy LTI plans (Options and Performance Rights) are reported for the final time in 2021 – no further awards are outstanding. See section 11 for more details on key plan characteristics.

3.2.2 Remuneration Delivery Timeline

The diagram below illustrates how the components of the 2021 Executive KMP remuneration are delivered over a five year period.

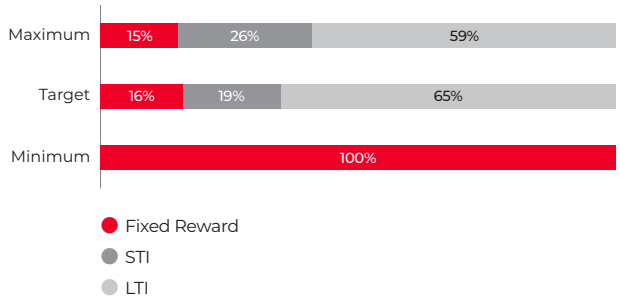


● Award Granted
● Eligible for payment or vesting

3.2.3 Pay Mix

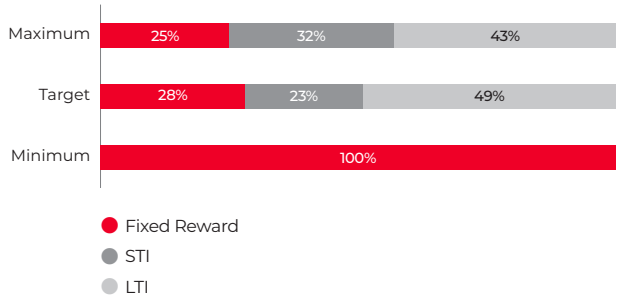
The following diagrams set out the remuneration mix for Executive KMP in 2021. The majority of the target reward mix is variable reward and is at risk. This better aligns Executive KMP rewards with shareholder interests and is aligned to our pay for performance philosophy, focusing efforts on driving growth and long term performance and sustainability. Professor Cuthbertson was not eligible in 2021 for variable reward under the executive remuneration framework due to the nature of his advisory role.

Remuneration Mix – P Perreault

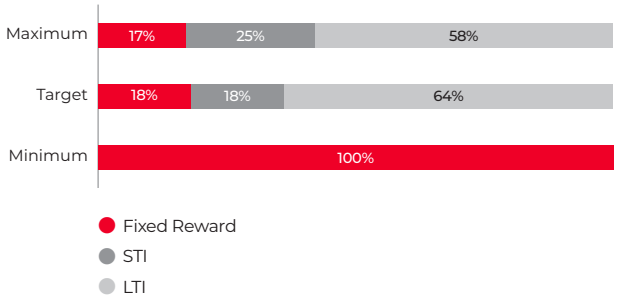


Remuneration Mix – A Cuthbertson

Remuneration Mix – J Linton



Remuneration Mix – P McKenzie



From a market alignment perspective, within our global pharmaceutical/biotechnology peer group our Executive KMP reward is competitive in the elements of fixed reward and STI, however LTI remains below market comparators for all roles, including the CEO. The Board will continue to keep the latter component under review to ensure we have competitive reward packages and effectively incentivise for the long term success of the organisation by aligning outcomes with shareholder interests.

3.2.4 Short Term Incentive (STI)

Rewarding performance over an annual period, the STI program is designed to drive business performance and the creation of shareholder value. The KPIs on which Executive KMP are assessed and rewarded are challenging and not just duties expected in the normal course of their role. The key features of the program for cash awards for the year ended 30 June 2021 (to be paid in September 2021) are detailed below.

Feature	Description	
Performance Period	Annual aligned with the financial year – 1 July 2020 to 30 June 2021	
Performance Measures	Each Executive KMP has a maximum of six KPIs. The KPIs are made up of two critical financial measures of CSL business strength, shared by all participants – Net Profit after Tax (NPAT) and Cash Flow from Operations (CFO), plus up to four individual business building KPIs. Hurdles are set at threshold, target and maximum levels of performance and there is real difference between under achieve/achieve/over achieve targets and measures, so that a challenging but meaningful incentive is provided The performance measures are chosen to ensure Executive KMP are focused on the achievement of the CSL strategy, delivery of business results and ensuring CSL's success and sustainability	
	Financial	**Individual**
	Financial growth is the foundation of long term sustainability and evidences our competitive advantage, whilst pursuing profitable growth, and aligns employee and shareholder objectives. The financial performance measures are NPAT measured at constant currency and CFO measured at the reported rate	Individual performance hurdles align with strategic priorities, encourage appropriate decision making, and balance performance in non-financial priorities. The individual performance measures are based on individual responsibilities and categories include divisional performance, achievement of strategic objectives and improvement in operations, risk management, compliance, people, health and safety and quality
Performance Measure Weighting	The weighting of the measures is NPAT 35%, CFO 25% and Individual 40%	
Executive KMP STI Targets	Set as a percentage of Fixed Reward, target opportunity in 2021 was: • Mr Perreault – 120% • Ms Linton – 85% • Dr McKenzie – 100%	
Vesting	50% earned on threshold level performance, increasing on a straight line basis with 100% earned at target level performance and 150% on achievement of maximum level performance (capped at 150%). The STI Outcome percentages are then multiplied by the KPI weighting and individual STI opportunity (as disclosed in Table 3 in section 6.2) to determine the payment amount	
Cessation of Employment	A 'qualified leaver' (such as someone who retires) may receive a pro-rata payment paid in the ordinary course based on the portion of the Performance Period worked, subject to Performance Measures being met. If the Executive KMP is not a 'qualified leaver', no payment will be made	

3.2.5 Long Term Incentive (LTI)

Our current LTI plan was designed to align our executives' equity interests with those of our shareholders by rewarding sustainable Return on Invested Capital (ROIC) outcomes over the longer term – ensuring a focus on the long term growth of the organisation and delivering returns to our shareholders. The instalment vesting of awards over a four year period will only deliver reward where CSL performance has been strong over the longer term. When our target performance is achieved, we want our executives' LTI to vest – we set targets that require excellent outcomes for shareholders both absolutely and relative to the performance of our global peers. The LTI plan also rewards and assists us in retaining our talent. The key features of the program for 2021 LTI awards, granted 1 September 2020, are as follows.

Feature	Description
Summary	A conditional 'right' to a CSL share (i.e. full value instrument) or at the Board's discretion in exceptional circumstances, a cash equivalent payment. No price is payable by the Executive KMP on grant or vesting of rights. Shares are automatically allocated (or cash automatically paid) without the need for exercise by an Executive KMP
Security	Performance Share Unit (PSU)
Grant Methodology	To determine the number of PSUs issued, a five day volume weighted average share price is used. The LTI opportunity for each Executive KMP is divided by the calculated face value to determine the number of securities granted
Performance Period	Seven year rolling average: Tranche 1 – 1 July 2014 to 30 June 2021; Tranche 2 – 1 July 2015 to 30 June 2022; Tranche 3 – 1 July 2016 to 30 June 2023; and Tranche 4 – 1 July 2017 to 30 June 2024
Gateway Performance Measure	No vesting will occur unless an Investment Hurdle Rate (IHR) is achieved in the year of testing. The IHR is the minimum return CSL requires on its investments to ensure it is making sound investment decisions and appropriately managing risk and covering its cost base
Performance Measure	Return on Invested Capital
Performance Target	Threshold – 20.0% Target – 23.0%
Executive KMP LTI Targets[3]	• Mr Perreault – 400% of fixed reward • Dr McKenzie – 350% of fixed reward
Vesting Schedule	50% earned on threshold level performance, increasing on a straight line basis with 100% earned at target level performance (capped at 100%)
Vesting Date	Subject to performance, 25% of the award is eligible for vesting annually over four years: Tranche 1 – 1 September 2021; Tranche 2 – 1 September 2022; Tranche 3 – 1 September 2023; and Tranche 4 – 1 September 2024
Retesting	No retest of any tranche
Cessation of Employment	A 'qualified leaver' (such as someone who retires) may retain a pro-rated number of PSUs based on time elapsed since grant date. Retained PSUs will remain subject to original terms and conditions including satisfaction of performance conditions at the test date. If an Executive KMP is not a 'qualified leaver', all unvested awards will be forfeited
Change of Control	In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the awards vest having regard to the performance of CSL during the vesting period to the date of the change of control event. Vesting may occur at the date of the change of control event or an earlier vesting date as determined by the Board
Dividends and Voting Rights	No dividends or dividend equivalents are paid on unvested awards. Executive KMP are only eligible for dividends once shares have been allocated following vesting of any PSUs. PSUs do not carry any voting rights prior to vesting and allocation of shares

3.2.6 Leading and Managing Modifier

The Board, based on recommendations from the CEO for Executive KMP, and the Human Resources and Remuneration Committee (HRRC) for the CEO, has the discretion to apply a 'Leading and Managing' modifier to both the STI and LTI opportunity – allowing for recognition of extraordinary contribution in exceptional circumstances or significant leadership failure across culture and diversity. Applied to the overall STI outcome or LTI target opportunity, there can be an increase of up to 20% or a decrease of up to 50% applied. In 2021, the modifier was not used as the CEO and the Board determined that all Executive KMP had met expectations in the leadership of their respective business units and outcomes delivered, and consistently modelled the CSL Values. Below sets out an illustrative example of how the modifier is used on STI outcomes.

In addition to consideration during the determination of KPI outcomes, the modifier is also utilised for the assessment of the management of risk – both financial and non-financial. In consultation with the Audit and Risk Management Committee (ARMC), the HRRC use a principles approach to ensure alignment between remuneration outcomes and performance. This enables management to bring awareness to behaviours that encourage unacceptable levels of risk and discourage those behaviours, promotes behaviours that encourage acceptable levels of risk and enables the Board to recognise and appropriately address both acceptable and unacceptable behaviours. In the event of a significant risk management failure, the Board has the discretion to adjust further than the 50% downwards outcome, including to zero.

3 Ms Linton did not receive an annual LTI grant in 2021 however, a commencement benefit was granted and further detail can be found in section 6.4.3.

4. Remuneration Framework Changes in 2022

As communicated in our 2020 Report, in 2021 we undertook a review of our executive remuneration framework. Our current framework is now well established, but feedback from stakeholders highlighted opportunities for further improvement.

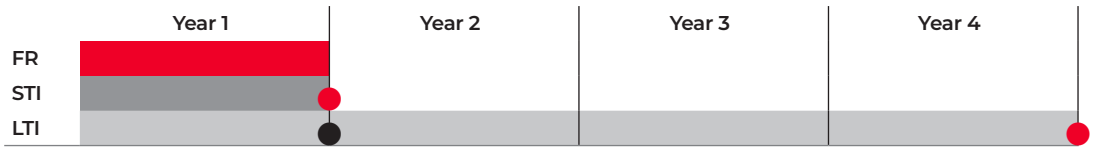
The objective of the review was to ensure each component of reward is fit for purpose for CSL and enables us to attract, engage, and retain talent, compete with larger global pharmaceutical companies, and motivate our people to deliver their best performance. Effective 1 July 2021 the following changes will be implemented:

	Change	Rationale
STI	Increase of the maximum payout opportunity from 150% to 200% of target opportunity	· A market competitive program in line with our global pharmaceutical/ biotechnology peers where 89% of peers have a maximum payout above 150% of target and 69% are at or above 200% of target opportunity · Address attraction and retention issues in key growth markets, including the U.S. · Better alignment to our pay for performance philosophy – rewards will only be earned for truly outstanding performance
LTI	Introduction of a second performance measure of Earnings per Share growth to complement the current ROIC measure – measured over a three year period and weighted at 30%	· Introducing an additional measure to support continued focus on sustainable growth and execution of our long term strategy · Alignment to shareholder experience and an indicator in increases in shareholder value · Responding to investor feedback on a single metric · Better aligning to market practice and peers where multiple measures are part of the LTI plan · Weighting reflects the importance of our ROIC measure given our strong investment focus on research and development and our capacity investment cycle
LTI	Move from tranche vesting over a four year period to single point vesting at year three	· Recognising our current approach has served its purpose of getting equity into the hands of executives more quickly · Responding to investor feedback that LTI vests too early · Simpler design compared to current framework · Alignment with the most prevalent approach taken by our global pharmaceutical/biotechnology peers
Benefits	Introduction of mental health initiatives Increase in Total Employment Cost (TEC) for Australian Executive KMP to adjust for the increase in the Superannuation Guarantee Rate	· Securing access to quality and affordable coverage for mental health conditions addresses the well-being of our employees and their dependents · Considered as part of the annual merit review an increase to TEC consistent with other Australian based employees

Environment, Social and Corporate Governance (ESG) changes – CSL is committed to a healthier world. Our vision is a sustainable future for our employees, communities, patients and donors, inspired by innovative science and a values-driven culture. In 2021 we have adopted an ESG strategy that is based on the three pillars of Environment, Social and Sustainable Workforce. For the remainder of 2021 through to 2023, for the focus areas prioritised under each of the three pillars we will execute a number of actions to validate data sets and baselines.

While ESG metrics are currently included in the individual STI KPIs of our executives, we need to ensure a global shared focus on our long term sustainability and global footprint consistent with our CSL purpose and values. In the 2022 financial year, ESG metrics will continue to form part of Executive KMP individual KPIs and when the Board assesses the STI outcomes for Executive KMP they will review the ESG outcomes of the organisation and consider the application of discretion through the 'Leading and Managing' modifier as appropriate. Effective 1 July 2022, we will introduce a CSL Group ESG metric that all executives will be held accountable for and will communicate this in our 2022 Remuneration Report.

Remuneration Delivery Timeline – The following diagram sets out the timeline for delivery of remuneration under the new framework.



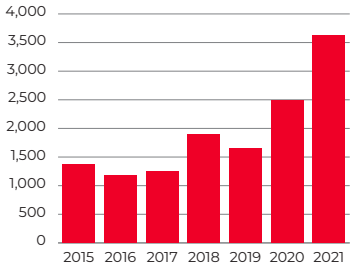
● Award Granted
● Eligible for payment or vesting

5. CSL Performance and Shareholder Returns

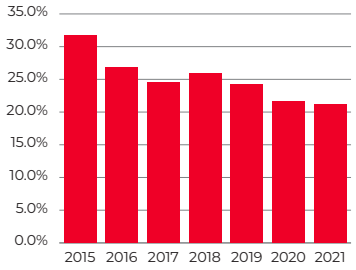
5.1 Financial Performance from 2015 to 2021

The following graphs[4] summarise key financial performance over the past seven financial years. We have disclosed over a seven year period to align with our ROIC LTI performance measurement period.

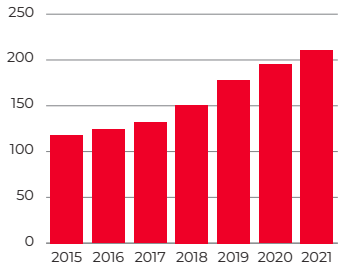
Cash Inflow From Operating Activities (millions USD)



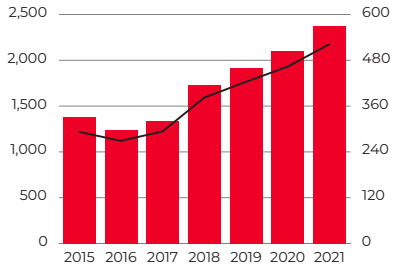
Annual Return on Invested Capital



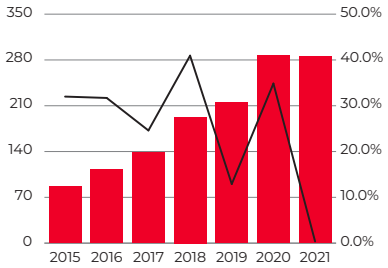
Total Dividends Per Share (cents USD)

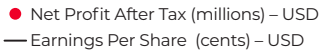


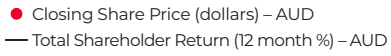
Net Profit After Tax/ Earnings Per Share (USD)



Closing Share Price (at 30 June AUD)/ **Total Shareholder Return**







4 The 2016 Annual Return on Invested Capital figure includes the gain on acquisition of Novartis' global influenza vaccine business of US$176.1m. The opening share price on 1 July 2016 was A$111.92. The Total Shareholder Return outcome at 30 June 2021 was 0.37%. The Total Dividends per Share is the actual total dividends paid within the financial year.

6. Executive Key Management Personnel Outcomes in 2021

6.1 CSL and Executive KMP Performance

2021 has been another year of strong performance outcomes in an unprecedented time. Financial performance has been solid and we continue to develop and progress our research and development pipeline, consistently innovating to ensure a sustainable business. In reviewing both the CSL financial outcomes of NPAT and CFO, along with the Executive KMP individual outcomes, the Board has considered the quality of outcomes, management of risk and the impact of COVID-19. The Board has determined not to use any discretion to adjust STI financial metric outcomes. The Board has exercised its discretion on Mr Perreault's individual outcomes relating to reduced plasma collections due to factors associated with COVID-19.

The following performance outcomes, as aligned to the CSL strategy, were achieved resulting in an average overall STI payment outcome of 102% of target level opportunity across the Executive KMP (see Table 3). The minimum STI earned as a percentage of target level opportunity was 86% and the maximum was 113% – the latter was 75% of the maximum STI outcome that could be achieved. Additional quantitative objectives, which were also integral to the achievement of individual performance, were considered by the Board when assessing Executive KMP performance. However, these remain confidential for commercial reasons.

Table 2: Achievements in 2021

Measure and commentary	Threshold 50%	Target 100%	Maximum 150%
Financials			
· Solid NPAT result against target[5] – reported NPAT of US$2,375.0m	US$2,102.5m	US$2,322.5m	US$2,554.8m
· Strong CFO outcome significantly exceeding target – reported CFO of US$3,621.9m	US$2,214.9m	US$2,461.0m	US$2,830.1m
People			
· Critical role succession plans and supporting employee development plans in place			
· Employee engagement outcomes on par with prior year			
· Transformation of our organisational design across enabling functions and End to End Supply Chain to ensure structure and processes are in place to support our 2030 strategy			
· Progress against FY21 gender diversity objectives – surpassed our Board target of 30% female representation, achieved our Senior Executive target of 30% female representation and fell below our People Leader target of 50% female representation – remaining steady at 44%			
· Created an internal CSL global diversity network of CSL leaders to mentor and sponsor diverse rising talent, build CSL brand ambassadors, and provide feedback on future Diversity, Equity and Inclusion initiatives			
· Named on both the Refinitiv's Diversity & Inclusion Top 100 list and Forbes World's Best Employers list			
Focus			
· Global commercialisation and license agreement with uniQure for Haemophilia B Gene Therapy candidate			
· R&D partnership with BIOPOLE and Baselaunch in Switzerland to support the growth of our research pipeline and cutting edge therapeutics			
Innovation			
· FLUAD® QIV launched in the US, ALBUNATE® launched in China, AFSTYLA® and IDELVION® launched in Argentina and Taiwan and HIZENTRA® launched in Colombia			
· Achieved 28 product registrations or new indications across the globe			
· Manufacture of the AstraZeneca COVID-19 vaccine in Australia			
· Progression of the majority of our clinical portfolio projects			
· CSL112 continues to progress with over 13,000 patients enrolled			
· Commenced a Phase II study for an adjuvanted QIV cell-based influenza vaccine			

5 The NPAT KPI target is NPAT at constant currency set at financial year 2021 target rates. As constant currency financials set at budget rates are not audited, the reported NPAT outcome has been disclosed. EY undertook agreed-upon procedures on the constant currency model and process.

Measure and commentary	Threshold 50%	Target 100%	Maximum 150%
Efficiency and Reliable Supply			
• Challenging plasma collection levels however multiple initiatives are driving solid growth • Delivery of a record-setting >100 million doses for the Northern Hemisphere 2020/2021 influenza campaign • Network strategy developed across global operations, incorporating strategic external supply partnerships to optimise production and distribution, and improve patient access, revenue and cost to serve • New Global Quality Management system implemented including new policies and standard operating procedures • Implementation of a new electronic safety management system • Improvement in 'On Time and In Full' performance outcomes • 25 plasma collection centres opened taking our total to 303 globally • Announcement of the new world-class biotechnology manufacturing facility in Melbourne Australia to supply influenza vaccines to Australia and the rest of the world with construction underway and on schedule • Major capital projects at all manufacturing sites progressing, including the opening of the 'Protinus' state-of-the-art immunoglobulin production facility in Bern Switzerland • Our ESG performance has again been recognised by the FTSE4Good Index Series – a leading sustainability index • CDP (formerly the Carbon Disclosure Project) performance outcome in line with the global and biotechnology/pharmaceutical sector for climate change and a slightly lower outcome than the global average for water security			
Digital Transformation			
• Appointment of our Chief Digital Officer • Creation of our Technology, Digital and Data strategy and transformation of our Information and Technology function to support the strategy • Enterprise-wide partnership arrangement with Capgemini to provide technology services and operations support			

6.2 STI Outcomes by Executive KMP in 2021

The financial performance of CSL (NPAT and CFO) makes up the majority weighting of the KPIs for Executive KMP – 60%, incentivising the delivery of strong financial performance. Professor Cuthbertson is not eligible for any STI awards in 2021 under the executive remuneration framework.

The NPAT at 30 June 2021 resulted in performance slightly above target and our CFO achieved a maximum performance outcome. The Board considered the quality of the financial performance, management of risk and the impact of COVID-19. The Board considered the outcomes for the STI financial metrics and determined not to use discretion to adjust these outcomes. However, in assessing the non-financial STI outcomes for Executive KMP for 2021 and ensuring appropriate balance between remuneration and performance, the Board exercised its discretion on the CEO's KPIs relating to reduced plasma collections in 2021 due to factors associated with COVID-19.

Achievements that contributed to the outcomes detailed in Table 3 below can be found in Table 2 of this Report. The Board made no adjustments under the Malus and Clawback Policy and no risk management, behaviour or compliance issues involving Executive KMP were identified during the joint consultation between the HRRC and ARMC.

Table 3: STI Outcomes in 2021

Executive	Value of STI Earned US$	STI opportunity at Target level hurdle as a % of FR	STI opportunity at Maximum level hurdle as a % of FR	Target STI earned as % of opportunity	STI earned as % of Maximum opportunity[6]	STI earned as % of FR	Financial Performance Outcome	Individual Performance Outcome
P Perreault	1,807,032	120%	180%	86%	57%	103%	Between Target and Maximum	Between Threshold and Target
J Linton	288,464	85%	128%	113%	75%	31%	Between Target and Maximum	Between Threshold and Target
P McKenzie	1,028,970	100%	150%	108%	72%	108%	Between Target and Maximum	Between Threshold and Target

6.2.1 CEO 2021 STI Achievement and Outcome

The Board considered the following highlights when determining the STI outcome for Mr Perreault.

Table 4: CEO STI Outcomes in 2021

Measure and commentary	Weight	Threshold 50%	Target 100%	Maximum 150%	% of maximum opportunity
Financials					
· Solid NPAT result against target – reported NPAT of US$2,375.0m	35%				68.3%
· Strong CFO outcome significantly exceeding target – reported CFO of US$3,621.9m	25%				100%
Stabilise plasma business fundamentals and return to sustainable growth					
· Challenging plasma collection levels however multiple initiatives are driving solid growth · Most major capital projects on target · Organisational transformation of 'Enabling Functions' on target with enterprise operating models in place	20%				0%
Deliver growth options and build a robust pipeline of safe and effective life-saving medicines					
· Successful integration of acquisitions · COVID-19 collaboration initiatives undertaken (e.g. UQ vaccine, COVID-19 hyper-immune and COVID-19 related respiratory distress) · Restart and reset of ongoing clinical trials delayed due to COVID-19 priorities – revised timelines and milestones in place	10%				43.3%
People and Culture					
· Renewal of executive leadership team and portfolios complete including all key appointments filled · Strengthened leadership pipeline in place · Improvement in all safety metrics over prior year – TRIFR improvement across most locations with enhanced near miss reporting and closeout processes and actions	10%				43.3%

6 Any STI that was not earned was automatically forfeited.

6.3 2021 Discretionary Bonus – Professor Cuthbertson

In 2020, when Professor Cuthbertson transitioned into the part time position of Special Advisor to the CEO and Executive Director, the Board determined that Professor Cuthbertson would not be eligible for any future grants of variable reward, STI or LTI, under the executive remuneration framework.

Following the extraordinary efforts and increased workload outside of contractual hours of Professor Cuthbertson in 2021 on CSL's global response to the COVID-19 pandemic, a discretionary bonus payment is being made. The Board is recognising Professor Cuthbertson's work on assisting the State and Federal governments and some research institutes to develop their responses to the COVID-19 pandemic. This included leading CSL's work with the Australian Government to manufacture the AstraZeneca vaccine, and the partnership with the University of Queensland in the early stages of its UQ-CSL v451 COVID-19 vaccine candidate, along with the renewed Australian BioSecurity agreement with the Australian Government. The Board has determined a cash payment of US$483,067 to be paid in September 2021.

6.4 LTI Outcomes by Executive KMP in 2021

6.4.1 LTI awards tested in 2021

In 2021, in the course of annual performance testing, four LTI grants were tested across both legacy and current LTI awards. This is the final testing of CSL's legacy Option and Performance Right awards. Due to CSL's continued outstanding performance against a peer group of global pharmaceutical and biotechnology companies, and CSL's strong share price growth over the performance period, vesting value outcomes were high. The table below shows the performance of CSL against the targets with vesting occurring in August 2020 and September 2020.

Table 5: LTI Awards Tested in 2021

Grant Date	Security	Tranche	Performance Period	Exercise Price A$	Performance Outcome	Vesting Outcome
1 October 2016	Option	1	1 July 2016 – 30 June 2020	107.25	Individual Performance	100%
	Right	1		–	RTSR ranking – 95th %ile against a peer group of global Pharmaceutical and Biotechnology companies	100%
	Right	2			Annual EPS growth at 14.6%	100%
	Right	3			Annual EPS growth at 14.6%	80%[7]
1 October 2017	PSU	3	1 July 2013 – 30 June 2020	–	Seven year ROIC at 26.6%	93.33%[8]
1 September 2018	PSU	2	1 July 2013 – 30 June 2020	–	Seven year ROIC at 26.6%	93.33%[9]
1 September 2019	PSU	1	1 July 2013 – 30 June 2020	–	Seven year ROIC at 26.6%	100%

7 The remaining 20% of this tranche has lapsed – there is no retest.
8 The remaining 6.67% of this tranche has lapsed – there is no retest.
9 The remaining 6.67% of this tranche has lapsed – there is no retest.

6.4.2 Fair Value of Awards Granted, Vested and Lapsed Equity in 2021

The table below details the fair value at the date of grant for all awards granted[10], vested and lapsed in 2021. The values are shown in Australian Dollars (AUD).

Table 6: Grant Fair Value

Security	Tranche	Grant Date	Vest/Lapse Date	Fair Value at Grant A$
Option	1	1 Oct 2016	20 Aug 2020	16.14
Right	1	1 Oct 2016	20 Aug 2020	60.07
Right	2/3	1 Oct 2016	20 Aug 2020	100.50
PSU	3	1 Oct 2017	1 Sep 2020	126.78
PSU	2	1 Sep 2018	1 Sep 2020	221.72
PSU	1	1 Sep 2019	1 Sep 2020	232.89
PSU	1	1 Sep 2020	1 Sep 2021	287.79
PSU	2	1 Sep 2020	1 Sep 2022	284.81
PSU	3	1 Sep 2020	1 Sep 2023	281.87
PSU	4	1 Sep 2020	1 Sep 2024	278.95
PSU	1	1 Apr 2021	1 Sep 2021	265.48
Restricted Share Unit (RSU)	1	1 Apr 2021	1 Sep 2021	265.48
RSU	2	1 Apr 2021	1 Mar 2022	264.08
RSU	3	1 Apr 2021	1 Mar 2023	261.26
RSU	4	1 Apr 2021	1 Mar 2024	258.47

6.4.3 Summary of Executive KMP Granted, Vested and Lapsed Equity in 2021

The table below summarises the details of equity awards granted, vested and lapsed in US Dollars (USD) for each Executive KMP. For awards granted, the maximum number of securities that may vest is shown. For accounting purposes, the maximum value of each grant is the fair value of the equity granted multiplied by the number of equity instruments granted, or remaining each year. Ultimately, the maximum value of the equity awards will be equal to the number of securities granted multiplied by the CSL share price at the time of vesting. The minimum number of securities and the value of the equity awards is zero if the equity award is fully lapsed. Details of the performance and service criteria applying to awards granted in prior years are summarised in section 11 and prior Remuneration Reports corresponding to the reporting period in which the awards were granted.

On commencement of employment, Ms Linton has been granted a benefit in the form of both hurdled and unhurdled Rights – the grant date of the award was 1 April 2021. This grant is to provide a more competitive reward offering to Ms Linton and compensate for a pro-rata portion of the loss of cash-settled LTI awards held at the time of cessation with her prior employer, Bupa. Bupa awards that had been performance-based were matched with CSL performance hurdled PSU awards, and Bupa awards that had been time-based were matched with CSL RSU time-based awards. The PSU grant is subject to a ROIC performance hurdle, measured over the period 1 July 2014 to 30 June 2021 – in line with the annual PSU hurdle set for grants made in September 2020. Each PSU and RSU is a conditional right to receive a share in CSL (or a cash equivalent payment). No price is payable by Ms Linton on the grant or vesting of PSUs or RSUs awarded as a sign-on award. Further details of how remuneration is determined is set out in section 10.2 and details on the terms of the awards can be found in section 3.2.5 for the PSU grants, and section 12.2 for RSU grants.

10 The grant date of PSUs granted to P Perreault was 14 October 2020. Shareholder approval for the grant of PSUs and any shares to be issued at the time of vesting, was obtained under ASX Listing Rule 10.14 at the 2020 Annual General Meeting.

Table 7: Movement in Equity in 2021

Executive	Security	Grant Date	Vesting Date	Exercise Price A$	Fair Value at Grant US$	Face Value at Grant US$[11]	Granted	Vested	Lapsed	Face Value at Vest – Vested Award US$[12]	Face Value at Lapse – Lapsed Award US$[13]
P Perreault	Option	1 Oct 2016	20 Aug 2020	107.25	1,961,337	–	163,514	163,514	–	23,423,028	–
	Right	1 Oct 2016	20 Aug 2020	–	2,973,872	4,113,342	51,727	50,843	884	11,572,911	197,091
	PSU	1 Oct 2017	1 Sep 2020	–	1,226,089	1,295,526	13,013	12,146	867	2,542,629	181,497
	PSU	1 Sep 2018	1 Sep 2020	–	1,542,650	1,581,542	9,362	8,738	624	1,829,202	130,627
	PSU	1 Sep 2019	1 Sep 2020	–	1,917,197	1,982,890	11,077	11,077	–	2,318,846	–
	PSU	1 Sep 2020	1 Sep 2021	–	1,751,247	1,714,066	8,188	–	–	–	–
	PSU	1 Sep 2020	1 Sep 2022	–	1,733,112	1,714,066	8,188	–	–	–	–
	PSU	1 Sep 2020	1 Sep 2023	–	1,715,223	1,714,066	8,188	–	–	–	–
	PSU	1 Sep 2020	1 Sep 2024	–	1,697,454	1,714,066	8,188	–	–	–	–
A Cuthbertson	Right	1 Oct 2016	20 Aug 2020	–	654,764	905,656	11,389	11,195	194	2,548,248	43,253
	PSU	1 Oct 2017	1 Sep 2020	–	198,899	210,164	2,111	1,971	140	412,607	29,307
	PSU	1 Sep 2018	1 Sep 2020	–	368,608	377,901	2,237	2,088	149	437,100	31,191
	PSU	1 Sep 2019	1 Sep 2020	–	370,908	383,617	2,143	2,143	–	448,613	–
D Lamont	Right	1 Oct 2016	20 Aug 2020	–	671,675	929,035	11,683	11,484	199	2,614,022	44,368
	PSU	1 Oct 2017	1 Sep 2020	–	192,115	202,995	2,039	1,903	136	398,372	28,470
	PSU	1 Oct 2017	1 Sep 2021	–	188,719	202,895	2,038	–	2,038	–	435,538
	PSU	1 Sep 2018	1 Sep 2020	–	290,833	298,165	1,765	1,648	117	344,991	24,493
	PSU	1 Sep 2018	1 Sep 2021	–	287,803	298,165	1,765	–	1,765	–	377,196
	PSU	1 Sep 2018	1 Sep 2022	–	283,339	297,996	1,764	–	1,764	–	376,982
	PSU	1 Sep 2019	1 Sep 2020	–	316,042	326,872	1,826	1,826	–	382,253	–
	PSU	1 Sep 2019	1 Sep 2021	–	312,799	326,872	1,826	–	1,826	–	390,232
	PSU	1 Sep 2019	1 Sep 2022	–	309,597	326,872	1,826	–	1,826	–	390,232
	PSU	1 Sep 2019	1 Sep 2023	–	306,253	326,693	1,825	–	1,825	–	390,018
J Linton	PSU (sign-on)	1 Apr 2021	1 Sep 2021	–	646,155	640,119	3,275	–	–	–	–
	RSU (sign-on)	1 Apr 2021	1 Sep 2021	–	423,404	419,449	2,146	–	–	–	–
	RSU (sign-on)	1 Apr 2021	1 Mar 2022	–	1,179,123	1,174,301	6,008	–	–	–	–
	RSU (sign-on)	1 Apr 2021	1 Mar 2023	–	989,649	996,240	5,097	–	–	–	–
	RSU (sign-on)	1 Apr 2021	1 Mar 2024	–	76,067	77,401	396	–	–	–	–
P McKenzie	PSU (sign-on)	1 Sep 2019	1 Sep 2020	–	948,646	981,152	5,481	5,262	219	1,101,541	45,845
	PSU	1 Sep 2019	1 Sep 2020	–	796,683	823,982	4,603	4,603	–	963,586	–
	PSU	1 Sep 2020	1 Sep 2021	–	834,131	816,421	3,900	–	–	–	–
	PSU	1 Sep 2020	1 Sep 2022	–	825,493	816,421	3,900	–	–	–	–
	PSU	1 Sep 2020	1 Sep 2023	–	816,972	816,421	3,900	–	–	–	–
	PSU	1 Sep 2020	1 Sep 2024	–	808,509	816,421	3,900	–	–	–	–

11 Securities granted multiplied by the closing CSL share price on the date of grant. For Options granted, Options were multiplied by the share price at the date of grant minus the exercise price payable (A$107.25). The face value of the Options at the date of grant for Mr Perreault is shown as zero as the exercise price was higher than the closing CSL share price on the date of grant. The AUD value was converted to USD at an average exchange rate for the 2021 financial year of 1.34557.

12 Securities vested multiplied by the closing CSL share price on the date of vest. For Options vested during the year, Options were multiplied by the share price at the date of vesting minus the exercise price payable (A$107.25). The AUD value was converted to USD at an average exchange rate for the 2021 financial year of 1.34557.

13 Securities lapsed multiplied by the closing CSL share price on the date of lapse. The AUD value was converted to USD at an average exchange rate for the 2021 financial year of 1.34557.

6.4.4 Executive KMP 2022 Equity Vesting Opportunity

As disclosed earlier, our legacy LTI awards are now complete with no further testing or reporting of awards. In 2022, we have five awards being tested under our revised LTI plan introduced in 2017. The following tables set out a preview of the awards that will be tested in 2022 for Executive KMP with Table 9 providing the specific grant details for each Executive KMP. The face value in Table 8 is provided in AUD.

Table 8: LTI Awards to be Tested in 2022

Grant Date	Security	Performance Measure	Exercise Price A$	Face Value of a CSL Share at Date of Grant A$
1 October 2017	PSU	ROIC	–	133.96
1 September 2018	PSU	ROIC	–	227.31
1 September 2019	PSU	ROIC	–	240.87
1 September 2020	PSU	ROIC	–	281.68
1 April 2021	PSU	ROIC	–	263.00
1 April 2021	RSU	Individual Performance	–	263.00

Table 9: Executive KMP LTI Opportunity to be Tested in 2022

Executive	Number of Performance Share Units	Number of Restricted Share Units
P Perreault	41,640	–
A Cuthbertson	6,489	–
J Linton	3,275	8,154
P McKenzie	17,634	–

7. Executive Key Management Personnel Statutory Remuneration Tables

Remuneration is reported in USD, unless otherwise stated. This is consistent with the presentation currency used by CSL.

7.1 Executive KMP Remuneration 2020 and 2021

Table 10: Statutory Remuneration Disclosure – Executive KMP

		Short Term Benefits				Post-Employment
Executive	Year[14]	Cash Salary and Fees US$[16]	Cash Bonus US$[17]	Cash Sign On US$	Non-Monetary US$[18]	Super US$
P Perreault – CEO and Managing Director	**2021**	**1,697,123**	**1,807,032**	**–**	**95,083**	**20,300**
	2020	1,676,919	2,477,746	–	52,404	19,950
A Cuthbertson – Senior Advisor to CEO	**2021**	**505,666**	**483,067**	**–**	**32,648**	**18,579**
	2020	714,704	699,030	–	29,944	16,808
J Linton[19] – Chief Financial Officer	**2021**	**281,781**	**288,464**	**78,220**	**122,927**	**6,786**
	2020	–	–	–	–	–
P McKenzie – Chief Operating Officer	**2021**	**989,079**	**1,028,970**	**–**	**70,140**	**22,123**
	2020	999,747	1,164,765	–	552,870	22,243
Former Executive KMP						
D Lamont[20] – Chief Financial Officer	**2021**	**327,026**	**–**	**–**	**–**	**6,193**
	2020	887,558	901,581	–	14,747	16,808
TOTAL	**2021**	**3,800,675**	**3,607,533**	**78,220**	**320,798**	**73,981**
	2020	4,278,928	5,243,122	–	649,965	75,809

14 The AUD compensation paid during the years ended 30 June 2020 and 30 June 2021 have been converted to USD. For the 30 June 2021 compensation, this has been converted to USD at an average exchange rate for the 2021 financial year: AUD – 1.34557. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the exchange rates. No termination benefits were paid in 2021.

15 The Performance Rights and Options have been valued using a combination of the Binomial and Black Scholes option valuation methodologies including Monte Carlo simulation as at the grant date adjusted for the probability of hurdles being achieved. The Performance Share Units and Restricted Share Units have been valued using the Black Scholes option valuation methodology. These valuations were undertaken by Deloitte and PricewaterhouseCoopers. The amounts disclosed have been determined by allocating the value of the Options, Performance Rights, Performance Share Units and Restricted Share Units over the period from grant date to vesting date in accordance with applicable accounting standards. Share based payments have been converted to USD at an average exchange rate for the 2021 financial year: AUD – 1.34557.

16 Includes cash salary, cash allowances and short term compensated absences, such as annual leave entitlements accrued but not taken during the year.

17 The cash bonus in respect of 2021 is scheduled to be paid in September 2021. The cash component of the cash bonus received in 2020 was paid in full in September 2020 for all Executive KMP as previously disclosed, with no adjustment.

18 Includes any health benefits, insurances benefits and other benefits. For International Assignees and domestic and international relocations, this may include personal tax advice, health insurance, removalists, temporary accommodation and other expatriate assignment benefits.

19 In 2021 J Linton was an Executive KMP for the period 5 March 2021 to 30 June 2021. The cash sign on bonus was paid to Ms Linton in March 2021 on commencement of employment and was to compensate for deferred cash forfeited on cessation of employment with Bupa.

20 In 2021 D Lamont was an Executive KMP for the period 1 July 2020 to 31 October 2020.

Other Long Term	Share Based Payments[15]						
LSL US$	Performance Rights US$	Options US$	Performance Share Units US$	Restricted Share Units US$	EDIP US$	Total US$	% Performance Related
–	**(66,026)**	**–**	**6,570,910**	**–**	**–**	**10,124,422**	**82%**
–	717,831	473,426	5,474,555	–	223,961	11,116,792	84%
11,603	**(14,490)**	**–**	**723,043**	**–**	**–**	**1,760,116**	**68%**
16,531	158,047	–	1,114,393	–	47,754	2,797,211	72%
6,840	**–**	**–**	**384,315**	**708,425**	**–**	**1,877,758**	**74%**
–	–	–	–	–	–	–	–
–	**–**	**–**	**3,684,975**	**–**	**–**	**5,795,287**	**81%**
–	–	–	2,817,245	1,274,105	–	6,830,975	77%
7,730	**(14,863)**	**–**	**(660,221)**	**–**	**–**	**(334,135)**	**–**
20,979	162,128	–	937,367	–	45,216	2,986,384	69%
26,173	**(95,379)**	**–**	**10,703,022**	**708,425**	**–**	**19,223,448**	**78%**
37,510	1,038,006	473,426	10,343,560	1,274,105	316,931	23,731,362	79%

7.2 Executive KMP Shareholdings

Details of shares held directly, indirectly or beneficially by each Executive KMP, including their related parties, are provided in Table 11. Details of Options, Performance Rights, Performance Share Units and Restricted Share Units held directly, indirectly or beneficially by each Executive KMP, including their related parties, are provided in Table 12. Any amounts are presented in USD. Following the vesting of awards, any trading undertaken by Executive KMP was subject to the Group Securities Dealing Policy (outlined in section 10.6). Approved trading disclosed was actioned in accordance with the Policy, including forced trades to cover CSL tax withholding obligations.

Table 11: Executive KMP Shareholdings

Executive	Balance at 1 July 2020	Number of shares acquired on exercise of Options, Performance Rights, PSUs or RSUs during year US$	Value of shares acquired on exercise of Options[21], Performance Rights, PSUs or RSUs during year US$	Number of (Shares Sold)/ Purchased	Balance at 30 June 2021
P Perreault	127,381	246,318	40,083,277	(210,458)	163,241
A Cuthbertson	89,182	17,397	3,695,947	–	106,579
J Linton[22]	–	–	–	–	–
P McKenzie	4,013	9,865	2,065,127	(3,227)	10,651
Former Executive KMP					
D Lamont[23]	19,275	16,861	3,576,774	24	36,160

There have been no movements in shareholdings of Executive KMP between 30 June 2021 and the date of this Report.

Table 12: Executive KMP Option, Performance Right, Performance Share Unit and Restricted Share Unit Holding

								Balance as at 30 June 2021	
Executive	Security	Balance as at 1 July 2020	Number Granted	Number Exercised	Number Lapsed	Balance as at 30 June 2021	Number Vested During Year	Vested[24]	Unvested
P Perreault	Option	163,514	–	163,514	–	–	163,514	–	–
	Right	51,727	–	50,843	884	–	50,843	–	–
	PSU	98,419	32,752	31,961	1,491	97,719	31,961	–	97,719
A Cuthbertson	Option	–	–	–	–	–	–	–	–
	Right	11,389	–	11,195	194	–	11,195	–	–
	PSU	19,501	–	6,202	289	13,010	6,202	–	13,010
J Linton[25]	Option	–	–	–	–	–	–	–	–
	Right	–	–	–	–	–	–	–	–
	PSU	–	3,275	–	–	3,275	–	–	3,275
	RSU	–	13,647	–	–	13,647	–	–	13,647
P McKenzie	Option	–	–	–	–	–	–	–	–
	Right	–	–	–	–	–	–	–	–
	PSU	39,591	15,600	9,865	219	45,107	9,865	–	45,107
Former Executive KMP									
D Lamont[26]	Option	–	–	–	–	–	–	–	–
	Right	11,683	–	11,484	199	–	11,484	–	–
	PSU	16,674	–	5,377	11,297	–	5,377	–	–

21 The value of Options at exercise date has been determined by the share price at the close of business on exercise date less the Option exercise price, multiplied by the number of Options exercised during 2021. For Performance Rights and Performance Share Units, the value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of securities exercised during 2021. The AUD value was converted to USD at an average exchange rate for the year of 1.34557.
22 The opening balance for J Linton is 5 March 2021 being the date J Linton became Executive KMP.
23 The closing balance for D Lamont is 31 October 2020 being the date D Lamont ceased to be Executive KMP.
24 Vested awards are exercisable to the Executive KMP. There are no vested and unexercisable awards.
25 The opening balance for J Linton is 5 March 2021 being the date J Linton became Executive KMP.
26 The closing balance for D Lamont is 31 October 2020 being the date D Lamont ceased to be Executive KMP.

8. 2021 and 2022 Executive Key Management Personnel Remuneration

8.1 CEO Target Remuneration

The Board determines any increases to reward for the CEO based on his performance and relative to external benchmarks. When comparing Mr Perreault's total reward to the reward of CEOs across the pharmaceutical/biotechnology peer group, Mr Perreault lags the median – specifically on the LTI component.

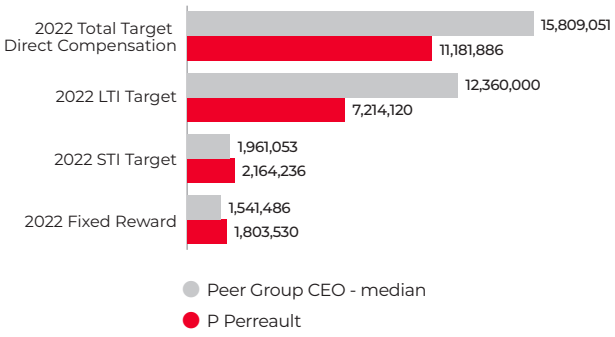
8.1.1 2021 CEO Target Remuneration

As has been the case for the prior five years, there was no increase to fixed reward, remaining at US$1,751,000. Mr Perreault's STI percentage remained set at 120% of his Fixed Reward for target performance and his maximum payout opportunity capped at 180% for outstanding performance. There was no increase applied to his LTI target, remaining at 400% of fixed reward (also maximum opportunity).

8.1.2 2022 CEO Target Remuneration

In 2022, the Board has determined that Mr Perreault will receive a 3% increase to Fixed Reward. There will be no change to Mr Perreault's STI percentage, again remaining at 120% of his Fixed Reward for target performance. As noted in section 4 with the changes being introduced to the remuneration framework in 2022, Mr Perreault's maximum STI payout opportunity will be increased to 240% for outstanding performance (i.e. target of 120% multiplied by 200% maximum outcome). There was no increase applied to his LTI target, remaining at 400% of fixed reward (also maximum opportunity). Mr Perreault's target reward for 2022 is displayed below, along with the 2022 comparison to CEOs in our pharmaceutical/biotechnology peer group.

2022 CEO Target Remuneration and Peer Group Comparison – USD

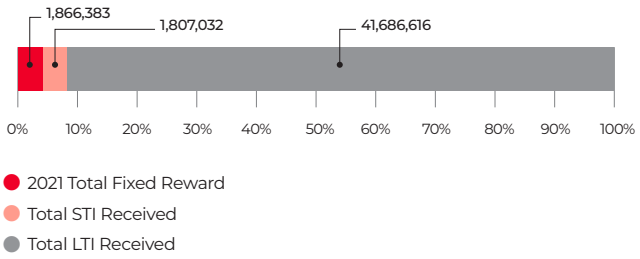


8.2 2021 Executive KMP Realised Remuneration

8.2.1 2021 CEO Realised Remuneration

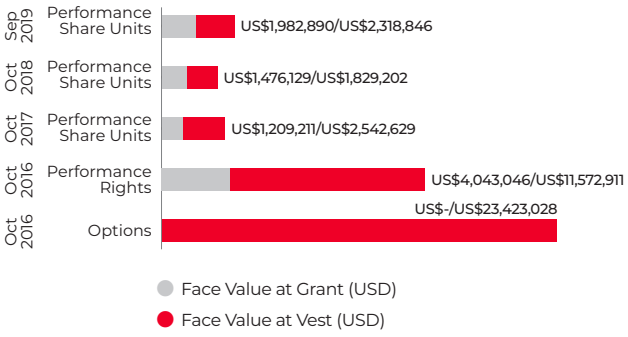
Below we have disclosed the CEO 'realised' remuneration. This is a voluntary disclosure which the Board believes is simple and affords a transparent view of what the CEO's actual take-home pay was in 2021. These outcomes are aligned with the CEO's and CSL's performance during 2021, as well as being aligned to CSL's longer term performance. This information has not been prepared in accordance with the Australian accounting standards. See section 7.1 Table 10 for the Statutory Remuneration disclosure that has been prepared in accordance with the Australian accounting standards.

2021 CEO Realised Remuneration – USD



Mr Perreault's total 'realised' remuneration for 2021 was US$45,360,031 and this is a 61% increase from the prior year. Consistent with prior years, this increase was driven by the vesting of LTI awards made under our legacy plans – the 2017 Option and Performance Right awards (granted 1 October 2016 with further details in section 6.4). The value shown is based on the value of LTI at the vesting date and is converted to USD at the average exchange rate for the 2021 financial year of 1.34557. The actual value to Mr Perreault is based on the share price at the date of exercise and any exchange rate at that time. This is the final award vesting under our legacy plan. As you will have experienced as shareholders, there has been a significant increase in the CSL share price over this period (Options had an exercise price of A$107.25 (set at grant[27]) and the share price at vesting was A$300.00) leading to increased reward outcomes for the CEO. The graph following, depicts the increase in value of each of the vested awards over the period of grant to vest using the face value of the vested award at each point in time (CSL closing share price). For Options, the value shown is the difference between the exercise price and the closing price on date of vest.

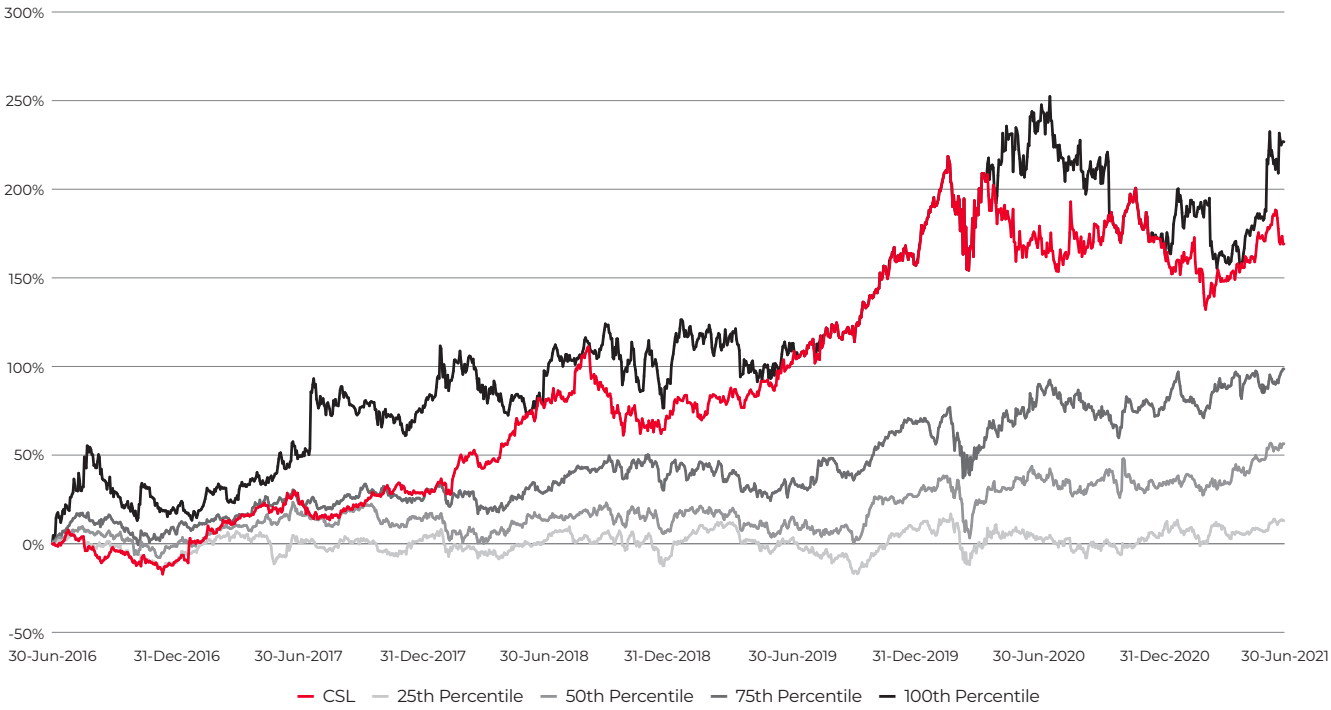
CEO – 2021 Vested LTI Award Growth



Our executive remuneration framework is designed to align employee and shareholder interests. As noted above the increase in the CSL share price over the past five years has been significant. The following graph shows CSL's Total Shareholder Return (TSR) performance compared to our global pharmaceutical/biotechnology peer group over the past five years.

27 At the date of grant, the Options were out of the money as the exercise price was higher than the CSL closing share price on the date of grant.

CSL's Five Year TSR Performance Against Global Pharmaceutical/Biotechnology Peer Group



8.2.2 2021 Executive KMP Realised Remuneration

Table 13 shows the 'realised' remuneration of Executive KMP for the year ended 30 June 2021 in USD, providing a simple and transparent view of what Executive KMP actual take home pay was in 2021. Some of the 'realised' remuneration in the table was earned over the previous three to four years, but was not vested until 2021. This includes equity settled LTI earned over four years from 2017 to 2021. The significant increase in the CSL share price over the period of grant to vest has provided Executive KMP with a significant increase in value of the LTI component of reward. This has been demonstrated in the table below. The benefit of the increased share price has been shared by shareholders and Executive KMP alike.

Table 13: Executive KMP 'Realised' Remuneration (Received or Available as Cash) in 2021

Executive	2021 Total Fixed Reward US$[28]	2021 STI US$[29]	LTI Vested in 2021 US$[30]	Total Reward Received US$	Total LTI Reward Received (valued at grant date) US$[31]	LTI Growth in Value (due to share price growth) US$[32]
Period Earned	2021	2021	2017-2021	2017-2021	2017-2021	2017-2021
P Perreault	1,866,383	1,807,032	41,686,616	45,360,031	8,711,276	32,975,340
A Cuthbertson	525,434	483,067	3,846,568	4,855,069	1,822,801	2,023,767
J Linton	478,435	288,464	–	766,899	–	–
P McKenzie	1,040,388	1,028,970	2,065,127	4,134,485	1,765,931	299,196

28 Includes base salary, retirement/superannuation benefits, and other benefits such as insurances, relocation and allowances paid in 2021.
29 Relates to STI earned in 2021 and will be paid in September 2021 (refer to section 6.2).
30 Value of LTI vested at 20 August 2020 (Options and Performance Rights) and 1 September 2020 (Performance Share Units) that became unrestricted (refer to section 6.4). The value at vest has been determined by multiplying the number of vested units by the closing share price on the date of vest. For Options, it is the difference between the closing share price and the exercise price on the date of vest. This has been converted to USD at an average exchange rate for the 2021 financial year of 1.34557.
31 The value at grant has been determined by multiplying the number of vested units by the closing share price on the date of grant. For Options, it is the difference between the closing share price and the exercise price on the date of grant. This has been converted to USD at an average exchange rate for the 2021 financial year of 1.34557.
32 This figure shows the increase in market value of the LTI awards due to share price growth between the grant date and the vesting date. The increase in value of the awards is calculated by multiplying the number of vested and/or exercised awards by the difference between the share price of CSL shares on the grant date and the vesting date or exercise date (as applicable). This has been converted to USD at an average exchange rate for the 2021 financial year of 1.34557.

8.3 2021 and 2022 Executive KMP Remuneration Adjustments

CSL competes for talent in a global market and we need to attract and retain high calibre executives in a highly competitive global pharmaceutical and biotechnology industry. The unique skill set with specialised pharmaceutical and biotechnology expertise and experience that we require is critical to enable us to deliver on our strategy, promise to patients and deliver returns to our shareholders.

Table 14 sets out the changes to Executive KMP reward for 2021 (effective 1 September 2020) and 2022 (effective 1 September 2021). As noted earlier in this report, a global pharmaceutical/biotechnology peer group is used for external benchmarking[33]. We align reward with the median of this peer group. The below rewards position our Executive KMP more competitively in the market, at or below the median for total reward and recognises the changes to the executive remuneration framework in 2022. The increases also take into consideration the skills and experience of Executive KMP. In determining reward, the Board considers internal pay relativity across the full Global Leadership Group.

Table 14: Adjustments to Executive KMP Reward 2021 and 2022

Executive	Year	% change in FR	% change in STI $ opportunity at target	% change in LTI $ opportunity at target	Total Reward Adjustment %	Total Reward Adjustment US$
P Perreault	**2022**	**3.00%**	**3.00%**	**3.00%**	**3.00%**	**325,686**
	2021	–	–	–	–	–
A Cuthbertson	**2022**	**0.46%**	**–**	**–**	**0.46%**	**2,229**
	2021	-35.00%	-100.00%	-100.00%	-83.00%	(2,168,730)
J Linton	**2022**	**3.40%**	**3.40%**	**3.40%**	**3.40%**	**113,706**
	2021	–	–	–	–	–
P McKenzie	**2022**	**3.00%**	**3.00%**	**3.00%**	**3.00%**	**157,207**
	2021	3.00%	3.00%	14.00%	10.00%	476,375

33 Two general industry reference groups, being Australia and North America, are also used for benchmarking of certain Executive KMP roles.

9. Non-Executive Director Remuneration

9.1 NED Fee Policy

Feature	Description
Strategic Objective	CSL's NED fee arrangements are designed to appropriately compensate suitably qualified directors, with appropriate experience and expertise, for their Board responsibilities and contribution to Board committees. In the 2021 year, the Board had four Committees for which fees were payable
Maximum Aggregate Fees Approved by Shareholders	The current maximum aggregate fee pool of A$4,000,000 was approved by shareholders on 12 October 2016 and has applied from this date. Actual NED fees paid during the 2021 year (including superannuation contributions, NED Rights Plan sacrifice amounts and Committee fees) is within this agreed limit, and totalled A$2,625,899. NEDs may be reimbursed for reasonable expenses incurred by them in the course of discharging their duties and this reimbursement is not included within this limit
Remuneration Reviews	The Board reviews NED fees on an annual basis in line with general industry practice. Fees are set with reference to the responsibilities and time commitments expected of NEDs along with consideration to the level of fees paid to NEDs of comparable Australian companies
Independence	To ensure independence and impartiality is maintained, NEDs do not receive any performance related remuneration
NED Equity	The NEDs participate in the NED Rights Plan – introduced to enable NEDs to build up meaningful levels of equity more quickly. Under the plan, NEDs sacrifice at least 20% of their pre-tax base fee in return for a grant of Rights, each Right entitling a NED to acquire one CSL share at no cost. The number of Rights granted is equivalent to the fee sacrificed divided by the prevailing market price of CSL shares at that time. Rights are allocated in two tranches and vesting occurs following the disclosure of half year and full year financial results following the grant of Rights. For Australian based NEDs, shares are allocated at vesting of the Rights and for overseas based NEDs, shares are allocated at the end of the nominated restriction period. At the end of a nominated restriction period, of three to fifteen years, the NED is able to access their shares. No price is payable on vesting and exercise of rights. Shares are automatically allocated without the need for exercise by a NED. As this is a salary sacrifice plan, no performance conditions apply to the Rights. The shares are purchased on-market. Additional shares may be purchased by NEDs on-market at prevailing share prices in accordance with CSL's Securities Dealing Policy
Shareholding Requirement	NEDs must hold CSL shares equal to 100% of their Board base fee within five years from the date of appointment to their role
Post-Employment Benefits	Superannuation contributions are made in accordance with legislation and are included in the reported base fee and are not additional to the base fee. NEDs are not entitled to any compensation on cessation of appointment
Contracts	NEDs are appointed under a letter of appointment and are subject to ordinary election and rotation requirements as stipulated in the ASX Listing Rules and CSL Limited's constitution

9.2 NED Fees in 2021

The following table provides details of current Board and Committee fees from 1 July 2020. As a truly global business, our NED fee structure allows us to attract and recruit globally experienced directors.

In 2021, after reviewing both ASX12 and ASX25 comparative Board fees, the Board has determined to increase Board and Committee fees from 1 July 2021. An average increase of 4.2% was applied to the Board and Committee Chair fees and an average increase of 2.8% was applied to Board and Committee member fees. These increases ensure market competitive fees and allow us to attract and retain high quality NEDs. Fees remain within the existing aggregate fee pool approved by shareholders in 2016. The Board considers that sufficient headroom remains within the existing fee pool. Committee fees are not payable to the Chairman or to members of the Securities & Market Disclosure Committee.

Table 15: NED Fees 2021 and 2022

		2021 Fees		2022 Fees
Board Chairman Fee		A$820,350		A$870,000
Board NED Base Fee		A$238,550		A$245,250
Committee Fees	**Committee Chair**	**Committee Member**	**Committee Chair**	**Committee Member**
Audit & Risk Management	A$67,650	A$33,300	A$70,000	A$34,250
Corporate Governance & Nomination	A$29,300	A$14,700	A$30,100	A$15,100
Human Resources & Remuneration	A$56,550	A$29,300	A$60,000	A$30,100
Innovation & Development	A$56,550	A$29,300	A$58,150	A$30,100

A travel allowance of A$15,000 per annum is in place for those NEDs who reside outside of Australia and travel to and from Australia to attend Board and Committee meetings. Where no travel is undertaken in a quarter, no allowance is paid.

9.3 Non-Executive Share Purchases

During 2021, CSL completed two on-market purchases of shares for the purposes of the NED Rights Plan. A total of 2,100 shares were purchased during the reporting period and the average price paid per share was A$292.77.

9.4 Non-Executive Director Statutory Remuneration Tables

Remuneration is reported in USD, unless otherwise stated. This is consistent with the presentation currency used by CSL.

9.4.1 Non-Executive Director Remuneration 2020 and 2021

Table 16: Statutory Remuneration Disclosure – Non-Executive Directors

		Short Term Benefits	Post-Employment		Share Based Payments	
Non-Executive Director	Year	Cash Salary and Fees US$[34]	Superannuation US$	Retirement Benefits US$	Rights US$[35]	Total
B McNamee – Chairman	**2021**	**471,611**	**16,123**	**–**	**120,767**	**608,501**
	2020	415,099	14,121	–	106,768	535,988
B Brook	**2021**	**186,907**	**16,123**	**–**	**37,492**	**240,522**
	2020	133,343	14,121	–	60,325	207,789
M Clark	**2021**	**200,432**	**16,123**	**–**	**34,982**	**251,537**
	2020	176,446	14,121	–	30,692	221,259
C Hewson[36]	**2021**	**140,471**	**16,123**	**–**	**109,237**	**265,831**
	2020	15,816	7,060	–	61,332	84,208
M McDonald	**2021**	**166,922**	**4,031**	**–**	**52,574**	**223,527**
	2020	136,035	14,121	–	45,574	195,730
Former Non-Executive Director						
A Hussain[37]	**2021**	**185,291**	**87**	**–**	**37,532**	**222,910**
	2020	170,277	423	–	30,692	201,392
C O'Reilly[38]	**2021**	**45,206**	**–**	**–**	**29,286**	**74,492**
	2020	162,258	7,060	–	46,082	215,400
P Soriot[39]	**2021**	**76,875**	**103**	**–**	**13,312**	**90,290**
	2020	–	–	–	–	–
T Yamada[40]	**2021**	**–**	**–**	**–**	**–**	**–**
	2020	8,530	–	–	87,774	96,304
TOTAL	**2021**	**1,473,715**	**68,713**	**–**	**435,182**	**1,977,610**
	2020	1,217,804	71,027	–	469,239	1,758,070

9.4.2 Non-Executive Director Shareholdings

Details of shares held directly, indirectly or beneficially by each NED, including their related parties, is provided in Table 17. Any amounts are presented in USD. Details of Rights held directly, indirectly or beneficially by each NED, including their related parties, is provided in Table 18. Following the vesting of awards, any trading undertaken by NEDs was subject to the Group Securities Dealing Policy (outlined in section 10.6).

34 The AUD compensation paid and share based payments during the years ended 30 June 2020 and 30 June 2021 have been converted to USD. For the 2021 compensation, this has been converted to USD at an average exchange rate for the 2021 financial year: AUD – 1.34557. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the AUD/USD exchange rates. No long term or termination benefits were paid in 2021.
35 As disclosed in the section 9.1, NEDs participate in the NED Rights Plan under which NEDs are required to take at least 20% of their after-tax base fees (excluding superannuation guarantee contributions) in the form of Rights. Rights are granted upfront and are expensed over the period of grant to vest. The Fair Value per Right at the grant date of 27 August 2020 was A$293.64 for Tranche 1 (vests 23 February 2021) and A$292.16 for Tranche 2 (vests 23 August 2021).
36 In 2020 C Hewson was a NED for the period 9 December 2019 to 30 June 2020.
37 In 2021 A Hussain was a NED for the period 1 July 2020 to 25 June 2021.
38 In 2021 C O'Reilly was a NED for the period 1 July 2020 to 14 October 2020.
39 In 2021 P Soriot was a NED for the period 19 August 2020 to 31 January 2021.
40 In 2020 T Yamada was a NED for the period 1 July 2019 to 16 October 2019.

Table 17: Non-Executive Director Shareholdings

KMP	Balance at 1 July 2020	Number of shares acquired on exercise of Rights during year	Value of shares acquired on exercise of Rights during year US$[41]	Number of (Shares Sold)/ Purchased	Balance at 30 June 2021
Non-Executive Director					
B McNamee	161,057	624	131,250	–	161,681
B Brook	5,322	282	60,216	–	5,604
M Clark	3,224	181	38,064	–	3,405
C Hewson	174	590	125,326	–	764
M McDonald	2,983	272	57,214	–	3,255
Former Non-Executive Director					
A Hussain[42]	41	–	–	340	381
C O'Reilly[43]	3,692	151	33,118	–	3,843
P Soriot[44, 45]	1,000	–	–	–	1,000

There have been no movements in shareholdings of NEDs between 30 June 2021 and the date of this Report.

Table 18: Non-Executive Director Right Holdings

KMP	Security	Balance at 1 July 2020	Number Granted[46]	Face Value of Rights Granted US$[47]	Fair Value of Rights Granted US$[48]	Number Exercised	Value of Rights Exercised US$[49]	Number Lapsed	Balance at 30 June 2021	Number Vested During Year	Balance at 30 June 2021	
											Vested[50]	Unvested
Non-Executive Director												
B McNamee	Right	346	556	121,297	121,028	624	131,250	–	278	624	–	278
B Brook	Right	201	161	35,124	35,047	282	60,216	–	80	282	–	80
M Clark	Right	100	161	35,124	35,047	181	38,064	–	80	181	–	80
C Hewson	Right	388	404	88,137	87,942	590	125,326	–	202	590	–	202
M McDonald	Right	151	242	52,795	52,678	272	57,214	–	121	272	–	121
Former Non-Executive Director												
A Hussain[51]	Right	411	161	35,124	35,047	–	–	–	572	181	492	80
C O'Reilly[52]	Right	151	404	88,137	87,942	151	33,118	–	404	151	–	404
P Soriot[53]	Right	–	139	30,324	30,258	–	–	–	139	–	–	139

41 The value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of Rights exercised during 2021. The AUD value was converted to USD at an average rate for the year of 1.34557.
42 The closing balance for A Hussain is 25 June 2021 being the date A Hussain ceased to be a Non-Executive Director and KMP.
43 The closing balance for C O'Reilly is 14 October 2020 being the date C O'Reilly ceased to be a Non-Executive Director and KMP.
44 The opening balance for P Soriot is 19 August 2020 being the date P Soriot became a Non-Executive Director and KMP.
45 The closing balance for P Soriot is 31 January 2021 being the date P Soriot ceased to be a Non-Executive Director and KMP.
46 The number of Rights granted is determined by dividing the NEDs elected percentage of pre-tax base fee (minimum 20%) by the five day volume weighted average price at which CSL shares were traded on the ASX ending on (and including) the last ASX trading day prior to the date of grant of the Rights being 26 August 2020 of A$295.05. The Rights were granted on 27 August 2020 in two tranches. Tranche one had a vesting date of 23 February 2021 and tranche two vests 23 August 2021.
47 The value at grant date has been determined by the share price at the close of business on the grant date of 27 August 2020 being A$293.55 multiplied by the number of Rights granted during 2021. The AUD value was converted to USD at an average exchange rate for the year of 1.34557.
48 The value of Rights is calculated based on an assessment of the fair market value of the instruments in accordance with the accounting standards (refer to Note 18 in the Financial Statements). The fair value of each Right granted on 27 August 2020 was Tranche 1: A$293.64 and Tranche 2: A$292.16 multiplied by the number of Rights granted during 2021.
49 The value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of Rights exercised during 2021. The AUD value was converted to USD at an average exchange rate for the year of 1.34557. Australian based NEDs have Rights exercised at the vesting date and a holding lock is placed on the shares for a period of three to fifteen years as elected by the NED. The UK based NEDs hold vested but unexercisable Rights until the end of the nominated restriction period.
50 Vested Rights are exercisable to the NED at the end of the nominated restriction period. All vested Rights are currently unexercisable until the end of the nominated restriction period.
51 The closing balance for A Hussain is 25 June 2021 being the date A Hussain ceased to be a Non-Executive Director and KMP.
52 The closing balance for C O'Reilly is 14 October 2020 being the date C O'Reilly ceased to be a Non-Executive Director and KMP.
53 The closing balance for P Soriot is 31 January 2021 being the date P Soriot ceased to be a Non-Executive Director and KMP.

10. Remuneration Governance

The following diagram illustrates CSL's remuneration governance framework.

CSL Board:
The Board is responsible for the oversight and strategic direction of CSL. It monitors operational and financial performance, human resources policies and practices, and approves the company's budgets and business plans. It is also responsible for overseeing CSL's risk management, financial reporting and compliance framework.

The Board reviews, makes comment on and, as appropriate, approves HRRC remuneration recommendations. The Board approves the remuneration and remuneration outcomes for the CEO and Non-Executive Directors and approves the policies and processes that govern both.

HRRC:
The HRRC has oversight of all aspects of remuneration at CSL. The Board has delegated responsibility to the HRRC for reviewing and making recommendations to the Board with regard to:

- Executive remuneration design;
- Approval of awards to the CEO;
- Senior executive succession planning;
- The design and implementation of any incentive plan (including equity based arrangements);
- The remuneration and other benefits applicable to NEDs; and
- The CSL diversity policy and measurable objectives for achieving gender diversity.
- The HRRC is able to approve the remuneration of Executive KMP (excluding the CEO).

Members
Dr Megan Clark AC (Chair), Ms Carolyn Hewson AO and Ms Marie McDonald. Mr Abbas Hussain and Ms Christine O'Reilly were members until their cessation of directorships.

ARMC:
The ARMC assists the Board in the governance of CSL's financial reporting and disclosures, risk identification and management, and compliance.

The ARMC advises the HRRC on any material risk management and financial matters that may impact remuneration outcomes.

External Remuneration Advisers:
The Board and the HRRC may seek and consider advice directly from external advisers, who are independent of management.

In 2021 the HRRC engaged the services of Aon Consulting in the US, and EY in Australia. Under engagement and communication protocols adopted by CSL, the market data and other advice were provided directly to the HRRC by both Aon Consulting and EY. Neither Aon Consulting nor EY provided Remuneration Recommendations during the 2021 financial year.

Joint HRRC and ARMC meetings:
The Committees meet at least annually to review and consider relevant risk management matters in the determination of the Executive KMP remuneration outcomes.

10.1 HRRC Activities

During 2021, the HRRC met formally on nine occasions involving the following activities:

- Review of the executive remuneration framework;
- Review and consideration of investor feedback received across the year;
- Appointment of external remuneration advisers;
- Review of senior executive appointments and remuneration arrangements;
- Review of STI and LTI arrangements, and reward outcomes for senior executives;
- Review of the CSL diversity objectives and report, and gender pay review and progress against diversity objectives;
- Review of talent and succession planning for senior executives;
- Review of long term remuneration strategy and global trends in remuneration;
- Review of NED remuneration;
- Adopted a formal Protocol for Engagement of and Interaction with Remuneration Consultants; and
- Review of the HRRC Charter and HRRC performance.

Full responsibilities of the HRRC are outlined in its Charter (reviewed annually). The Charter is available at http://www.csl.com.au/about/governance.htm

10.2 Remuneration Determination

The Board has discretion across each element of Executive KMP reward and considers business performance, individual performance and shareholder experience before setting and approving reward outcomes.

Remuneration Recommendations – Reviewed on an annual basis, the CEO makes a recommendation to the HRRC for Executive KMP, with the HRRC recommending to the Board for the CEO, any change to fixed reward and STI and LTI targets for the year ahead. Recommendations take into consideration market conditions, position in market within the global pharmaceutical/biotechnology peer group, individual performance, role responsibilities and internal relativity. Remuneration is reviewed in the context of Total Reward. There is a higher proportion of Total Reward in the form of performance related variable pay.

STI Outcomes – A formal review of Executive KMP progress against KPIs is conducted twice annually by the CEO and annually by the Board for the CEO. Regular performance conversations are held during the year. Following the full year performance review, the CEO makes recommendations in respect of Executive KMP to the HRRC. The HRRC and the Board assess individual performance against KPIs at the end of the financial year, and approve the actual STI payments to be made. The Board determines the outcomes for the CEO, based on recommendations from the HRRC, who are informed by the Chairs of the Board and HRRC. The Board believes this is the most appropriate method of measurement.

LTI Outcomes – The HRRC assess performance against the hurdle measures set at grant by the Board. Following this, the HRRC undertakes a review to ensure the remuneration outcomes are aligned with overall business performance and the shareholder experience and then submits outcomes to the Board for approval. The Board believes this is the most appropriate method of measurement.

Board Discretion – Prior to approving all remuneration outcomes, the Board assesses the quality of the outcomes and considers whether there are any circumstances warranting application of the Malus and Clawback Policy. It also considers the 'Leading and Managing' modifier and ensures that the interaction of remuneration outcomes is in alignment with risk management outcomes for the year and that any material risk issues and behaviours and/or compliance breaches are addressed. The Board's assessment is informed by the review undertaken by the HRRC in conjunction with the ARMC. The Board has discretion to determine final vesting outcomes to ensure outcomes are in line with CSL performance, market reported financial outcomes and shareholder outcomes. The discretion can be used to both increase and reduce vesting outcomes, which includes reducing to zero. In 2021, after reviewing the outcome for the two CSL Group Financial measures of NPAT and CFO, and considering the impact of COVID-19, the Board has not exercised any discretion over these two outcomes.

New Hires and Internal Promotions – The Remuneration Framework as set out in section 3.2 applies to the remuneration arrangements for any newly hired or promoted Executive KMP, ensuring a market competitive Total Reward offering. In the case of external hires, the HRRC and Board may determine that it is appropriate for a commencement benefit to be offered. Commencement benefits in the form of cash and/or equity can be made to compensate for remuneration being forfeited from a former employer. For any foregone equity awards, CSL equity will be used as compensation. Awards may be discounted to take into consideration any performance conditions on the award at the former employer and the HRRC will determine the appropriate service and performance conditions on the CSL award within the CSL framework. For internal promotions, the HRRC may determine that an award of equity should be made to ensure an appropriate Total Reward package. This is done as hurdled equity under the LTI framework described in section 3.2.5.

In 2021, commencement benefits were provided to Ms Linton. As a well-respected global leader with extensive strategic and financial experience as CFO who brings significant experience and leadership capabilities that will continue to drive CSL's sustainable growth, the Board approved the grants to compensate Ms Linton for remuneration foregone from Bupa. Awards details are disclosed in sections 6.4.3 and 7 of this Report.

10.3 Contractual Provisions for Executive KMP

Executive KMP are employed on individual service contracts that outline the terms of their employment, which include:

Duration of Contract	Notice Period Employee	Notice Period CSL*	Termination Payment
No fixed term	Six months	Six months	12 months

*CSL may also terminate at any time without notice for serious misconduct and/or breach of contract.

10.4 Other Transactions

No loans or related party transactions were made to Executive KMP or their associates during 2021.

No loans were made to NEDs during 2021. All NED related party relationships are based on normal commercial arms' length terms. None of the NEDs were, or are, involved in any procurement or other Board decision-making regarding the companies or firms which they have an association.

CSL is not required to make the following disclosures but for transparency reasons notes the following relationships and transactions:

- CSL has entered into a number of contracts, including collaborative research agreements, with Monash University, of which Dr Megan Clark AC is a member of Council;
- Financial services provided by Bank of America Merrill Lynch of which Dr Megan Clark AC is a member of the Australian Advisory Board and is a member of the Global Advisory Council of the Bank of America;
- CSL has entered into a research collaboration with the Centre of Eye Research Australia, of which Professor Andrew Cuthbertson AO is a director;
- CSL has entered into research collaboration and lease arrangements with the University of Melbourne, of which Professor Andrew Cuthbertson AO is a member of the Council;
- CSL has entered into a number of contracts, including collaborative research agreements, with the Walter and Eliza Hall Institute for Medical Research (WEHI), of which Ms Marie McDonald is a director;
- CSL has entered into a research collaboration with the Baker Heart and Diabetes Institute, of which Ms Christine O'Reilly is a director;
- CSL has a corporate account with Medibank Private Limited, of which Ms Christine O'Reilly is a director; and
- Mr Pascal Soriot is the CEO of AstraZeneca and was a director of CSL for a portion of the financial year. During that period, CSL entered into an agreement with AstraZeneca for the manufacture and supply of COVID-19 vaccine. Appropriate governance arrangements were in place whilst this contract was being negotiated. CSL did not receive any monies from AstraZeneca under this contract during the period whilst Mr Soriot was a Director of CSL.

10.5 Malus and Clawback Policy

CSL operates a Malus and Clawback Policy. 'Malus' means adjusting or cancelling all or part of an individual's variable reward as a consequence of a materially adverse development occurring prior to payment (in the case of cash incentives) and/or prior to vesting (in the case of equity incentives). 'Clawback' means seeking recovery of a benefit paid to take into account a materially adverse development that only comes to light after payment, including shares delivered post vesting.

The Board, in its discretion, may apply the policy to any incentive provided to a senior executive, including a former senior executive, in the event of a material misstatement or omission in the financial statements of a Group company or the CSL Group, or other material error, or in the event of fraud, dishonesty or other serious and wilful misconduct involving a senior executive, leading to a senior executive receiving a benefit greater than the amount which would have been due based on the corrected financial statements or had the error or misconduct not occurred.

In 2021, following a joint review of reward outcomes by both the HRRC and the ARMC, there was no application of the policy.

10.6 Securities Dealing

The CSL Securities Dealing Policy prohibits employees from using price protection arrangements (e.g. hedging) in respect of CSL securities, or allowing them to be used. The Policy also provides that no CSL securities can be used in connection with a margin loan. Upon vesting of an award, an employee may only deal in their CSL securities in accordance with the Policy. A breach of the Policy may result in disciplinary action. A copy of the Policy is available at http://www.csl.com.au/about/governance.htm.

10.7 Minimum Shareholding Guideline

To be met within a target of the first five years of appointment, or within five years for current incumbents, and to be held whilst in the role at CSL, the following levels of vested equity must be held:

- CEO: Three times base salary;
- Executive KMP: One times base salary; and
- NEDs: One times base fee.

As at 30 June 2021, all KMP hold, or are on track to hold, the minimum shareholding requirement within the relevant time period.

11. Legacy Equity Programs

The following table provides information on the key characteristics of the legacy programs on foot during the 2021 reporting period. The 2018 (granted October 2017), 2019 (granted September 2018) and 2020 (granted September 2019) PSU LTI awards have the same key characteristics as the 2021 award disclosed in section 3.2.5.

Key Characteristics of Prior Financial Year Performance Right and Option Grants

Feature	2017
Grant Date	1 October 2016 (reported 2017/expiry 30 Sep 2021)
Instrument	Options and Performance Rights
Tranches	One tranche of Options and three tranches of Performance Rights
Performance Period	Four years
Performance Measure	Options – individual performance measure Performance Rights T1 – relative TSR (rTSR) against selected global Pharmaceutical and Biotechnology companies, and T2 and T3 – EPS growth (EPSg)
Vesting Schedule	**Tranche 1 – rTSR** < 50th %ile – 0% vesting 50th %ile – 50% vesting Between 50th and 75th %ile – Straight line vesting from 50% to 100% vesting ≥ 75th %ile – 100% vesting **Tranche 2 – EPS target performance** < 8% – 0% vesting 8% to 13% – Straight line vesting from 35% to 100% vesting 13% – 100% vesting **Tranche 3 – EPS maximum performance** 13% – 0% vesting 13% to 15% – Straight line vesting from 0% to 100% vesting 15% – 100% vesting
Exercise Price	Options only: A$107.25
Retesting	No retest

12. Additional Employee Equity Programs

In addition to the Executive Performance and Alignment Plan LTI program described earlier in this Report, CSL operates two additional employee equity programs – the Global Employee Share Plan and the Retain and Grow Plan. An overview of those programs is provided below.

12.1 Global Employee Share Plan

CSL's Global Employee Share Plan (GESP) provides all employees the opportunity to share in the ownership of our company and share in our future.

Operating across two six month contribution periods, an employee can elect to make post tax salary contributions between A$365 and A$6,000 per six month period. The employee then receives shares at a 15% discount to the applicable market rate over the five day period up to and including the first and last ASX trading days of the six month period, whichever is the lower. Shares are then held in restriction for a period of one or three years as determined upfront by the employee. The shares may be issued or purchased on market.

To participate in GESP an employee must have at least six months service at the start of the contribution period. Participation is open to regular permanent full or part time and fixed term contract employees and excludes Executive Directors.

12.2 Retain and Grow Plan

The CSL Group Retain and Grow (RGP) LTI program is designed to attract, motivate and retain key talent across the organisation. RGP provides eligible employees with longer-term share ownership in CSL, enabling them to share in the company's success and any capital growth.

The RGP recognises those individuals in management roles (Manager to Senior Vice President) across the CSL Group. Awards under the RGP are not guaranteed and the CSL Board will review participation on an annual basis.

Key plan elements are as follows

- A conditional 'right' to a CSL share (i.e. full value instrument) or at the Board's discretion, a cash equivalent payment. No price is payable by the participant on grant or vesting of rights. Shares are automatically allocated (or cash automatically paid) without the need for exercise by a participant;
- The security is a Restricted Share Unit (RSU) – settled as an Ordinary Fully Paid Share;
- LTI opportunity set as % of local salary (converted to AUD at grant);
- Number of RSUs determined using face value (5 day weighted average share price);
- Individual performance hurdle – must not fail to meet performance expectations;
- 25% of RSUs will vest on the first, second, third and fourth anniversaries of the Issue Date;
- There is no retesting of awards;
- On cessation of employment a 'qualified leaver' (such as retirement) may retain a pro-rated number of RSUs based on time elapsed since grant date, subject to original terms and conditions. If a participant is not a 'qualified leaver', all unvested awards will be forfeited;
- In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the awards vest having regard to the performance of the participant during the vesting period to the date of the change of control event. Vesting may occur at the date of the change of control event or an earlier vesting date as determined by the Board; and
- No dividends or dividend equivalents are paid on unvested awards. Participants are only eligible for dividends once shares have been allocated following vesting of any RSUs. RSUs do not carry any voting rights prior to vesting and allocation of shares.

To align with the change to a three year vesting period on the Executive PSU LTI plan, for awards made in 2022 (granted from 1 September 2021), 33% of RSUs will vest on the first and second anniversaries of the Issue Date, with the remaining 34% vesting on the third anniversary.

Our Senior Vice President and Vice President employees participate in both the Executive Performance and Alignment PSU and RGP LTI Plans with a higher portion of awards aligned to the executive plan.

The RGP is also used for commencement benefits, retention and recognition awards. The difference to the annual program is the vesting schedule, which is reviewed and determined on a case by case basis.

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2021

	Notes	Consolidated Entity 2021 US$m	2020 US$m
Continuing operations			
Sales and service revenue		**9,979.5**	8,796.6
Influenza pandemic facility reservation fees		**160.1**	145.4
Royalties and license revenue		**125.7**	158.5
Other income		**44.7**	50.3
Total operating revenue		**10,310.0**	9,150.8
Cost of sales		**(4,466.7)**	(3,924.4)
Gross profit		**5,843.3**	5,226.4
Research and development expenses	6	**(1,001.4)**	(921.8)
Selling and marketing expenses		**(980.2)**	(896.2)
General and administration expenses		**(731.7)**	(691.9)
Total expenses		**(2,713.3)**	(2,509.9)
Operating profit		**3,130.0**	2,716.5
Finance costs	2	**(170.8)**	(150.8)
Finance income		**3.9**	7.0
Profit before income tax expense		**2,963.1**	2,572.7
Income tax expense	3	**(588.1)**	(470.2)
Net profit for the year		**2,375.0**	2,102.5
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net of hedges on foreign investments	12	**198.9**	13.3
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains/(losses) on defined benefit plans, net of tax	19	**83.4**	(13.6)
Total other comprehensive income/(losses)		**282.3**	(0.3)
Total comprehensive income for the year		**2,657.3**	2,102.2
Earnings per share (based on net profit for the year)		**US$**	US$
Basic earnings per share	10	**5.22**	4.63
Diluted earnings per share	10	**5.21**	4.61

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June 2021

	Notes	Consolidated Entity 2021 US$m	Consolidated Entity 2020 (restated) US$m
CURRENT ASSETS			
Cash and cash equivalents	14	**1,808.8**	1,194.4
Receivables and contract assets	15	**1,711.2**	1,703.9
Inventories	4	**3,780.6**	3,509.5
Current tax assets		**84.3**	35.1
Other financial assets		**4.8**	3.3
Total Current Assets		**7,389.7**	6,446.2
NON-CURRENT ASSETS			
Property, plant and equipment	8	**6,434.3**	5,366.0
Intangible assets	7	**2,669.7**	2,291.0
Right-of-use assets	8	**1,101.7**	939.4
Deferred tax assets	3	**529.5**	543.0
Other receivables	15	**6.6**	14.3
Other financial assets		**21.5**	14.2
Retirement benefit assets	18	**3.9**	1.4
Total Non-Current Assets		**10,767.2**	9,169.3
TOTAL ASSETS		**18,156.9**	15,615.5
CURRENT LIABILITIES			
Trade and other payables	15	**2,039.7**	1,525.4
Interest-bearing liabilities and borrowings	11	**473.8**	202.3
Current tax liabilities		**313.0**	253.7
Provisions	16	**227.4**	156.9
Deferred government grants	9	**49.7**	3.2
Total Current Liabilities		**3,103.6**	2,141.5
NON-CURRENT LIABILITIES			
Interest-bearing liabilities and borrowings	11	**5,333.1**	5,790.5
Retirement benefit liabilities	18	**286.4**	347.5
Deferred tax liabilities	3	**459.4**	385.0
Provisions	16	**107.8**	41.7
Deferred government grants	9	**37.2**	40.1
Other non-current liabilities	15	**448.1**	341.6
Total Non-Current Liabilities		**6,672.0**	6,946.4
TOTAL LIABILITIES		**9,775.6**	9,087.9
NET ASSETS		**8,381.3**	6,527.6
EQUITY			
Contributed equity	12	**(4,504.6)**	(4,561.0)
Reserves	12	**633.2**	336.3
Retained earnings	19	**12,252.7**	10,752.3
TOTAL EQUITY		**8,381.3**	6,527.6

The consolidated balance sheet should be read in conjunction with the accompanying notes.

The comparative balances for intangible assets, deferred tax liabilities and other non-current liabilities have been restated to reflect the finalisation of the Vitaeris' acquisition accounting (refer to Note 1b).

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

Consolidated Entity	Contributed Equity US$m		Foreign currency translation reserve US$m		Share based payment reserve US$m		Retained earnings US$m		Total US$m	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As at the beginning of the year	**(4,561.0)**	(4,603.0)	**7.6**	(5.7)	**328.7**	247.7	**10,752.3**	9,612.3	**6,527.6**	5,251.3
Profit for the year	**–**	–	**–**	–	**–**	–	**2,375.0**	2,102.5	**2,375.0**	2,102.5
Other comprehensive income/(losses)	**–**	–	**198.9**	13.3	**–**	–	**83.4**	(13.6)	**282.3**	(0.3)
Total comprehensive income for the year	**–**	–	**198.9**	13.3	**–**	–	**2,458.4**	2,088.9	**2,657.3**	2,102.2
Transactions with owners in their capacity as owners										
Opening balance sheet adjustment adopting AASB 16 (see annual financial report at 30 June 2020)	**–**	–	**–**	–	**–**	–	**–**	(65.0)	**–**	(65.0)
Share based payments	**–**	–	**–**	–	**98.0**	81.0	**–**	–	**98.0**	81.0
Dividends	**–**	–	**–**	–	**–**	–	**(958.0)**	(883.1)	**(958.0)**	(883.1)
Share issues										
– Employee share scheme	**56.4**	42.0	**–**	–	**–**	–	**–**	–	**56.4**	42.0
Other	**–**	–	**–**	–	**–**	–	**–**	(0.8)	**–**	(0.8)
As at the end of the year	**(4,504.6)**	(4,561.0)	**206.5**	7.6	**426.7**	328.7	**12,252.7**	10,752.3	**8,381.3**	6,527.6

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

	Notes	Consolidated Entity 2021 US$m	2020 US$m
Cash Flows from Operating Activities			
Profit before income tax expense		**2,963.1**	2,572.7
Adjustments for:			
Depreciation, amortisation and impairment		**589.6**	419.8
Inventory provisions		**208.3**	189.5
Share-based payments expense		**91.8**	81.0
Bad debt provision		**3.5**	10.1
Finance costs		**170.8**	142.4
(Gain)/Loss on disposal of property, plant and equipment		**(0.3)**	0.5
Unrealised foreign exchange losses/(gains)		**70.4**	(11.1)
Changes in operating assets and liabilities:			
Decrease in trade and other receivables		**36.5**	131.9
Increase in inventories		**(367.7)**	(685.4)
Increase in trade and other payables		**454.9**	158.4
Increase/(decrease) in provisions and other		**56.4**	(24.1)
Income tax paid		**(494.5)**	(355.0)
Finance costs paid		**(160.9)**	(142.4)
Net cash inflow from operating activities		**3,621.9**	2,488.3
Cash flows from Investing Activities			
Payments for property, plant and equipment		**(1,196.3)**	(1,206.8)
Payments for intangible assets		**(470.8)**	(160.8)
Payments for business acquisition (net of cash acquired)		**–**	(17.8)
(Payments)/receipts from other investing activities		**(6.1)**	18.7
Net cash outflow from investing activities		**(1,673.2)**	(1,366.7)
Cash flows from Financing Activities			
Proceeds from issue of shares		**56.4**	42.0
Dividends paid	10	**(958.0)**	(883.1)
Proceeds from borrowings	11	**38.7**	1,652.7
Repayment of borrowings	11	**(470.9)**	(1,399.2)
Principal payments of lease liabilities		**(64.5)**	(54.7)
Other financing activities		**(3.5)**	(0.4)
Net cash outflow from financing activities		**(1,401.8)**	(642.7)
Net increase in cash and cash equivalents		**546.9**	478.9
Cash and cash equivalents at the beginning of the financial year		**1,151.3**	657.8
Exchange rate variations on foreign cash and cash equivalent balances		**31.9**	14.6
Cash and cash equivalents at the end of the year		**1,730.1**	1,151.3
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the year as shown in the statement of cash flows is reconciled as follows:			
Cash and cash equivalents		**1,808.8**	1,194.4
Bank overdrafts		**(78.7)**	(43.1)
Cash and cash equivalents at the end of the year		**1,730.1**	1,151.3

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Year Ended 30 June 2021

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About this Report

Notes to the financial statements:

Corporate information

CSL Limited ("CSL") is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of CSL and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of directors on 17 August 2021.

A description of the nature of the Group's operations and its principal activities is included in the directors' report.

a. Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the *Australian Accounting Standards Board, International Financial Reporting Standards (IFRS)* and the *Corporations Act 2001*. It presents information on a historical cost basis, except for certain financial instruments, which have been measured at fair value. Amounts have been rounded off to the nearest hundred thousand dollars.

The report is presented in US Dollars, because this currency is the pharmaceutical industry standard currency for reporting purposes. It is the predominant currency of the Group's worldwide sales and operating expenses.

b. Principles of consolidation

The consolidated financial statements comprise the financial statements of CSL and its subsidiaries as at 30 June 2021. CSL has control of its subsidiaries when it is exposed to, and has the rights to, variable returns from its involvement with those entities and when it has the ability to affect those returns. A list of significant controlled entities (subsidiaries) at year-end is contained in Note 17.

The financial results of the subsidiaries are prepared using consistent accounting policies and for the same reporting period as the parent company.

In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated in full. The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated as it is controlled by the Group.

c. Foreign currency

While the presentation currency of the Group is US dollars, entities in the Group may have other functional currencies, reflecting the currency of the primary economic environment in which the relevant entity operates. The parent entity, CSL Limited, has a functional currency of US dollars.

If an entity in the Group has undertaken transactions in foreign currency, these transactions are translated into that entity's functional currency using the exchange rates prevailing at the dates of the transactions. Where the functional currency of a subsidiary is not US dollars, the subsidiary's assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity.

d. Other accounting policies

Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

e. Key judgements and estimates

In the process of applying the Group's accounting policies, a number of judgements and estimates of future events are required. Material judgements and estimates are found in the following notes:

f. The notes to the financial statements

The notes to these financial statements have been organised into logical groupings to help users find and understand the information they need. Where possible, related information has been provided in the same place. More detailed information (for example, valuation methodologies and certain reconciliations) has been placed at the rear of the document and cross-referenced where necessary. CSL has also reviewed the notes for materiality and relevance and provided additional information where it is helpful to an understanding of the Group's performance.

g. Significant changes in current reporting period

The consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2020, except for the impact of an announcement during the year by the International Financial Reporting Interpretations Committee ("IFRIC") with respect to 'Configuration and Customisation ('CC') costs in a Cloud Computing Arrangement' and Software as a Service (SaaS) arrangements. As a result of the decision, the Group has revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing SaaS with previously capitalised costs now being expensed. The updated accounting policy is presented in Note 7 Intangible Assets, the impact of the change in the accounting policy does not have a material impact to the prior period or current period results.

There were no other changes in accounting policy during the year ended 30 June 2021, nor did the introduction of new accounting standards lead to any change in measurement or disclosure in these financial statements.

The Group has not adopted any accounting standards that are issued but not yet effective. Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided in the annual financial report.

Our Current Performance

Note 1: Segment Information and Business Combinations

The Group's segments represent strategic business units that offer different products and operate in different industries and markets. They are consistent with the way the CEO (who is the chief operating decision-maker) monitors and assesses business performance in order to make decisions about resource allocation. Performance assessment is based on EBIT (earnings before interest and tax) and EBITDA (earnings before interest, tax, depreciation, amortisation and impairment). These measures are different from the profit or loss reported in the consolidated financial statements which is shown after net interest and tax expense. This is because decisions that affect net interest expense and tax expense are made at the Group level. It is not considered appropriate to measure segment performance at the net profit after tax level.

The Group's operating segments are:

- **CSL Behring** – manufactures, markets, and develops plasma therapies (plasma products and recombinants), conducts early stage research on plasma and non-plasma therapies, excluding influenza, receives licence and royalty income from the commercialisation of intellectual property and undertakes the administrative and corporate function required to support the Group.
- **Seqirus** – manufactures and distributes non-plasma biotherapeutic products and develops influenza related products.

	CSL Behring US$m		Seqirus US$m		Consolidated Entity US$m	
	2021	2020	2021	2020	2021	2020
Sales and service revenue	**8,427.8**	7,661.0	**1,551.7**	1,135.6	**9,979.5**	8,796.6
Influenza pandemic facility reservation fees	**–**	–	**160.1**	145.4	**160.1**	145.4
Royalty and license revenue	**125.7**	158.5	**–**	–	**125.7**	158.5
Other income	**20.3**	34.2	**24.4**	16.1	**44.7**	50.3
Total segment revenue	**8,573.8**	7,853.7	**1,736.2**	1,297.1	**10,310.0**	9,150.8
Segment gross profit	**4,847.6**	4,540.3	**995.7**	686.1	**5,843.3**	5,226.4
Segment gross profit %	**56.5%**	57.8%	**57.3%**	52.9%	**56.7%**	57.1%
Segment EBIT	**2,646.9**	2,451.4	**483.1**	265.1	**3,130.0**	2,716.5
Consolidated operating profit					**3,130.0**	2,716.5
Finance income					**3.9**	7.0
Finance costs					**(170.8)**	(150.8)
Consolidated profit before tax					**2,963.1**	2,572.7
Income tax expense					**(588.1)**	(470.2)
Consolidated net profit after tax					**2,375.0**	2,102.5
Amortisation	**66.6**	42.8	**29.3**	29.7	**95.9**	72.5
Depreciation	**343.4**	309.9	**56.0**	37.4	**399.4**	347.3
Impairment	**93.3**	–	**1.0**	–	**94.3**	–
Segment EBITDA	**3,150.2**	2,804.1	**569.4**	332.2	**3,719.6**	3,136.3

	CSL Behring US$m		Seqirus US$m		Intersegment Elimination US$m		Consolidated Entity US$m	
	2021	2020 (restated)[1]	2021	2020	2021	2020	2021	2020 (restated)[1]
Segment assets	**15,907.3**	14,344.2	**2,573.3**	1,617.0	**(323.7)**	(345.7)	**18,156.9**	15,615.5
Segment liabilities	**8,881.2**	8,661.0	**1,156.3**	715.1	**(261.9)**	(288.2)	**9,775.6**	9,087.9
Other Segment information – capital expenditure								
Payments for property, plant and equipment	**1,048.7**	1,079.9	**147.6**	126.9	**–**	–	**1,196.3**	1,206.8
Payments for intangibles	**463.1**	136.2	**7.7**	24.6	**–**	–	**470.8**	160.8
Total capital expenditure	**1,511.8**	1,216.1	**155.3**	151.5	**–**	–	**1,667.1**	1,367.6

1 The comparative balances have been restated to reflect the finalisation of the Vitaeris' acquisition accounting (refer to Note 1b).

Note 1: Segment Information and Business Combinations continued

Inter-segment sales

Inter-segment sales are carried out on an arm's length basis and reflect current market prices.

Geographical areas of operation

The Group operates predominantly in Australia, the USA, Germany, the United Kingdom, Switzerland and China. The rest of the Group's operations are spread across many countries and are collectively disclosed as 'Rest of World'.

Geographic areas	Australia US$m		United States US$m		Germany US$m		UK US$m		Switzerland US$m		China US$m		Rest of World US$m		Total US$m	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020 (restated)[2]	2021	2020 (restated)[2]
External operating revenue	859.1	752.4	4,983.5	4,598.2	854.1	825.9	579.5	478.2	307.0	285.8	650.9	215.2	2,075.9	1,995.1	10,310.0	9,150.8
PPE, ROU and intangible assets	1,435.4	1,063.9	3,543.8	3,011.2	1,087.7	936.8	417.3	362.2	2,792.9	2,298.1	483.9	477.0	444.7	447.2	10,205.7	8,596.4

Note 1b: Business Combination

There were no acquisitions in the year ending 30 June 2021.

Vitaeris acquisition

On 8 June 2020 CSL acquired 100% of the share capital of Vitaeris Inc. for an upfront payment of $20m and a series of contingent payments subject to the achievement of development milestones. Vitaeris has developed Clazakizumab, a potential treatment of chronic active antibody-mediated rejection, the leading cause of long-term rejection in kidney transplant recipients. CSL had entered into a strategic collaboration with Vitaeris in 2017, one of the main drivers behind the acquisition was to be in a position to exercise greater control over the R&D program than was possible under the collaboration.

During the year ending 30 June 2021, the purchase price accounting for the acquisition of Vitaeris was finalised. The acquisition was provisionally accounted for at 30 June 2020. Details of the purchase consideration, and finalised fair values of the net assets acquired and goodwill at the date of acquisition were as follows:

Asset Class	US$m
Cash	2.2
Trade and other receivables	0.1
Prepaid expenses	3.0
Intellectual property	305.8
Goodwill	85.6
Trade and other payables	(8.8)
Other liabilities	(3.5)
Deferred tax liabilities	(85.6)
Fair Value of Net Assets Acquired	**298.8**
Consideration paid	20.0
Contingent consideration recognised as liability at the date of acquisition	278.8

Upon finalisation of the purchase price accounting, the probabilities and expected timing applied to the contingent payments have been adjusted to reflect a final view of the likelihood and timing of payments based on facts in existence at date of acquisition. This has had the impact of increasing both the fair value of contingent consideration and the value of the intellectual property by $117.8m to $278.8m and $305.8m respectively from the provisionally accounted position as at 30 June 2020.

The liability recognised at the date of acquisition has been calculated by reference to our judgement of the expected probability and timing of the contingent consideration, based upon level 3 inputs under the fair value hierarchy, which is then discounted to a present value using an appropriate discount rate. The liability is included in the other non-current liabilities.

Goodwill is recorded solely as a consequence of the recognition of deferred tax liabilities in respect of intellectual property acquired, which has increased by $33.0m to $85.6m following the finalisation of acquisition accounting for Vitaeris.

The comparative balances for intangible assets (Note 7), deferred tax liabilities (Note 3) and other non-current liabilities (Note 15b) have been restated to reflect the finalisation of the accounting for the acquisition of Vitaeris.

2 The comparative balances for intangible assets have been restated to reflect the finalisation of the Vitaeris' acquisition accounting (refer to Note 1b).

Note 2: Revenue and Expenses

Recognition and measurement of revenue

Revenue is recognised when the Group satisfies a performance obligation by transferring control of the promised good or service to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for the goods or services.

Further information about each source of revenue from contracts with customers and the criteria for recognition follows.

Sales: Revenue is earned (constrained by variable considerations, which include returns, discounts, rebates and allowances) from the sale of products and services. Sales are recognised when performance obligations are either satisfied over time or at a point in time. Generally the supply of product under a contract with a customer will represent the satisfaction of a performance obligation at a point in time, which is when control of the product passes to the customer, or generally upon shipment.

Significant estimates on Seqirus sales returns is performed in respect of the influenza season expected to be subject to return. The estimate is performed with inputs including historical returns and customer sales data amongst other factors. For contracts where the customer controls the plasma (tolling contracts) and the Group provides fractionation services – the Group recognises revenue over time as the performance obligations are satisfied based upon a percentage of completion of our fractionation services.

Royalties: Revenue from licensees of CSL intellectual property reflect a right to use the intellectual property as it exists at the point in time in which the licence is granted. Where consideration is based on sales of product by the licensee, it is recognised when the customer's subsequent sales of product occurs.

License revenue: Revenue from licensees of CSL intellectual property reflects the transfer of a right to use the intellectual property as it exists at the point in time in which the licence is transferred to the customer. Consideration is highly variable and estimated using the most likely amount method. Subsequently, the estimate is constrained until it is highly probable that a significant revenue reversal will not occur when the uncertainty is resolved. Revenue is recognised as or when the performance obligations are satisfied.

Influenza pandemic facility reservation fees: Revenue from governments in return for access to influenza manufacturing facilities in the event of a pandemic. Contracts are time based and revenue is recognised progressively over the life of the relevant contract, which aligns to the performance obligations being satisfied.

Revenue from contracts with customers includes amounts in total operating revenue except other income.

Expenses	2021 US$m	2020 US$m
Finance costs	**158.7**	142.4
Unrealised foreign currency losses on debt	**12.1**	8.4
Total finance costs	**170.8**	150.8
Depreciation and amortisation of fixed assets	**399.4**	347.3
Amortisation of intangibles	**95.9**	72.5
Impairment expenses	**94.3**	–
Total depreciation, amortisation and impairment	**589.6**	419.8
Write-down of inventory to net realisable value	**208.3**	189.5
Employee benefits expense	**2,781.6**	2,528.1

Recognition and measurement of expenses

Total finance costs: Includes interest expense & borrowing costs, including interest expense related to the AASB 16 lease liabilities, which have been disclosed separately in Note 11(d). Non-AASB 16 related interest expense and borrowing costs are recognised as an expense when incurred, except where finance costs are directly attributable to the acquisition or construction of a qualifying asset where they are capitalised as part of the cost of the asset. Capitalised interest for qualifying assets during the year ended 30 June 2021 was $7.3m (2020: $15.8m). Interest-bearing liabilities and borrowings are stated at amortised cost. Any difference between the borrowing proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the borrowing period using the effective interest method. Unrealised foreign currency losses on debt is related to the EUR350m and CHF400m of Senior Unsecured Notes in the US Private Placement market (see Note 11). The foreign currency risk related to this debt was partially hedged as a cash flow hedge in 2021 and 2020.

Depreciation, amortisation and impairment: Depreciation and amortisation of fixed assets includes depreciation of fixed assets and right-of use assets, further details can be found in Note 8. Refer to Note 7 for full details on amortisation of intangible assets. The impairment expenses for the year ended 30 June 2021 were relating to the impairment of intangible assets and fixed assets, refer to Note 7 and Note 8 for details.

Write-down of inventory to net realisable value: Included in Cost of Sales in the Statement of Comprehensive Income. Refer to Note 4 for details of inventories.

Employee benefits expense: Refer to Note 5 for further details.

Goods and Services Tax (GST) and other foreign equivalents: Revenues, expenses and assets are recognised net of GST, except where GST is not recoverable from a taxation authority, in which case it is recognised as part of an asset's cost of acquisition or as part of the expense.

Note 3: Tax

	2021 US$m	2020 (restated)[3] US$m
a. Income tax expense recognised in the statement of comprehensive income		
Current tax expense		
Current Year	**442.2**	410.4
Deferred tax expense/(recovery)		
Origination and reversal of temporary differences	**127.5**	28.6
Total deferred tax expense	**127.5**	28.6
Under provided in prior years	**18.4**	31.2
Income tax expense	**588.1**	470.2
b. Reconciliation between tax expense and pre-tax net profit		
The reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax	**2,963.1**	2,572.7
Income tax calculated at 30% (2020: 30%)	**888.9**	771.8
Effects of different rates of tax on overseas income	**(217.1)**	(325.8)
Research and development incentives	**(69.1)**	(22.8)
Under provision in prior year	**18.4**	31.2
Revaluation of deferred tax balances	**(19.8)**	51.7
Other non-assessable revenue	**(13.2)**	(35.9)
Income tax expense	**588.1**	470.2
c. Income tax recognised directly in equity		
Deferred tax benefit		
Share based payments	**6.2**	6.8
Income tax benefit recognised in equity	**6.2**	6.8
d. Deferred tax assets and liabilities		
Deferred tax asset	**529.5**	543.0
Deferred tax liability	**(459.4)**	(385.0)
Net deferred tax asset	**70.1**	158.0
Deferred tax balances reflect temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Inventories	**291.8**	246.0
Property, plant and equipment	**(301.5)**	(285.0)
Intangible assets	**(253.4)**	(260.8)
Trade and other payables	**93.1**	72.0
Recognised carry-forward tax losses[4]	**95.7**	142.2
Retirement liabilities, net	**55.2**	69.1
Receivables and contract assets	**(83.4)**	(19.8)
Other assets	**2.8**	0.1
Interest bearing liabilities	**57.7**	55.7
Other liabilities and provisions	**68.5**	75.9
Tax bases not in net assets – share based payments	**8.8**	34.0
Total recognised in the statement of comprehensive income	**35.3**	129.4
Amounts recognised in equity		
Share-based payments	**34.8**	28.6
Net deferred tax asset	**70.1**	158.0

3 The comparative balances have been restated to reflect the finalisation of the Vitaeris' acquisition accounting (refer to Note 1b).
4 Deferred tax assets in respect of carry forward tax losses are principally recorded in CSL entities in Switzerland and the UK (prior year: Switzerland and the UK) and are recognised as it is probable that future taxable profit will be available in those entities to utilise the losses.

Note 3: Tax continued

	2021 US$m	2020 (restated)[3] US$m
e. Movement in temporary differences during the year		
Opening balance	**191.0**	210.0
(Charged)/credited to profit before tax	**(97.5)**	43.3
Charged to other comprehensive income	**(17.2)**	(0.1)
Charged to equity	**(6.2)**	(9.6)
Net deferred tax liabilities recognised in business combination	**–**	(85.6)
Closing balance	**70.1**	158.0
Unrecognised deferred tax assets		
Tax losses with no expiry date[5]	**0.4**	0.4

Current taxes

Current tax assets and liabilities are the amounts expected to be recovered from (or paid to) tax authorities, under the tax rates and laws in each jurisdiction. These include any rates or laws that are enacted or substantively enacted as at the balance sheet date.

Deferred taxes

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, carried forward unused tax assets and unused tax losses, only if it is probable that taxable profit will be available to utilise them.

The carrying amount of deferred income tax assets is reviewed at the reporting date. If it is no longer probable that taxable profit will be available to utilise them, they are reduced accordingly.

Deferred tax is measured using tax rates and laws that are enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or when the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set-off current tax assets against current tax liabilities and if they relate to the same taxable entity or group and the same taxation authority.

Income taxes attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or in equity, and not in the income statement.

CSL Limited and its 100% owned Australian subsidiaries have formed a tax consolidated group effective from 1 July 2003.

Key Judgements and Estimates – Tax

The risk of uncertain tax positions, and recognition and recoverability of deferred tax assets, are regularly assessed. To do this requires judgements about the application of income tax legislation in jurisdictions in which the Group operates and the future operating performance of entities with carry forward losses. These judgements and assumptions, which include matters such as the availability and timing of tax deductions and the application of the arm's length principle to related party transactions, are subject to risk and uncertainty. Changes in circumstances may alter expectations and affect the carrying amount of deferred tax assets and liabilities. Any resulting adjustment to the carrying value of a deferred tax item will be recorded as a credit or charge to the statement of comprehensive income.

5 Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available for utilisation in the entities that have recorded these losses.

Note 4: Inventories

	2021 US$m	2020 US$m
Raw materials	**1,309.1**	876.8
Work in progress	**1,249.6**	1,361.1
Finished goods	**1,221.9**	1,271.6
Total inventories	**3,780.6**	3,509.5

Raw Materials

Raw materials comprise collected and purchased plasma, chemicals, filters and other inputs to production that will be further processed into saleable products but have yet to be allocated to manufacturing.

Work in Progress

Work in progress comprises all inventory items that are currently in use in manufacturing and intermediate products such as pastes generated from the initial stages of the plasma production process.

Finished Products

Finished products comprise material that is ready for sale and has passed all quality control tests.

Inventories generally have expiry dates and the Group provides for product that is short dated. Expiry dates for raw material are no longer relevant once the materials are used in production. The relevant expiry date at this point then becomes that of the resultant intermediate or finished product.

Inventories are carried at the lower of cost or net realisable value. Cost includes direct material and labour and an appropriate proportion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity.

Net realisable value is the estimated revenue that can be earned from the sale of a product less the estimated costs of both completion and selling. The Group assesses net realisable value of plasma derived products on a basket of products basis given their joint product nature.

Key Judgements and Estimates – Inventory

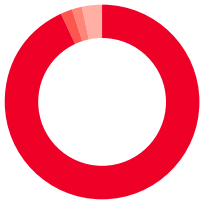
Various factors affect the assessment of recoverability of the carrying value of inventory, including regulatory approvals and future demand for the Group's products. These factors are taken into account in determining the appropriate level of provisioning for inventory.

Note 5: People Costs

(a) Employee Benefits

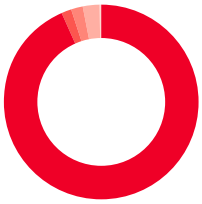
Employee benefits include salaries and wages, annual leave and long-service leave, defined benefit and defined contribution plans and share-based payments incentive awards.

People Cost 2021 – US$2,781.6m



- Salaries and wages **$2,595.1m**
- Defined benefit plan expense **$53.8m**
- Defined contribution plan expense **$43.0m**
- Equity settled share-based payments expense (LTI) **$89.7m**

People Cost 2020 – US$2,528.1m



- Salaries and wages **$2,361.6m**
- Defined benefit plan expense **$44.4m**
- Defined contribution plan expense **$46.1m**
- Equity settled share-based payments expense (LTI) **$73.6m**
- Cash settled share-based payments expense (EDIP) **$2.4m**

Salaries and wages

Wages and salaries include non-monetary benefits, annual leave and long service leave. These are recognised and presented in different ways in the financial statements:

- The liability for annual leave and the portion of long service leave expected to be paid within twelve months is measured at the amount expected to be paid.
- The liability for long service leave and annual leave expected to be paid after one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.
- The liability for annual leave and the portion of long service leave that has vested at the reporting date is included in the current provision for employee benefits.
- The portion of long service leave that has not vested at the reporting date is included in the non-current provision for employee benefits.

Defined benefit plans

	2021 US$m	2020 US$m
Expenses recognised in the income statement are as follows:		
Current service costs	**52.3**	41.1
Net interest cost	**1.4**	3.3
Past service costs	**0.1**	–
Total included in employee benefits expense	**53.8**	44.4

Defined benefit pension plans provide either a defined lump sum or ongoing pension benefits for employees upon retirement, based on years of service and final average salary.

Liabilities or assets in relation to these plans are recognised in the balance sheet, measured as the present value of the obligation less the fair value of the pension fund's assets at that date.

Present value is based on expected future payments to the reporting date, calculated by independent actuaries using the projected unit credit method. Past service costs are recognised in income on the earlier of the date of plan amendments or curtailment, and the date that the Group recognises restructuring related costs.

Detailed information about the Group's defined benefit plans is in Note 18.

Key Judgements and Estimates – People Costs

The determination of certain employee benefit liabilities requires an estimation of future employee service periods and salary levels and the timing of benefit payments. These assessments are made based on past experience and anticipated future trends. The expected future payments are discounted using the rate applicable to high quality corporate bonds. Discount rates are matched to the expected payment dates of the liabilities.

Defined contribution plans

The Group makes contributions to various defined contribution pension plans and the Group's obligation is limited to these contributions. The amount recognised as an expense for the year ended 30 June 2021 was $43.0m (2020: $46.1m).

Equity settled share-based payments expense

Share-based payments expenses arise from plans that award long-term incentives. Detailed information about the terms and conditions of the share-based payments arrangements is presented in Note 18.

Outstanding share-based payment equity instruments

The number and weighted average exercise price for each share-based payment scheme outstanding is as follows. All schemes are settled by physical delivery of shares except for instruments that may be settled in cash at the discretion of the Board.

	Options		Performance Rights	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at the beginning of the year	308,186	A$105.63	211,364	A$0.00
Granted during year	0	A$0.00	0	A$0.00
Exercised during year	(308,186)	A$105.63	(197,646)	A$0.00
Cash settled during year	0	A$0.00	(1,813)	A$0.00
Forfeited during year	0	A$0.00	(3,555)	A$0.00
GESP true-up	0	A$0.00	0	A$0.00
Closing balance at the end of the year	**0**	**A$0.00**	**8,350**	**A$0.00**
Exercisable at the end of the year	0	A$0.00	8,350	A$0.00

The share price at the dates of exercise (expressed as a weighted average) by equity instrument type, is as follows:

	2021	2020
Options	**A$290.64**	A$243.87
Performance Rights	**A$290.92**	A$243.73
RGP	**A$280.98**	A$248.01
EPA	**A$281.68**	A$239.85
GESP	**A$263.25**	A$276.35

(b) Key Management Personnel Disclosures

The remuneration of key management personnel is disclosed in section 18 of the Directors' Report and has been audited.

Total compensation for key management personnel

	2021 US$	2020 US$
Total of short term remuneration elements	**9,280,941**	11,389,819
Total of post employment elements	**142,694**	146,836
Total of other long term elements	**26,173**	37,510
Total share-based payments	**11,751,250**	13,915,267
Total of all remuneration elements	**21,201,058**	25,489,432

Retain and Grow Plan (RGP)		Executive Performance and Alignment Plan (EPA)		Non-Executive Director Plan (NED)		Global Employee Share Plan (GESP)		Total
Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price	Number
717,104	A$0.00	433,523	A$0.00	1,748	A$0.00	96,508	A$243.95	1,768,433
415,189	A$0.00	167,045	A$0.00	2,228	A$0.00	192,553	A$228.62	777,015
(253,126)	A$0.00	(138,369)	A$0.00	(2,278)	A$0.00	(179,960)	A$236.94	(1,079,565)
(3)	A$0.00	(120)	A$0.00	0	A$0.00	0	A$0.00	(1,936)
(77,798)	A$0.00	(35,958)	A$0.00	(365)	A$0.00	0	A$0.00	(117,676)
0	A$0.00	0	A$0.00	0	A$0.00	(9,889)	A$243.95	(9,889)
801,366	**A$0.00**	**426,121**	**A$0.00**	**1,333**	**A$0.00**	**99,212**	**A$229.74**	**1,336,382**
0	A$0.00	0	A$0.00	492	A$0.00	0	A$0.00	8,842

Our Future

Note 6: Research and Development

The Group conducts research and development activities to support future development of products to serve our patient communities, to enhance our existing products and to develop new therapies.

All costs associated with our research and development activities are expensed as incurred as uncertainty exists up until the point of regulatory approval as to whether a research and development project will be successful. At the point of approval, the total cost of development has largely been incurred. Development costs incurred after regulatory approval are expensed unless it meets the criteria to be recognised as intangible assets.

The Group also gains control of Intellectual Property (IP) through acquisitions or licence arrangements. In certain circumstances the acquired IP will be capitalised, dependant on the phase of development.

For the year ended 30 June 2021, the research and development costs, net of recoveries, were $1,001.4m (2020: $921.8m). Further information about the Group's research and development activities can be found on the CSL website.

Note 7: Intangible Assets

	Goodwill US$m		Intellectual Property US$m		Software US$m		Intangible capital work in progress US$m		Total US$m	
Year	2021	2020 (restated)[6]	2021	2020 (restated)[6]	2021	2020	2021	2020	2021	2020 (restated)[6]
Cost	**1,188.1**	1,187.2	**1,131.1**	693.5	**789.8**	696.1	**77.7**	133.4	**3,186.7**	2,710.2
Accumulated amortisation	**–**	–	**(195.6)**	(184.0)	**(321.4)**	(235.2)	**–**	–	**(517.0)**	(419.2)
Net carrying amount	**1,188.1**	1,187.2	**935.5**	509.5	**468.4**	460.9	**77.7**	133.4	**2,669.7**	2,291.0
Movement										
Net carrying amount at the beginning of the year	**1,187.2**	1,101.8	**509.5**	233.5	**460.9**	394.6	**133.4**	148.4	**2,291.0**	1,878.3
Additions[7]	**–**	–	**450.0**	–	**8.1**	44.2	**31.3**	76.8	**489.4**	121.0
Business acquisition (Note 1b)	**–**	85.6	**–**	305.8	**–**	–	**–**	–	**–**	391.4
Transfers from intangible capital work in progress	**–**	–	**–**	–	**84.1**	93.1	**(84.1)**	(93.1)	**–**	–
Transfers to/from property, plant and equipment	**–**	–	**–**	–	**–**	(1.0)	**(0.9)**	–	**(0.9)**	(1.0)
Disposals	**–**	–	**–**	(25.2)	**–**	–	**–**	(0.1)	**–**	(25.3)
Reclassification to expenses due to SaaS accounting policy change (refer to Note g)	**–**	–	**(5.1)**	–	**(10.3)**	–	**(1.2)**	–	**(16.6)**	–
Amortisation for the year[8]	**–**	–	**(0.9)**	(3.7)	**(95.0)**	(68.8)	**–**	–	**(95.9)**	(72.5)
Impairment for the year[9]	**–**	–	**(19.9)**	–	**–**	–	**–**	–	**(19.9)**	–
Currency translation differences	**0.9**	(0.2)	**1.9**	(0.9)	**20.6**	(1.2)	**(0.8)**	1.4	**22.6**	(0.9)
Net carrying amount at the end of the year	**1,188.1**	1,187.2	**935.5**	509.5	**468.4**	460.9	**77.7**	133.4	**2,669.7**	2,291.0

Goodwill

Any excess of the fair value of the purchase consideration of an acquired business over the fair value of the identifiable net assets (minus incidental expenses) is recorded as goodwill.

Goodwill is allocated to each of the cash-generating units but is monitored at the segment (business unit) level. The aggregate carrying amounts of goodwill allocated to each business unit are as follows:

	2021 US$m	2020 US$m
CSL Behring	**1,188.1**	1,187.2
Closing balance of goodwill as at 30 June	**1,188.1**	1,187.2

Goodwill is not amortised but is measured at cost less any accumulated impairment losses. Impairment occurs when a business unit's recoverable amount falls below the carrying value of its net assets.

The results of the impairment test show that each business unit's recoverable amount exceeds the carrying value of its net assets, inclusive of goodwill. Consequently, there is no goodwill impairment as at 30 June 2021.

A change in assumptions significant enough to lead to impairment is not considered a reasonable possibility.

6 The comparative balances have been restated to reflect the finalisation of the Vitaeris' acquisition accounting (refer to Note 1b).
7 On 24 June 2020, the Group entered into a global commercialisation and license agreement with uniQure for etranacogene dezaparvovec (AMT-061), a novel gene therapy for the treatment of haemophilia B. An upfront cash payment of $450m was made in May 2021 following the completion of regulatory approvals, which was capitalised as an intellectual property. Under the terms of the agreement, uniQure may be entitled to potential future milestone payments, subject to the achievement of certain regulatory and commercial milestones (refer to Note 13 Commitments and Contingencies).
8 The amortisation charge is recognised in general and administration expenses in the statement of comprehensive income.
9 During the year ended 30 June 2021, the Group impaired certain intellectual property assets associated with the Calimmune acquisition.

Intellectual property

Intellectual property acquired separately or in a business combination is initially measured at cost, which is its fair value at the date of acquisition. Following initial recognition, it is carried at cost less any accumulated amortisation and impairment.

Amortisation is calculated on a straight-line basis over periods generally ranging from 5 – 20 years, except where it is considered that the useful economic life is indefinite. Certain intellectual property acquired in a business combination may be considered to have an indefinite life.

Contingent consideration in connection with the purchase of individual assets outside of business combinations is recognised as a financial liability only when a non-contingent obligation arises (i.e. when milestone is met). The determination of whether the payment should be capitalised or expensed is usually based on the reason for the contingent payment. If the contingent payment is based on regulatory approvals received (i.e. development milestone), it will generally be capitalised as the payment is incidental to the acquisition so the asset may be made available for its intended use. If the contingent payment is based on period volumes sold (i.e. sales related milestone), it will generally be expensed.

Changes in the fair value of financial liabilities from contingent consideration should be capitalised or expensed based on the nature of the asset acquired (refer above), except for changes due to interest rate fluctuations and the effect from unwinding discounts. Interest rate effects from unwinding of discounts as well as changes due to interest rate fluctuations are recognised as finance costs.

Software

Costs incurred in developing or acquiring software, licences or systems that will contribute future financial benefits are capitalised. These include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 10 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, where the Group has the intention and ability to use the asset.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period.

The Group applies judgement in determining the nature and the resulting accounting treatment of the costs of SaaS arrangements.

Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software.

Recognition and measurement

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful life of the asset on a straight-line basis. Significant software intangible assets are amortised over the useful life of up to ten years. The amortisation period and method is reviewed at each financial year end at a minimum.

Intangible assets with indefinite useful lives are not amortised. The useful life of these intangibles is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable.

Impairment of intangible assets

Assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible assets that have an indefinite useful life (including goodwill) or not yet ready for use are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired.

An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units), other than goodwill that is monitored at the segment level.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units, and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

Key Judgements and Estimates

The impairment assessment process requires significant judgement. Determining whether goodwill and indefinite lived intangibles have been impaired requires an estimation of the recoverable amount of the cash generating units using a discounted cash flow methodology. The goodwill calculation uses cash flow projections based on operating budgets and a ten-year strategic business plan, after which a terminal value, based on our view of the longer term growth profile of the business is applied. Cash flows have been discounted using an implied pre-tax discount rate of 8.0% (2020: 7.6%) which is calculated with reference to external analyst views, long-term government bond rates and the company's pre-tax cost of debt.

The determination of cash flows over the life of an asset requires judgement in assessing the future demand for the Group's products, any changes in the price and cost of those products and of other costs incurred by the Group.

Note 8: Property, Plant and Equipment

	Land US$m		Buildings US$m		Leasehold improvements US$m	
	2021	2020	2021	2020	2021	2020
Cost	**39.5**	38.7	**964.3**	782.0	**546.0**	461.0
Accumulated depreciation	**–**	–	**(253.4)**	(220.3)	**(157.0)**	(136.2)
Net carrying amount	**39.5**	38.7	**710.9**	561.7	**389.0**	324.8
Movement						
Net carrying amount at the start of the year	**38.7**	38.8	**561.7**	490.0	**324.8**	265.9
Transferred from capital work in progress/intangible assets	**–**	–	**157.2**	92.9	**79.8**	84.5
Additions[10]	**0.4**	–	**0.5**	–	**2.8**	–
Disposals	**–**	–	**–**	–	**(0.1)**	(2.8)
Other Adjustments	**–**	–	**–**	(4.6)	**–**	–
Depreciation/amortisation for the year	**–**	–	**(29.2)**	(23.4)	**(20.7)**	(22.9)
Impairment for the year[11]	**–**	–	**–**	–	**–**	–
Currency translation differences	**0.4**	(0.1)	**20.7**	6.8	**2.4**	0.1
Net carrying amount at the end of the year	**39.5**	38.7	**710.9**	561.7	**389.0**	324.8

Property, plant and equipment

Land, buildings, capital work in progress and plant and equipment assets are recorded at historical cost less, where applicable, depreciation and amortisation.

Right-of-use assets are measured at cost, less accumulated depreciation, impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities and restoration obligations recognised less any lease incentives received and initial direct costs.

Depreciation or amortisation is recognised on a systematic basis over the estimated useful life of the asset, generally on a straight-line basis.

Buildings	5 – 40 years
Plant and equipment	3 – 15 years
Leasehold improvements	5 – 25 years
Right-of-use assets	
– Plasma centres	5 – 40 years
– Office and warehouses	1 – 39 years
– Land	43 – 101 years

The units-of-production depreciation ("UoP") method, based on the expected use or output as the asset is being used, may be applied during the early stages of operation of manufacturing facilities, as a substantial period of time may be required to ramp up the production and operate at intended capacity. This method is to be applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits.

Assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. Items of property, plant and equipment are derecognised upon disposal or when no further economic benefits are expected from their use or disposal.

Impairment testing for property, plant and equipment will be performed if an impairment trigger is identified.

Gains and losses on disposals of items of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in the statement of comprehensive income when realised.

40% of the Holly Springs facility, acquired with the Novartis Influenza business, is legally owned by the US Government. Full legal title will transfer to CSL on the completion of the Final Closeout Technical Report, expected in the next one to three years. CSL has full control of the asset and 100% of the value of the facility is included in the consolidated financial statements.

Leasehold improvements

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Right-of-use ("ROU") assets

The Group primarily has leases for plasma centres, office buildings, warehouses, land and vehicles.

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The Group accounting policy for lease liabilities has been discussed in Note 11(d).

Unless the Group is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

10 The capital work in progress additions are the result of major capacity projects. One of these projects is our recombinant protein facility in Lengnau which is subject to an agreement with Thermo Fisher to lease the facility to them upon the achievement of defined milestones.
11 During the year ended 30 June 2021, the Group recorded an impairment expense of $74.4m for assets associated with major capital projects which have been identified as surplus to requirements as a result of the change in project scope for these projects.

Plant and Equipment US$m		Right-of-use assets US$m		Capital work in progress US$m		Total US$m	
2021	2020	2021	2020	2021	2020	2021	2020
3,603.4	3,302.9	**1,587.6**	1,347.2	**3,627.8**	2,852.5	**10,368.6**	8,784.3
(1,936.3)	(1,714.6)	**(485.9)**	(407.8)	**–**	–	**(2,832.6)**	(2,478.9)
1,667.1	1,588.3	**1,101.7**	939.4	**3,627.8**	2,852.5	**7,536.0**	6,305.4
1,588.3	1,468.6	**939.4**	925.8	**2,852.5**	2,221.0	**6,305.4**	5,410.1
266.5	297.0	**–**	–	**(502.6)**	(474.4)	**0.9**	–
49.0	63.2	**238.8**	85.3	**1,318.5**	1,124.6	**1,610.0**	1,273.1
(4.1)	(18.4)	**–**	–	**(8.1)**	(8.2)	**(12.3)**	(29.4)
–	–	**–**	–	**–**	(0.5)	**–**	(5.1)
(272.4)	(229.3)	**(77.1)**	(71.7)	**–**	–	**(399.4)**	(347.3)
–	–	**–**	–	**(74.4)**	–	**(74.4)**	–
39.8	7.2	**0.6**	–	**41.9**	(10.0)	**105.8**	4.0
1,667.1	1,588.3	**1,101.7**	939.4	**3,627.8**	2,852.5	**7,536.0**	6,305.4

Note 9: Deferred Government Grants

	2021 US$m	2020 US$m
Current deferred income	**49.7**	3.2
Non-current deferred income	**37.2**	40.1
Total deferred government grants	**86.9**	43.3

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. During the year the Group received government grants for various activities including the manufacture and development of vaccines as well as the development of facilities. Government grants relating to an expense item are deferred and recognised in the statement of comprehensive income against the related costs over the period necessary to match them with the expenses that they are intended to compensate.

Government grants received for which there are no future related costs are recognised in the statement of comprehensive income immediately. Government grants relating to the purchase or construction of property, plant and equipment are included in current and non-current liabilities as deferred income and are released to the statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

Returns, Risk & Capital Management

Note 10: Shareholder Returns

Dividends

Dividends are paid from the retained earnings and profits of CSL Limited, as the parent entity of the Group. (See Note 22 for the parent entity's retained earnings). During the year, the parent entity reported profits of $106.1m (2020: $93.1m). The parent entity's retained earnings as at 30 June 2021 were $6,854.4m (2020: $7,706.4m). During the financial year $958.0m was distributed to shareholders by way of a dividend, with a further $537.0m being determined as a dividend payable subsequent to the balance date.

Dividend Paid	2021 US$m	2020 US$m
Paid: Final ordinary dividend of US$1.07 per share, unfranked, paid on 9 October 2020 for FY20 (prior year: US$1.00 per share, unfranked, paid on 11 October 2019 for FY19)	**484.7**	453.9
Paid: Interim ordinary dividend of US$1.04 per share, unfranked, paid on 1 April 2021 for FY21 (prior year: US$0.95 per share, unfranked, paid on 9 April 2020 for FY20)	**473.3**	429.2
Total paid	**958.0**	883.1
Dividend determined, but not paid at year end:		
Final ordinary dividend of US$1.18 per share, 10% franked at 30% tax rate, expected to be paid on 30 September 2021 for FY21, based on shares on issue at reporting date. The aggregate amount of the proposed dividend will depend on actual number of shares on issue at dividend record date (prior year: US$1.07 per share, unfranked paid on 9 October 2020 for FY20)	**537.0**	485.8

The distribution in respect of the 2021 financial year represents a US$2.22 dividend paid for FY2021 on each ordinary share held. These dividends are approximately 42.5% of the Group's basic earnings per share ("EPS") of US$5.22.

Earnings per Share

CSL's basic and diluted EPS are calculated using the Group's net profit for the financial year of $2,375.0m (2020: $2,102.5m).

	2021	2020
Basic EPS	**US$5.22**	US$4.63
Weighted average number of ordinary shares	**454,865,604**	453,808,099
Diluted EPS	**US$5.21**	US$4.61
Adjusted weighted average number of ordinary shares, represented by:	**456,203,803**	455,605,010
Weighted average ordinary shares	**454,865,604**	453,808,099
Plus:		
Employee Share Schemes (See Note 5 & Note 18)	**1,338,199**	1,796,911

Diluted EPS differs from Basic EPS as the calculation takes into account potential ordinary shares arising from employee share schemes operated by the Group.

Contributed Equity

The following table illustrates the movement in the Group's contributed equity.[12]

	2021		2020	
	Number of shares	US$m	Number of shares	US$m
Opening balance at 1 July	**454,048,707**	**(4,561.0)**	453,138,632	(4,603.0)
Shares issued to employees via (see also Notes 5 and 18):				
Performance Options Plan	**308,186**	**24.4**	299,078	18.0
Performance Rights Plan (for nil consideration)	**197,646**	**–**	151,486	–
Retain and Grow Plan (for nil consideration)	**253,126**	**–**	168,866	–
Executive Performance & Alignment Plan (for nil consideration)	**138,369**	**–**	91,822	–
Global Employee Share Plan (GESP)	**179,960**	**32.0**	198,823	24.0
Closing balance	**455,125,994**	**(4,504.6)**	454,048,707	(4,561.0)

12 Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Where the Group reacquires its own shares, for example as a result of a share buy-back, those shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid to acquire the shares, including any directly attributable transaction costs net of income taxes, is recognised directly as a reduction in equity.

Note 11: Financial Risk Management

CSL holds financial instruments that arise from the Group's need to access financing, from the Group's operational activities and as part of the Group's risk management activities.

The Group is exposed to financial risks associated with its financial instruments. Financial instruments comprise cash and cash equivalents, receivables, payables, bank loans and overdrafts, unsecured notes, and lease liabilities.

The primary risks these give rise to are:

- Foreign exchange risk.
- Interest rate risk.
- Credit risk.
- Funding and liquidity risk.
- Capital management risk.

Source of Risk	Risk Mitigation
a. Foreign Exchange Risk	
The Group is exposed to foreign exchange risk because of its international operations. These risks relate to future commercial transactions, assets and liabilities denominated in other currencies and net investments in foreign operations.	Where possible CSL takes advantage of natural hedging (i.e. the existence of payables and receivables in the same currency). The Group also reduces its foreign exchange risk on net investments in foreign operations by denominating external borrowings in currencies that match the currencies of its foreign investments.
b. Interest Rate Risk	
The Group is exposed to interest rate risk through its primary financial assets and liabilities.	The Group mitigates interest rate risk on borrowings primarily by entering into fixed rate arrangements, which are not subject to interest rate movements in the ordinary course. If necessary, CSL also hedges interest rate risk using derivative instruments. As at 30 June 2021, no derivative financial instruments hedging interest rate risk were outstanding (2020: Nil).
c. Credit Risk	
The Group is exposed to credit risk from financial instruments contracts and trade and other receivables. The maximum exposure to credit risk at reporting date is the carrying amount, net of any provision for impairment inclusive of any lifetime expected credit loss under AASB 9, if applicable, of each financial asset in the balance sheet.	The Group mitigates credit risk from financial instruments contracts by only entering into transactions with counterparties who have sound credit ratings and with whom the Group has a signed netting agreement. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations. The Group minimises the credit risk associated with trade and other debtors by undertaking transactions with a large number of customers in various countries. Creditworthiness of customers is reviewed prior to granting credit, using trade references and credit reference agencies.
d. Funding and Liquidity Risk	
The Group is exposed to funding and liquidity risk from operations and from external borrowing. One type of this risk is credit spread risk, which is the risk that in refinancing its debt, CSL may be exposed to an increased credit spread. Another type of this risk is liquidity risk, which is the risk of not being able to refinance debt obligations or meet other cash outflow obligations when required. Liquidity and re-financing risks are not significant for the Group, as CSL has a prudent gearing level and strong cash flows.	The Group mitigates funding and liquidity risks by ensuring that: • The Group has sufficient funds on hand to achieve its working capital and investment objectives • The Group focuses on improving operational cash flow and maintaining a strong balance sheet • Short-term liquidity, long-term liquidity and crisis liquidity requirements are effectively managed, minimising the cost of funding and maximising the return on any surplus funds through efficient cash management • It has adequate flexibility in financing to balance short-term liquidity requirements and long-term core funding and minimise refinancing risk
e. Capital Risk Management	
The Group's objectives when managing capital are to safeguard its ability to continue as a going concern while providing returns to shareholders and benefits to other stakeholders. Capital is defined as the amount subscribed by shareholders to the Company's ordinary shares and amounts advanced by debt providers to any Group entity.	The Group aims to maintain a capital structure, which reflects the use of a prudent level of debt funding. The aim is to reduce the Group's cost of capital without adversely affecting the credit margins applied to the Group's debt funding. Each year the Directors determine the dividend taking into account factors such as profitability and liquidity. The Directors have proposed share buybacks in previous years, consistent with the aim of maintaining an efficient balance sheet, and with the ability to cease a buyback at any point should circumstances such as liquidity conditions change.

Risk management approach

The Group uses sensitivity analysis (together with other methods) to measure the extent of financial risks and decide if they need to be mitigated.

If so, the Group's policy is to use derivative financial instruments, such as foreign exchange contracts and interest rate swaps, to support its objective of achieving financial targets while seeking to protect future financial security.

The aim is to reduce the impact of short-term fluctuations in currency or interest rates on the Group's earnings.

Derivatives are exclusively used for this purpose and not as trading or other speculative instruments.

a. Foreign Exchange Risk

The objective is to match the contracts with committed future cash flows from sales and purchases in foreign currencies to protect the Group against exchange rate movements.

The Group reduces its foreign exchange risk on net investments in foreign operations by denominating external borrowings in currencies that match the currencies of its foreign investments.

The total value of forward exchange contracts in place at reporting date is nil (2020: nil).

Sensitivity analysis – USD values

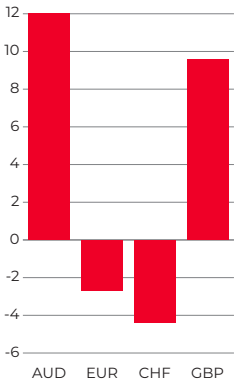
Profit after tax – sensitivity to general movement of 1%

A movement of 1% in the USD exchange rate against AUD, EUR, CHF and GBP would not generate a material impact to profit after tax.

Equity – sensitivity to general movement of 1%

Any change in equity is recorded in the Foreign Currency Translation Reserve.

FX Sensitivity on Equity (US$m)



This calculation is based on changing the actual exchange rate of US Dollars to AUD, EUR, CHF and GBP as at 30 June 2021 by 1% and applying these adjusted rates to the net assets (excluding investments in subsidiaries) of the foreign currency denominated financial statements of various Group entities.

b. Interest Rate Risk

At 30 June 2021, it is estimated that a general movement of one percentage point in the interest rates applicable to investments of cash and cash equivalents would have changed the Group's profit after tax by approximately $12.7m (2020: $8.1m). This calculation is based on applying a 1% movement to the total of the Group's cash and cash equivalents at year end.

At 30 June 2021, it is estimated that a general movement of one percentage point in the interest rates applicable to floating rate unsecured bank loans would have changed the Group's profit after tax by approximately $3.9m (2020: $6.7m). This calculation is based on applying a 1% movement to the total of the Group's floating rate unsecured bank loans at year end.

As at 30 June 2021, the Group had the following bank facilities, unsecured notes and other secured borrowings:

- Five revolving committed bank facilities totalling $1,613.6m are available. Of these facilities $77.4m expires in the twelve months, $36.2m in November 2022 and $1.5b in February 2025. Interest on the facilities is paid quarterly in arrears at a variable rate. As at the reporting date the Group had $1,546.8m in undrawn funds available under these facilities;
- US$750m uncommitted Commercial Paper Program. As at the reporting date there was $750.0m in undrawn funds available under this facility;
- EUR184.7m committed bank facility (the KfW loan) with quarterly repayments commenced in September 2021 through to September 2027;
- US$2,900m of Senior Unsecured Notes in the US Private Placement market. The notes mature in November 2021 (US$250m), March 2023 (US$150m), November 2023 (US$200m), March 2025 (US$100m), October 2025 (US$100m), October 2026 (US$150m), November 2026 (US$100m), May 2027 (US$100m), October 2027 (US$250m), October 2028 (US$200m), October 2029 (US$200m), August 2030 (US$300m), October 2031 (US$200m), May 2032 (US$150m), October 2032 (US$150m), May 2035 (US$200m) and October 2037 (US$100m). The weighted average interest rate on the notes is fixed at 3.23%;
- EUR350m of Senior Unsecured Notes in the US Private Placement market. The Notes mature in November 2022 (EUR100m), November 2024 (EUR150m) and November 2026 (EUR100m). The weighted average interest rate on the notes is fixed at 1.90%;
- CHF400m of Senior Unsecured Notes in the US Private Placement market. The notes mature in October 2023 (CHF150m) and October 2025 (CHF250m). The weighted average interest rate on the notes is fixed at 0.88%;
- US$500m of Unsecured Floating Rate Notes (the QDI Bond) in the Hong Kong market. The notes mature in October 2023;
- Other borrowings with a weighted average term of 4 years (2020: 5 years). The weighted average discount rate implicit in these liabilities is 5.18% (2020: 5.24%). The Group's other borrowings are secured by assets of $13.1m (2020: $13.1m). In the event of default, the assets securities revert to the lender.

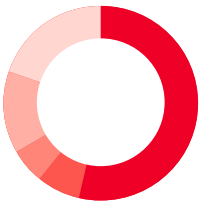
The Group is in compliance with all debt covenants.

c. *Credit Risk*

The Group only invests its cash and cash equivalent financial assets with financial institutions having a credit rating of at least 'BBB+' or better, as assessed by independent rating agencies.

	Floating Rate[13]		Non-Interest Bearing		Total		Average Closing Interest Rate	
	US$m		US$m		US$m		%	
	2021	2020	2021	2020	2021	2020	2021	2020
Financial Assets								
Cash and cash equivalents	**1,808.8**	1,194.4	**–**	–	**1,808.8**	1,194.4	**0.02%**	0.24%
Receivables and contract assets (excluding prepayments)	**–**	–	**1,570.3**	1,572.5	**1,570.3**	1,572.5	**–**	–
Other financial assets	**–**	–	**26.3**	17.5	**26.3**	17.5	**–**	–
	1,808.8	1,194.4	**1,596.6**	1,590.0	**3,405.4**	2,784.4		

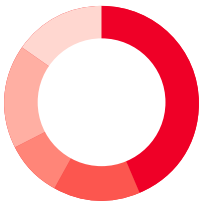
Credit quality of financial assets
(30 June 2021 in US$m)



- Financial Institutions* **$1,835.1m**
- Governments **$240.1m**
- Hospitals **$207.1m**
- Buying Groups **$457.9m**
- Other **$665.2m**

* $1,808.8m of the assets held with financial institutions are held as cash or cash equivalents and $26.3m of other financial assets. Financial assets held with non-financial institutions include $1,570.3m of trade and other receivables.

Credit quality of financial assets
(30 June 2020 in US$m)



- Financial Institutions* **$1,217.4m**
- Governments **$403.7m**
- Hospitals **$263.2m**
- Buying Groups **$475.7m**
- Other **$424.4m**

* $1,194.4m of the assets held with financial institutions are held as cash or cash equivalents, $5.6m of trade and other receivables and $17.5m of other financial assets. Financial assets held with non-financial institutions include $1,566.9m of trade and other receivables.

Refer to Note 15 for the Group's policy on expected credit loss.

The Group has not renegotiated any material collection/repayment terms of any financial assets in the current financial year.

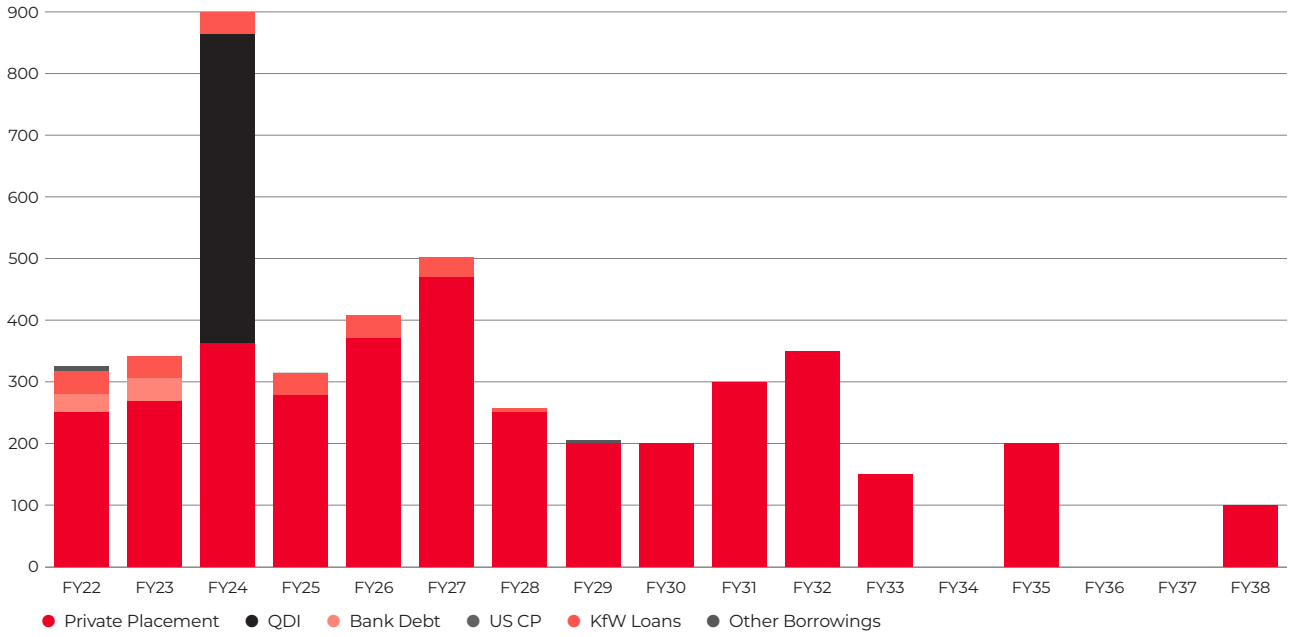
Government or government-backed entities (such as hospitals) often account for a significant proportion of trade receivables. As a result, the Group carries receivables from a number of Southern European governments. The credit risk associated with trading in these countries is considered on a country-by-country basis and the Group's trading strategy is adjusted accordingly. The factors taken into account in determining the credit risk of a particular country include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank. An analysis of trade receivables that are past due and, where required, the associated provision for expected credit loss, is as follows. All other financial assets are less than 30 days overdue.

	Trade Receivables					
	Gross		Provision		Net	
	2021 US$m	2020 US$m	2021 US$m	2020 US$m	2021 US$m	2020 US$m
Trade receivables and contract assets						
current	**1,140.3**	1,191.0	**(9.6)**	(9.2)	**1,130.7**	1,181.8
less than 30 days overdue	**33.1**	46.1	**–**	–	**33.1**	46.1
between 30 and 90 days overdue	**16.5**	27.7	**–**	–	**16.5**	27.7
more than 90 days overdue	**41.6**	47.5	**(13.9)**	(16.1)	**27.7**	31.4
	1,231.5	1,312.3	**(23.5)**	(25.3)	**1,208.0**	1,287.0

13 Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All interest rates on floating rate financial assets and liabilities are subject to reset within the next six months.

d. Funding and Liquidity Risk

Maturity Profile of Debt by Facility
(US$m)



The following table analyses the Group's financial liabilities:

Interest-bearing liabilities and borrowings	2021 US$m	2020 US$m
Current		
Bank overdraft – unsecured	**78.7**	43.1
Bank borrowings – secured	**66.2**	70.9
Commercial paper	**–**	10.0
Senior unsecured notes – unsecured	**250.0**	–
Lease liabilities	**77.8**	75.2
Other borrowings – secured	**1.1**	3.1
	473.8	202.3
Non-current		
Bank loans – unsecured	**220.0**	619.8
Senior unsecured notes – unsecured	**3,993.9**	4,204.9
Lease liabilities	**1,104.6**	952.3
Other borrowings – secured	**14.6**	13.5
	5,333.1	5,790.5

Interest-bearing liabilities and borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities and borrowings are stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The Group is in compliance with all debt covenants.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate of the lessee at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The Group exercises judgement when determining the incremental borrowing rate based on the interest that the lessee would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, and observable inputs such as market interest rates are used as applicable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

Subsequent to initial recognition, lease liabilities are measured at amortised cost. Lease liabilities are remeasured if there is a modification, such as a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group's lease liabilities are inclusive of extension options the Group is reasonably certain to exercise based upon our judgement as of the reporting date. Lease extension options that the Group is not reasonably certain to exercise as of the reporting date are appropriately excluded from the lease liabilities.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption, which relates to leases such as office photocopiers, gas storage cylinders, and other miscellaneous low value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The following table categorises the financial liabilities into relevant maturity periods, taking into account the remaining period at the reporting date and the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and hence will not necessarily reconcile with the amounts disclosed in the balance sheet.

	Contractual payments due									
	1 year or less US$m		Between 1 year and 5 years US$m		Over 5 years US$m		Total US$m		Average interest rate %	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Trade and other payables (non-interest bearing)	**2,039.7**	1,525.4	**–**	–	**–**	–	**2,039.7**	1,525.4	**–**	–
Bank loans – unsecured (floating rates)	**31.2**	39.9	**36.4**	426.8	**–**	–	**67.6**	466.7	**1.8%**	1.3%
Bank loans – unsecured (fixed rates)	**38.1**	36.3	**148.7**	141.7	**40.8**	73.1	**227.6**	251.1	**1.0%**	1.0%
Bank overdraft – unsecured (floating rates)	**78.7**	43.1	**–**	–	**–**	–	**78.7**	43.1	**–**	–
Commercial paper (floating rates)	**–**	10.0	**–**	–	**–**	–	**–**	10.0	**0.4%**	0.4%
Senior unsecured notes (fixed rates)	**350.7**	104.9	**1,343.6**	1,498.9	**2,768.7**	2,924.1	**4,463.0**	4,527.9	**2.8%**	2.8%
Senior unsecured notes (floating rates)	**5.0**	4.5	**507.6**	502.3	**–**	–	**512.6**	506.8	**1.0%**	0.9%
Lease liabilities (fixed rates)	**108.7**	91.0	**365.1**	331.7	**1,095.6**	891.0	**1,569.4**	1,313.7	**2.9%**	2.5%
Other borrowings (fixed rates)	**7.4**	5.2	**5.6**	6.8	**6.1**	7.8	**19.1**	19.8	**5.2%**	5.2%
	2,659.5	1,860.3	**2,407.0**	2,908.2	**3,911.2**	3,896.0	**8,977.7**	8,664.5		

Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All interest rates on floating rate financial assets and liabilities are subject to reset within the next six months.

Fair value of financial assets and financial liabilities

The carrying value of financial assets and liabilities is materially the same as the fair value. The following methods and assumptions were used to determine the net fair values of financial assets and liabilities.

Cash

The carrying value of cash equals fair value, due to the liquid nature of cash.

Trade and other receivables/payables

The carrying value of trade and other receivables/payables with a remaining life of less than one year is deemed to be equal to its fair value.

Interest bearing liabilities

Fair value is calculated based on the discounted expected principal and interest cash flows, using rates currently available for debt of similar terms, credit risk and remaining maturities.

The Group also has foreign currency loans payable that have been designated as a cash flow hedge against forecast sale transactions in foreign currency.

An effective hedge is one that meets certain criteria. Gains or losses on the cash flow hedge that relate to the effective portion of the hedge are recognised in equity. Gains or losses relating to the ineffective portion, if any, are recognised in the consolidated statement of comprehensive income.

Valuation of financial instruments

For financial instruments measured and carried at fair value, the Group uses the following to categorise the method used:

- Level 1: Items traded with quoted prices in active markets for identical liabilities
- Level 2: Items with significantly observable inputs other than quoted prices in active markets
- Level 3: Items with unobservable inputs (not based on observable market data)

There were no derivatives outstanding as of 30 June 2021 (30 June 2020 – nil). There were no transfers between Level 1 and 2 during the year.

The contingent consideration liabilities associated with business combinations are measured at fair value (refer to Note 15b) which has been calculated with reference to our judgement of the expected probability and timing of the potential future milestone payments, based upon level 3 inputs under the fair value hierarchy, which is then discounted to a present value using appropriate discount rates with reference to the Group's incremental borrowing rates.

Note 12: Equity and Reserves

(a) Contributed Equity

	2021 US$m	2020 US$m
Ordinary shares issued and fully paid	–	–
Share buy-back reserve	**(4,504.6)**	(4,561.0)
Total contributed equity	**(4,504.6)**	(4,561.0)

Ordinary shares receive dividends as declared and, in the event of winding up the company, participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the company.

Due to share buy-backs being undertaken at higher prices than the original subscription prices, the balance for ordinary share contributed equity has been reduced to nil, and a reserve created to reflect the excess value of shares bought over the original amount of subscribed capital.

Information relating to employee performance option plans and GESP, including details of shares issued under the scheme, is set out in Note 5 and Note 18.

(b) Movement in Reserves

	Share-based payments reserve (i) US$m		Foreign currency translation reserve (ii) US$m		Total US$m	
	2021	2020	2021	2020	2021	2020
Opening balance	**328.7**	247.7	**7.6**	(5.7)	**336.3**	242.0
Share based payments expense	**91.8**	74.2	**–**	–	**91.8**	74.2
Deferred tax on share based payments	**6.2**	6.8	**–**	–	**6.2**	6.8
Net exchange gains/(losses) on translation of foreign subsidiaries, net of hedge	**–**	–	**198.9**	13.3	**198.9**	13.3
Closing balance	**426.7**	328.7	**206.5**	7.6	**633.2**	336.3

Nature and purpose of reserves

i. Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options, performance rights and GESP rights issued to employees.

ii. Foreign currency translation reserve

Where the functional currency of a subsidiary is not US dollars, its assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates.

All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity. Exchange differences arising from borrowings designated as hedges of net investments in foreign entities are also included in this reserve.

Note 13: Commitments and Contingencies[14]

(a) Capital Commitments

Commitments in relation to capital expenditure contracted but not provided for in the financial statements are payable as follows:

	Capital Commitments	
	US$m	US$m
	2021	2020
Not later than one year	**520.0**	505.9
Later than one year but not later than five years	**24.3**	79.1
Total	**544.3**	585.0

The Company has entered into a lease for a building, currently under construction in Melbourne, as the new global headquarters. The lease is expected to commence in early 2023 with an annual lease cost of approximately $15m.

(b) Contingent assets and liabilities

Litigation

The Group is involved in litigation in the ordinary course of business, including litigation for breach of contract and other claims.

The Group remains subject to certain patent infringement actions brought by competitors. CSL is highly confident in our intellectual property positions which are the product of many years of innovative research by the Group. The Company is vigorously defending against the claims.

Other contingent assets and liabilities

The Group has entered into collaboration arrangements, including in-licensing arrangements with various companies. Such collaboration agreements may require the Group to make payments on achievement of stages of development, launch or revenue milestones and may include variable payments that are based on unit sales (e.g. royalty payments). The amount of royalties payable under the arrangements is inherently uncertain and difficult to predict, given the direct link to future sales and the range of outcomes.

The maximum amount of unrecognised potential future commitments for such payments associated with uniQure and Momenta licensing arrangements amount to $2,105.0m (2020: $550.0m). These amounts are undiscounted and are not risk-adjusted, which include all such possible payments that can arise assuming all products currently in development are successful and all possible performance objectives are met.

14 Commitments and contingencies are disclosed net of the amount of GST (or equivalent) recoverable from, or payable to, a taxation authority.

Efficiency of Operation

Note 14: Cash and Cash Equivalents

	2021 US$m	2020 US$m
Cash at bank and on hand	**1,426.0**	773.4
Cash deposits	**382.8**	421.0
Total cash and cash equivalents	**1,808.8**	1,194.4

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. They are made up of:

- Cash on hand.
- At call deposits with banks or financial institutions.
- Investments in money market instruments with original maturities of six months or less, that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash at the end of the financial year is net of bank overdraft amounts.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from or payable to a taxation authority are presented as part of operating cash flows.

Note 15: Trade Receivables and Payables

(a) Trade and other receivables

	2021 US$m	2020 US$m
Current		
Trade receivables	**997.0**	1,121.1
Contract assets	**234.5**	191.2
Less: Provision for expected credit loss	**(23.5)**	(25.3)
	1,208.0	1,287.0
Sundry receivables	**355.7**	271.2
Prepayments	**147.5**	145.7
Carrying amount of current receivables and contract assets[15]	**1,711.2**	1,703.9
Non Current		
Long term deposits/other receivables	**6.6**	14.3
Carrying amount of non-current trade and other receivables[15]	**6.6**	14.3

Trade, other receivables, and contract assets are initially recorded at fair value and are generally due for settlement within 30 to 60 days from date of invoice. Collectability is regularly reviewed at an operating unit level.

A provision for expected credit loss (ECL) is recognised based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. When a trade receivable for which a provision for expected credit loss has been recognised becomes uncollectible in a subsequent period, it is written off against the provision.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

15 The carrying amount disclosed above is a reasonable approximation of fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable disclosed above. Refer to Note 11 for more information on the risk management policy of the Group and the credit quality of trade receivables.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Contract assets and deferred revenue (contract liabilities): The completion of performance obligations often differs from contract payment schedules. A contract asset is initially recognised for revenue earned from satisfying a performance obligation; however, the receipt of consideration is conditional upon the full satisfaction of the performance obligation within the contract. Upon completing the full performance obligation, the amount recognised as contract assets is reclassified to trade receivables. Amounts billed in accordance with customer contracts, but where the Group had not yet provided a good or service, are recorded and presented as part of deferred revenue. Deferred revenue is recognised as revenue when the Group performs under the contract.

Other current receivables are recognised and carried at the nominal amount due upon an unconditional right to payment. Non-current receivables are recognised and carried at amortised cost. They are non-interest bearing and have various repayment terms.

As at 30 June 2021, the Group had made provision for expected credit loss of $23.5m (2020: $25.3m).

	2021 US$m	2020 US$m
Opening balance as at 1 July	**25.3**	17.5
(Allowance utilised/written back)/Additional allowance	**(2.3)**	9.4
Currency translation differences	**0.5**	(1.6)
Closing balance at 30 June	**23.5**	25.3

Non-trade receivables do not include any impaired or overdue amounts and it is expected they will be received when due. The Group does not hold any collateral in respect to other receivable balances.

Key Judgements and Estimates

In applying the Group's accounting policy to trade and other receivables with governments and related entities in South Eastern Europe as set out in Note 11, significant judgement is involved in assessing the expected credit loss of trade or other receivable amounts. Matters considered include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank.

(b) Trade and other payables

	2021 US$m	2020 (restated)[16] US$m
Current		
Trade payables	523.0	458.3
Accruals and other payables	1,516.7	1,067.1
Carrying amount of current trade and other payables	2,039.7	1,525.4
Non-current		
Accruals and other payables	102.3	–
Contingent consideration associated with business combinations[16]	345.8	341.6
Carrying amount of non-current trade and other payables	448.1	341.6

Trade and other payables represent amounts reflected at notional amounts owed to suppliers for goods and services provided to the Group prior to the end of the financial year that are unpaid. Trade and other payables are non-interest bearing and have various repayment terms but are usually paid within 30 to 60 days of recognition.

Receivables and payables include the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, taxation authorities is included in other receivables or payables in the balance sheet.

The Group has recognised contingent consideration associated with the past business combinations for Vitaeris and Calimmune as non-current financial liabilities at fair value, which is then remeasured at each subsequent reporting date at fair value through profit and loss.

The fair value estimations typically depend on factors such as technical milestones or market performance, and are adjusted for the probability of their likelihood of potential future payments, and are appropriately discounted to reflect the impact of time. Refer to Note 11 for further details on the fair value measurement. As at 30 June 2021, the maximum amount of undiscounted potential future milestone payments for Vitaeris and Calimmune are $470.0m and $325.0m (2020: $470.0m and $325.0m) respectively, of which $345.8m (2020: $341.6m) is reflected as a contingent consideration liability at fair value.

Changes in the fair value of contingent consideration liabilities in subsequent periods are recognised in research and development expenses for early stage products and as cost of sales for currently marketed products. The effect of unwinding the discount over time for contingent consideration carried at fair value is recognised as finance costs.

16 The comparative balances have been restated to reflect the finalisation of the Vitaeris' acquisition accounting (refer to Note 1b).

Note 16: Provisions

	Employee benefits		Legal		Other[17]		Total	
	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
	2021	2020	2021	2020	2021	2020	2021	2020
Current								
Carrying amount at the start of the year	**156.1**	130.4	**–**	63.7	**0.8**	0.8	**156.9**	194.9
Utilised	**(47.2)**	(56.5)	**–**	(40.7)	**(0.2)**	–	**(47.4)**	(97.2)
Reversal of previously recognised provision	**–**	–	**–**	(23.0)	**–**	–	**–**	(23.0)
Additions	**97.2**	83.1	**–**	–	**15.5**	–	**112.7**	83.1
Currency translation differences	**5.6**	(0.9)	**–**	–	**(0.4)**	–	**5.2**	(0.9)
Carrying amount at the end of the year	**211.7**	156.1	**–**	–	**15.7**	0.8	**227.4**	156.9
Non-current								
Carrying amount at the start of the year	**41.7**	35.9	**–**	–	**–**	–	**41.7**	35.9
Utilised	**(2.9)**	(2.6)	**–**	–	**–**	–	**(2.9)**	(2.6)
Additions	**8.2**	8.4	**–**	–	**34.6**	–	**42.8**	8.4
Reclassification from accruals	**–**	–	**–**	–	**25.0**	–	**25.0**	–
Currency translation differences	**0.9**	–	**–**	–	**0.3**	–	**1.2**	–
Carrying amount at the end of the year	**47.9**	41.7	**–**	–	**59.9**	–	**107.8**	41.7

Provisions are recognised when all three of the following conditions are met:

- The Group has a present or constructive obligation arising from a past transaction or event
- It is probable that an outflow of resources will be required to settle the obligation
- A reliable estimate can be made of the obligation.

Provisions are not recognised for future operating losses.

Provisions recognised reflect our best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to settle the obligation at a pre-tax discount rate that reflects current market assessments of the time value of money and of the risks specific to the obligation.

Detailed information about the employee benefits is presented in Note 5.

17 Other provisions as at 30 June 2021 included the provisions for asset retirement obligations and onerous contracts.

Other Notes

Note 17: Related Party Transactions

Ultimate controlling entity

The ultimate controlling entity is CSL Limited, otherwise described as the parent company.

Related party transactions

The parent company entered into the following transactions during the year with related parties in the Group.

Wholly owned subsidiaries

- Loans were advanced and repayments received on the long term intercompany accounts.
- Interest was charged on outstanding intercompany loan account balances.
- Sales and purchases of products.
- Licensing of intellectual property.
- Provision of marketing services by controlled entities.
- Management fees were received from a controlled entity.
- Management fees were paid to a controlled entity.
- R&D services were charged from and to controlled entities.

The transactions were undertaken on commercial terms and conditions.

Payment for intercompany transactions is through intercompany loan accounts and may be subject to extended payment terms.

Ownership interests in related parties

All transactions with subsidiaries have been eliminated on consolidation.

Subsidiaries

The following table lists the Group's material subsidiaries.

		Percentage owned (%)	
Company	Country of Incorporation	2021	2020
CSL Limited	Australia		
Subsidiaries of CSL Limited:			
CSL Innovation Pty Ltd	Australia	**100**	100
CSL Behring (Australia) Pty Ltd	Australia	**100**	100
CSL Behring LLC	USA	**100**	100
CSL Plasma Inc	USA	**100**	100
CSL Behring GmbH	Germany	**100**	100
CSL Behring AG	Switzerland	**100**	100
CSL Behring Lengnau AG	Switzerland	**100**	100
Seqirus UK Limited	UK	**100**	100
Seqirus Pty Ltd	Australia	**100**	100
Seqirus Vaccines Limited	UK	**100**	100
Seqirus Inc	USA	**100**	100

Note 18: Detailed Information – People Costs

(a) Defined benefit plans

The Group sponsors a range of defined benefit pension plans that provide either a lump sum or ongoing pension benefit for its worldwide employees upon retirement. Entities of the Group who operate defined benefit plans contribute to the respective plans in accordance with the Trust Deeds, following the receipt of actuarial advice. The surplus/deficit for each defined benefit plan operated by the Group is as follows:

	June 2021 US$m			June 2020 US$m		
Pension Plan	Plan Assets	Accrued benefit	Plan surplus/ (deficit)	Plan Assets	Accrued benefit	Plan surplus/ (deficit)
CSL Pension Plan (Australia) – provides a lump sum benefit upon exit	**19.0**	**(18.6)**	**0.4**	17.8	(18.6)	(0.8)
CSL Behring AG Pension Plan (Switzerland) – provides an ongoing pension	**755.7**	**(760.1)**	**(4.4)**	649.7	(730.5)	(80.8)
CSL Behring Union Pension Plan (USA) – provides an ongoing pension	**66.8**	**(63.3)**	**3.5**	68.0	(66.6)	1.4
CSL Behring GmbH Supplementary Pension Plan (Germany) – provides an ongoing pension	**–**	**(207.2)**	**(207.2)**	–	(226.9)	(226.9)
CSL Behring Innovation GmbH Supplementary Pension Plan (Germany) – provides an ongoing pension[18]	**–**	**(34.1)**	**(34.1)**	–	–	–
bioCSL GmbH Pension Plan (Germany) – provides an ongoing pension	**–**	**(3.2)**	**(3.2)**	–	(3.0)	(3.0)
CSL Behring KG Pension Plan (Germany) – provides an ongoing pension	**–**	**(19.0)**	**(19.0)**	–	(17.7)	(17.7)
CSL Plasma GmbH Pension Plan (Germany) – provides an ongoing pension	**–**	**(0.4)**	**(0.4)**	–	(0.3)	(0.3)
CSL Behring KK Retirement Allowance Plan (Japan) – provides a lump sum benefit upon exit	**–**	**(15.3)**	**(15.3)**	–	(15.4)	(15.4)
CSL Behring S.A. Pension Plan (France) – provides a lump sum benefit upon exit	**–**	**(1.9)**	**(1.9)**	–	(1.5)	(1.5)
CSL Behring S.p.A Pension Plan (Italy) – provides a lump sum benefit upon exit	**–**	**(0.9)**	**(0.9)**	–	(1.1)	(1.1)
Total	**841.5**	**(1,124.0)**	**(282.5)**	735.5	(1,081.6)	(346.1)

In addition to the plans listed above, CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH employees are members of multi-employer plans administered by an unrelated third party. CSL Behring GmbH, CSL Behring Innovation GmbH, Seqirus and their employees make contributions to the plans and receive pension entitlements on retirement. Participating employers may have to make additional contributions in the event that the plans have insufficient assets to meet their obligations. However, there is insufficient information available to determine this amount on an employer by employer basis. The contributions made by CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH are determined by the Plan Actuary and are designed to be sufficient to meet the obligations of the plans based on actuarial assumptions. Contributions made by CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH are expensed in the year in which they are made.

18 During the financial year ended 30 June 2021, the defined benefit pension plan operated by CSL Behring Innovation GmbH was transferred from CSL Behring GmbH.

Movements in Accrued benefits and assets

During the financial year the value of accrued benefits increased by $42.4m, mainly attributable to:

- Service cost charged to the profit and loss of $49.4m. This amount represents the increased benefit entitlement of members, arising from an additional year of service and salary increases.
- Interest costs of $7.5m, representing the discount rate on the benefit obligation and anticipated monthly benefit payments.
- Contributions made by employees of $14.3m.
- Unfavourable foreign currency movements of $16.2m which are taken directly to the Foreign Currency Translation Reserve.
- Offsetting these increases were benefits paid by the plans of $33.5m and actuarial adjustments, due primarily to changes in assumptions at the end of the year than originally anticipated by the actuary, generating a decrease in accrued benefits of $36.7m. These adjustments do not affect the profit and loss as they are recorded in Other Comprehensive Income.

Plan assets increased by $106.0m during the financial year. The increase is mainly attributable to the following factors:

- Contributions made by employer and employee increased plan assets by $43.5m;
- Investment returns increased plan assets by $69.1m; and
- Offsetting these increases were benefits paid by the plans of $29.7m and favourable foreign currency movements of $1.6m which are taken directly to the Foreign Currency Translation Reserve.

The principal actuarial assumptions, expressed as weighted averages, at the reporting dates are:	2021 %	2020 %
Discount rate	**0.7%**	0.7%
Future salary increases	**2.1%**	2.1%
Future pension increases	**0.5%**	0.5%

Plan Assets:

The major categories of total plan assets are as follows:	2021 US$m	2020 US$m
Cash	**63.0**	21.9
Instruments quoted in active markets:		
Equity instruments	**313.0**	241.7
Bonds	**290.6**	328.9
Unquoted investments – property	**169.7**	143.3
Other assets	**5.2**	(0.3)
Total Plan Assets	**841.5**	735.5

The variable with the most significant impact on the defined benefit obligation is the discount rate applied in the calculation of accrued benefits. A decrease in the average discount rate applied to the calculation of accrued benefits of 0.25% would increase the defined benefit obligation by $43.5m. An increase in the average discount rate of 0.25% would reduce the defined benefit obligation by $40.5m.

The defined benefit obligation will be discharged over an extended period as members exit the plans. The plan actuaries have estimated that the following payments will be required to satisfy the obligation. The actual payments will depend on the pattern of employee exits from the Group's plans.

Within one year	$50.9m (2020: $44.4m)
Between two and five years	$185.0m (2020: $164.1m)
Between five and ten years	$215.6m (2020: $197.5m)
Beyond ten years	$672.4m (2020: $676.0m)

(b) Share-based payments – equity settled

In 2017 CSL introduced a new long term incentive framework. Legacy programs ceased to operate in 2020.

Long Term Incentives under the current framework

A face value equity allocation methodology, being a volume weighted average share price based on the market price of a CSL share at the time of grant, is used to determine the number of units granted to a participant under each of the shared based payment plans, which are as follows:

The Executive Performance and Alignment Plan (EPA) that grants Performance Share Units (PSU) to qualifying executives. Vesting is subject to continuing employment, satisfactory performance and the achievement of an absolute return measure. The return measure is a seven year rolling average Return on Invested Capital.

The Retain and Grow Plan (RGP) that grants Restricted Share Units (RSU) to qualifying employees, participation in the RGP plan is broader than in the EPA plan. Vesting is subject to continuing employment and satisfactory performance.

Under both the EPA and annual RGP plans grants will vest in equal tranches on the first, second, third and fourth anniversaries of grant. For RGP commencement benefit awards, vesting dates will vary.

There have been no changes to the terms of grant of any existing instruments.

The fair value of the PSUs and RSUs granted is estimated at the date of grant using an adjusted form of the Black-Scholes model, considering the terms and conditions upon which the PSUs and RSUs were granted. There is no exercise price payable on PSUs or RSUs. The following grants were issued during the year ended 30 June 2021:

Date of grant	PSUs	RSUs
1 September 2020	156,719	385,370
1 March 2021	7,051	16,172
1 April 2021	3,275	13,647

The relevant tranche of PSUs and RSUs will exercise upon vesting between September 2020 and September 2024.

Legacy Share-based Long Term Incentives (LTI) issued in October 2016

Performance Right grants made in 2016 will vest over a four year period with no retest. The EPS growth test has 100% vesting occurring at a 13% compound annual growth rate and the potential for additional vesting on the achievement of stretch EPS growth targets. The relative TSR test is against a cohort of global pharmaceutical and biotechnology companies with 50% vesting where CSL's performance is at the 50th percentile rising to 100% vesting at the 75th percentile. Performance Options also vest over a four year period and have no performance hurdles. The options only have value when the share price on exercise exceeds the exercise price. The company does not provide loans to fund the exercise of options.

The Non-Executive Directors Plan (NED)

The Non-Executive Directors (NED) pay a minimum of 20% of their pre-tax base fee in return for a grant of Rights, each Right entitling a NED to acquire one CSL share at no cost (shares purchased on market). There is a nominated restriction period, of three to fifteen years, after which the NED will have access to their shares.

On 27 August 2020, 2,228 Rights were granted under the NED vesting on 23 February 2021 and 23 August 2021.

Global Employee Share Plan (GESP)

The Global Employee Share Plan (GESP) allows employees to make contributions from after tax salary up to a maximum of A$6,000 per six month contribution period. The employees receive the shares at a 15% discount to the applicable market rate, as quoted on the ASX on the first day or the last day of the six-month contribution period, whichever is lower.

Recognition and measurement

The fair value of options or rights is recognised as an employee benefit expense with a corresponding increase in equity. Fair value is independently measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options or rights.

Fair value is independently determined using a combination of the Binomial and Black Scholes valuation methodologies, including Monte Carlo simulation, considering the terms and conditions on which the options and rights were granted. The fair value of the options granted excludes the impact of any non-market vesting conditions, which are included in assumptions about the number of options that are expected to vest.

At each reporting date, the number of options and rights that are expected to vest is revised. The employee benefit expense recognised each period considers the most recent estimate of the number of options and rights that are expected to vest. No expense is recognised for options and rights that do not ultimately vest, except where the vesting is conditional upon a market condition and that market condition is not met.

Valuation assumptions and fair values of equity instruments granted

The model inputs for share-based payments granted during the year ended 30 June 2021 included:

	Fair Value[19]	Share Price	Exercise Price	Expected Volatility[20]	Life Assumption	Expected Dividend Yield	Risk-free Interest Rates
	(A$)	(A$)	(A$)				
Performance Share Units (by grant date)							
1 September 2020 – Tranche 1	$287.79	$290.79	Nil	38.98%	12 months	1.04%	0.25%
1 September 2020 – Tranche 2	$284.81	$290.79	Nil	32.55%	24 months	1.04%	0.25%
1 September 2020 – Tranche 3	$281.87	$290.79	Nil	28.55%	36 months	1.04%	0.25%
1 September 2020 – Tranche 4	$278.95	$290.79	Nil	27.18%	48 months	1.04%	0.25%
1 March 2021 – Tranche 1	$266.12	$267.58	Nil	24.11%	6 months	1.09%	0.11%
1 March 2021 – Tranche 2	$263.24	$267.58	Nil	34.78%	18 months	1.09%	0.11%
1 March 2021 – Tranche 3	$260.39	$267.58	Nil	31.01%	30 months	1.09%	0.11%
1 March 2021 – Tranche 4	$257.56	$267.58	Nil	27.94%	42 months	1.09%	0.11%
1 April 2021 – Tranche 1	$265.48	$266.68	Nil	24.00%	5 months	1.07%	0.08%
Restricted Share Units (by grant date)							
1 September 2020 – Tranche 1	$290.79	$290.79	Nil	N/A	Nil	1.04%	0.25%
1 September 2020 – Tranche 2	$289.30	$290.79	Nil	51.10%	6 months	1.04%	0.25%
1 September 2020 – Tranche 2	$287.79	$290.79	Nil	38.98%	12 months	1.04%	0.25%
1 September 2020 – Tranche 3	$286.31	$290.79	Nil	34.14%	18 months	1.04%	0.25%
1 September 2020 – Tranche 3	$284.81	$290.79	Nil	32.55%	24 months	1.04%	0.25%
1 September 2020 – Tranche 4	$283.35	$290.79	Nil	30.42%	30 months	1.04%	0.25%
1 September 2020 – Tranche 4	$281.87	$290.79	Nil	28.55%	36 months	1.04%	0.25%
1 September 2020 – Tranche 5	$278.95	$290.79	Nil	27.18%	48 months	1.04%	0.25%
1 March 2021 – Tranche 1	$267.58	$267.58	Nil	N/A	0 months	1.09%	0.11%
1 March 2021 – Tranche 2	$266.12	$267.58	Nil	24.11%	6 months	1.09%	0.11%
1 March 2021 – Tranche 3	$264.68	$267.58	Nil	39.90%	12 months	1.09%	0.11%
1 March 2021 – Tranche 4	$263.24	$267.58	Nil	34.78%	18 months	1.09%	0.11%
1 March 2021 – Tranche 5	$261.82	$267.58	Nil	31.94%	24 months	1.09%	0.11%
1 March 2021 – Tranche 6	$260.39	$267.58	Nil	31.01%	30 months	1.09%	0.11%
1 March 2021 – Tranche 7	$258.98	$267.58	Nil	29.44%	36 months	1.09%	0.11%
1 March 2021 – Tranche 8	$257.56	$267.58	Nil	27.94%	42 months	1.09%	0.11%
1 April 2021 – Tranche 1	$265.48	$266.68	Nil	24.00%	5 months	1.07%	0.08%
1 April 2021 – Tranche 2	$264.08	$266.68	Nil	27.26%	11 months	1.07%	0.08%
1 April 2021 – Tranche 3	$261.26	$266.68	Nil	32.26%	23 months	1.07%	0.08%
1 April 2021 – Tranche 4	$258.47	$266.68	Nil	29.47%	35 months	1.07%	0.08%
Rights (by grant date)							
27 August 2020 – Tranche 1	$293.64	$295.05	Nil	50.90%	6 months	1.00%	0.25%
27 August 2020 – Tranche 2	$292.16	$295.05	Nil	38.59%	12 months	1.00%	0.25%
GESP (by grant date)[21]							
4 September 2020 – Tranche 1	$31.88	$279.05	$247.17	51.10%	6 months	1.04%	0.25%
5 March 2021 – Tranche 1	$21.14	$248.58	$227.44	24.11%	6 months	1.09%	0.11%

19 PSUs are subject to a ROIC based performance measure.
20 The expected volatility is based on the historic volatility (calculated based on the remaining life assumption of each equity instrument, adjusted for any expected changes).
21 The fair value of GESP equity instruments is estimated based on the assumptions prevailing on the grant date. In accordance with the terms and conditions of the GESP plan, shares are issued at a 15% discount to the lower of the ASX market price on the first and last dates of the contribution period.

Note 19: Detailed Information – Shareholder Returns

	Consolidated Entity	
	2021 US$m	2020 US$m
Retained earnings		
Opening balance at 1 July	**10,752.3**	9,612.3
Net profit for the year	**2,375.0**	2,102.5
Opening balance sheet adjustment from AASB 16 adoption	**–**	(65.0)
Dividends	**(958.0)**	(883.1)
Actuarial gain/(loss) on defined benefit plans	**100.6**	(27.1)
Deferred tax (expense)/benefit on actuarial gain/loss on defined benefit plans	**(17.2)**	12.7
Closing balance at 30 June	**12,252.7**	10,752.3
Performance Options Plan		
Options exercised under Performance Option plans as follows:		
308,186 issued at A$105.63 (2020: 299,078 issued at A$89.52)	**24.4**	18.0
Global Employee Share Plan (GESP)		
86,619 issued at A$247.17 on 4 September 2020 (2020: 104,722 issued at A$162.76 on September/October 2019)	**15.6**	11.6
93,341 issued at A$227.44 on 5 March 2021 (2020: 94,101 issued at A$201.07 on 10 March 2020)	**16.4**	12.4
	56.4	42.0

Note 20: Auditor Remuneration

During the year, the following fees were paid or were payable for services provided by CSL's auditor and by the auditor's related practices:

AUDIT SERVICES – Ernst & Young Australia	2021 US$	2020 US$
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**1,956,994**	1,841,091
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
– Sustainability assurance	**66,819**	110,982
– Agreed upon procedures and other audit engagements	**90,045**	9,749
Fees for other services		
Subsidiaries directors' training	**80,000**	–
Due diligence	**211,449**	375,384
Remuneration advisory	**357,646**	232,728
Tax compliance	**–**	22,288
Total fees to Ernst & Young (Australia)	**2,762,953**	2,592,222
AUDIT SERVICES – Ernst & Young Overseas Member Firms		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**3,556,179**	3,649,937
Fees for assurance services that are required by legislation to be provided by the auditor	**13,845**	13,322
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
– Agreed upon procedures and other audit engagements	**77,009**	146,024
Fees for other services	**35,224**	34,463
Total fees to overseas member firms of Ernst & Young (Australia)	**3,682,257**	3,843,746
Total audit services	**5,760,891**	5,771,105
Total non-audit services	**684,319**	664,863
Total auditor's remuneration	**6,445,210**	6,435,968

Note 21: Deed of Cross Guarantee

On 3 February 2017, a deed of cross guarantee was executed between CSL Limited and some of its wholly owned entities, namely CSL International Pty Ltd (now CSL Behring (Holdings) Pty Ltd), CSL Finance Pty Ltd, Seqirus (Australia) Pty Ltd, CSL Innovation Pty Ltd, Seqirus Pty Ltd, CSL Behring (Australia) Pty Ltd and Seqirus Holdings Australia Pty Ltd. During the year ended 30 June 2021, CSL IP Investments Pty Ltd and Amrad Pty Ltd, were added to the deed. Under this deed, each company guarantees the debts of the others. By entering into the deed, these specific wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The entities that are parties to the deed represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by CSL Limited, they also represent the 'Extended Closed Group'. A consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2021 and 30 June 2020 and a consolidated balance sheet as at each date for the Closed Group is set out below.

	Consolidated Closed Group	
Income Statement	**2021 US$m**	**2020 US$m**
Continuing operations		
Sales revenue	**1,244.4**	1,035.3
Cost of sales	**(652.0)**	(690.1)
Gross profit	**592.4**	345.2
Dividend income	**667.3**	1,405.0
Interest income	**2.2**	1.3
Research and development expenses	**(139.4)**	(141.8)
Selling and marketing expenses	**(60.2)**	(44.9)
General and administration expenses	**(110.7)**	(95.5)
Finance costs	**(32.9)**	(27.3)
Sundry expenses	**(116.8)**	(57.0)
Profit before income tax expense	**801.9**	1,385.0
Income tax (expense)/credit	**(51.8)**	20.3
Profit for the year	**750.1**	1,405.3

Balance Sheet	Consolidated Closed Group 2021 US$m	2020 US$m
Current Assets		
Cash and cash equivalents	**334.7**	481.8
Trade and other receivables	**584.5**	407.6
Inventories	**267.4**	212.2
Total Current Assets	**1,186.6**	1,101.6
Non-Current assets		
Trade and other receivables	**39.6**	48.1
Other financial assets	**14,644.2**	14,631.2
Property, plant and equipment	**1,230.5**	841.1
Deferred tax assets	**77.0**	121.8
Intangible assets	**25.3**	23.3
Retirement benefit assets	**0.4**	–
Total Non-Current assets	**16,017.0**	15,665.5
Total assets	**17,203.6**	16,767.1
Current Liabilities		
Trade and other payables	**1,087.0**	770.1
Provisions	**69.1**	53.0
Deferred government grants	**49.9**	2.9
Total Current Liabilities	**1,206.0**	826.0
Non-Current Liabilities		
Trade and other payables	**112.9**	26.6
Interest-bearing liabilities and borrowings	**1,509.3**	1,429.2
Provisions	**46.9**	9.4
Deferred government grants	**26.1**	27.8
Total Non-Current Liabilities	**1,695.2**	1,493.0
Total liabilities	**2,901.2**	2,319.0
Net assets	**14,302.4**	14,448.1
Equity		
Contributed equity	**(3,476.6)**	(3,476.6)
Reserves	**(268.7)**	(333.7)
Retained earnings	**18,047.7**	18,258.4
TOTAL EQUITY	**14,302.4**	14,448.1

Summary of movements in consolidated retained earnings of the Closed Group	2021 US$m	2020 US$m
Retained earnings at beginning of the financial year	**18,258.4**	17,735.9
Net profit	**750.1**	1,405.3
Actuarial (loss)/gain on defined benefit plans, net of tax	**(2.8)**	0.3
Dividends paid	**(958.0)**	(883.1)
Retained earnings at the end of the financial year	**18,047.7**	18,258.4

The prior year amounts have been restated from that previously published.

Note 22: Parent Entity Information

Information relating to CSL Limited ('the parent entity')

(a) Summary financial information

	2021 US$m	2020 US$m
The individual financial statements for the parent entity show the following aggregate amounts:		
Current assets	**373.6**	310.6
Total assets	**6,333.1**	6,272.1
Current liabilities	**342.5**	323.7
Total liabilities	**4,038.3**	3,181.0
Contributed equity	**(3,959.2)**	(4,014.9)
Foreign currency translation reserve	**(600.4)**	(600.4)
Retained earnings	**6,854.4**	7,706.4
Net assets/Total equity	**2,294.8**	3,091.1
Profit for the year	**106.1**	93.1
Total comprehensive income	**106.1**	117.9

(b) Guarantees entered into by the parent entity

The parent entity provides certain financial guarantees in the ordinary course of business. No liability has been recognised in relation to these guarantees as the fair value of the guarantees is immaterial. These guarantees are mainly related to all external debt facilities of the Group. In addition, the parent entity provides letters of comfort to indicate support for certain controlled entities to the amount necessary to enable those entities to meet their obligations as and when they fall due, subject to certain conditions (including that the entity remains a controlled entity).

(c) Contingent liabilities of the parent entity

The parent entity did not have any material contingent liabilities as at 30 June 2021 or 30 June 2020. For information about guarantees given by the parent entity, please refer above and to Note 21.

(d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any material contractual commitments for the acquisition of property, plant and equipment as at 30 June 2021 or 30 June 2020.

Note 23: Subsequent Events

Other than as disclosed elsewhere in these statements, there are no matters or circumstances which have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

Note 24: Amendments to Accounting Standards and Interpretations

(a) Amendments to accounting standards and interpretations adopted by the Group

In addition to the impact of the IFRIC announcement with respect to Cloud Computing and SaaS arrangements disclosed in Note g, the Group has adopted the following amendments to accounting standards. None of the changes have had a material impact on the Group's accounting policies nor have they required any restatement.

- *AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business*
- *AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*
- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*
- *AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- *AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*

(b) Amendments to accounting standards and interpretations not yet effective for the Group

A number of other accounting standards and interpretations have been issued and will be applicable in future periods. While these remain subject to ongoing assessment, no significant impacts have been identified to date. These standards have not been applied in the preparation of these Financial Statements.

Applicable to the Group for the year ending 30 June 2022:

- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*

Applicable to the Group for the year ending 30 June 2023:

- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*
  - *– Reference to the Conceptual Framework — Amendments to AASB 3 Business Combinations*
  - *– Property, Plant and Equipment — Proceeds before Intended Use*
  - *– Onerous Contracts — Cost of Fulfilling a Contract*

Applicable to the Group for the year ending 30 June 2024:

- *Amendments to AASB 101: Classification of Liabilities as Current or Non-current*
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Directors' Declaration

1) In the opinion of the Directors:

   a) the financial statements and notes of the company and of the Group are in accordance with the Corporations Act 2001 (Cth), including:

      i. giving a true and fair view of the company's and Group's financial position as at 30 June 2021 and of their performance for the year ended on that date; and

      ii. complying with Australian Accounting Standards and Corporations Regulations 2001.

   b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2) About this Report (a) in the notes to the financial statements confirms that the financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

3) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 (Cth) for the financial period ended 30 June 2021.

4) In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 21 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee dated 3 February 2017.

This declaration is made in accordance with a resolution of the directors.

Brian McNamee AO
Chairman

Paul Perreault
Managing Director

Melbourne
August 17 2021

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Independent Auditor's Report to the Members of CSL Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CSL Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Existence and valuation of inventories

Why significant	How our audit addressed the key audit matter
At 30 June 2021, the Group holds inventories of $3,780.6 million which are recorded at the lower of cost and net realisable value. The Group's accounting for inventories is complex as the nature of products being produced and the strict quality and efficacy requirements it must comply with leads to a risk that inventories may be valued at greater than their recoverable amount. Provisions can be recognised for all components of inventories, including raw materials, work in progress and finished goods. The Group considers a number of factors when determining the appropriate level of inventory provisioning, including regulatory approvals and future demand for the Group's products. In addition, the geographic footprint of the Group and the movements and sale of inventory between the Group's operations means both the existence of inventories and the valuation of inventories is a key audit matter. This includes considering whether any mark up of inventories from sales within the Group is appropriately eliminated in the consolidated financial statements. The Group's disclosures with respect to inventories is included in Note 4 of the financial report.	We have assessed the carrying value of inventories, including costing and provisions for obsolescence and net realisable value at 30 June 2021. The existence of inventories has been tested through our attendance at regular cycle counts conducted throughout the period or through attendance at year-end inventory stocktakes in all locations with significant stock holdings. Through our observation of physical inventories, we validated, on a sample basis, expiry dates of products and remained alert for obsolescence issues. We assessed the appropriateness of the determination of inventory cost by assessing the accuracy of the standard costing used by the Group and assessing the recognition of variances from standard costs. We assessed whether inventory is recognised at the lower of cost or net realisable value at period end by comparing the inventory value measured at cost to audit evidence supporting net realisable value such as the current selling price of the products and achieved margins. We assessed whether the provisions for obsolescence calculated by the Group reflect known quality issues and commercial considerations including product expiration, market demand, and manufacturing plans, as well as their compliance with Australian Accounting Standards, and consistent application from prior periods. We assessed the Group's financial report consolidation process, the elimination of any unrealised profits on transactions between group entities and resultant tax consequences. We have substantively tested the inputs to the calculation of the intercompany profit in stock, and verified that it eliminated upon consolidation. We have assessed the Group's disclosures with respect to inventories in Note 4 of the financial report.

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2. Uncertain Tax Positions

Why significant	How our audit addressed the key audit matter
The Group operates in a number of different tax jurisdictions, all of which have specific tax risks and regulations that need to be considered. In particular, transfer pricing arrangements relating to transactions within the Group are significant with a large number of cross-border purchases and sales, intercompany charges as well as transfers of intellectual property between Group entities in different tax jurisdictions. The Group's disclosures with respect to taxation are included in Note 3 of the financial report.	We assessed the Group's various tax exposures to assess whether adequate provisions have been recorded for exposures with higher risk and uncertainty. Involving our taxation specialists in relevant countries, our audit procedures included: ► assessing the Group's determination of current and deferred income tax expense, with particular focus on uncertain tax positions and consideration of AASB Interpretation 23 'Uncertainty over Income Tax Treatments'; ► considering any third-party taxation advice received; ► understanding the status of and accounting for any tax audits being conducted by regulators around the world and their findings; and ► considering the Group's transfer pricing documentation. We have assessed the Group's disclosures with respect to taxation in Note 3 of the financial report.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Building a better working world

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of CSL Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Rodney Piltz
Partner
Melbourne
17 August 2021

Kylie Bodenham
Partner
Melbourne
17 August 2021

14 Share Information

CSL Limited

Issued Capital Ordinary Shares: 455,125,994 as at 30 June 2021; 455,128,517 as at 11 August 2021.

Details of incorporation

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

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

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

The ADRs are tradeable via licensed US brokers in the ordinary course of trading in the Over-The-Counter (OTC) market in the US. Particulars for the sponsored ADR program are: US Exchange – OTC and DR Ticker Symbol – CSLLY.

Substantial shareholders

The following table shows holdings of five per cent or more of voting rights in CSL Limited's shares as notified to CSL Limited under the Australian Corporations Act 2001, Section 671B as at 30 June 2021.[1]

		Date of last notice			
Title of class	Identity of person or group	Date received	Date of change	Number owned	% of total voting rights[2]
Ordinary Shares	Vanguard Group Inc	5 November 2018	31 October 2018	22,656,088	5.002%
Ordinary Shares	Blackrock Group	2 December 2019	28 November 2019	27,353,205	6.02%

Voting rights – ordinary shares

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

Distribution of shareholdings as at 11 August 2021

Range	Total holders	Shares	% of issued capital
1 – 1,000	208,233	36,224,816	7.96
1,001 – 5,000	21,486	49,074,924	10.78
5,001 – 10,000	3,323	22,880,577	5.03
10,001 – 100,000	1,364	24,745,674	5.44
100,001 and over	54	322,202,526	70.79
Total shareholders and shares on issue	**234,460**	**455,128,517**	**100.00**

Unmarketable parcels	Minimum parcel size	Holders	Shares
Minimum A$500.00 parcel at A$293.25 per share (being the closing market price on 11 August 2021)	2	395	395

1 No changes in the holdings of five per cent or more of the voting rights in CSL Limited's shares have been notified to CSL Limited between 1 July 2021 and 11 August 2021.
2 The percentages quoted are based on the total voting rights provided in the last substantial shareholders notice.

Shareholder Information

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

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

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

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

CSL now offers shareholders the opportunity to receive dividend payments in US dollars by direct credit to a US bank account. Shareholders who wish to avail themselves of this payment option for the 2021 final dividend payment must provide their valid US bank account details to the Share Registry by the dividend record date of 3 September 2021.

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

The 2021 Annual General Meeting (AGM) of CSL Limited (ABN 99 051 588 348) will be held online on Tuesday, 12 October 2021 at 10am (Melbourne time).

CSL's 20 largest shareholders as at 11 August 2021

Shareholder	Account Shares	% Total Shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	149,095,937	32.76
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	76,711,952	16.86
CITICORP NOMINEES PTY LIMITED	38,103,520	8.37
NATIONAL NOMINEES LIMITED	13,380,917	2.94
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	8,178,416	1.80
BNP PARIBAS NOMS PTY LTD <DRP>	5,884,043	1.29
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	4,446,931	0.98
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	3,234,496	0.71
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,074,732	0.68
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	2,053,312	0.45
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,834,241	0.40
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	1,555,184	0.34
SOLIUM NOMINEES (AUSTRALIA) PTY LTD <ALLOCATED A/C>	1,420,857	0.31
ARGO INVESTMENTS LIMITED	1,113,370	0.24
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,058,967	0.23
D W S NOMINEES PTY LTD	793,090	0.17
NATIONAL NOMINEES LIMITED <N A/C>	666,219	0.15
MUTUAL TRUST PTY LTD	650,424	0.14
AMP LIFE LIMITED	629,191	0.14
MILTON CORPORATION LIMITED	601,198	0.13
Top 20 holders of ordinary fully paid shares	**314,486,997**	**69.10**
Remaining holders balance	**140,641,520**	**30.90**
Total shares on issue	**455,128,517**	**100.00**

Share Registry

Computershare Investor Services Pty Limited

Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

Postal address:
GPO Box 2975 Melbourne VIC 3001

Enquiries within Australia: 1800 646 882
Enquiries outside Australia: +61 3 9415 4178

Investor enquiries online: investorcentre.com/contact
Website: investorcentre.com

America Depositary Receipts (ADRs)

The Bank of New York Mellon (BNY Mellon)

Postal address:
BNY Mellon Shareowner Services
PO Box 30170
College Station, TX 77842-3170 USA

Enquiries within the United States: 1-888-BNY-ADRS (1-888-269-2377)
Enquiries outside the United States: 201-680-6825

Email: shrrelations@cpushareownerservices.com
Website: www-us.computershare.com/investor

15 Key Performance Data Summary

Some data points contained in this report have been summarised and grouped according to CSL's key sustainability topics and provided over a three-year period.

Performance Indicator	More in this report (page reference)	Measure	2018/19	2019/20	2020/21
Economic Contribution					
Operating revenue	7	US$ million	8,519†	9,151†	10,310†
Net profit		US$ million	1,919†	2,103†	2,375†
Economic value generated	43	US$ million	8,552†	9,158†	10,314†
Economic value distributed		US$ million	8,409†	8,832†	9,959†
Innovation					
R&D investment	7	US$ million	832	922*†	1,001†
Our People					
Total headcount	50	Number	25,031	27,009	25,415
Total Recordable Injury Frequency Rate (TRIFR)‡	53	Per million hours worked for Non-CSL Plasma sites	For all sites – 7.2. Methodology for reporting changed in 19/20 – please see page 53 for more.	For all sites – 6.1†. Methodology for reporting changed in 19/20 – please see page 53 for more.	1.9†
		Per million hours worked for CSL Plasma			11.2†
Fatalities (including contractors)		Number			0†
Employee engagement	52	Percentage	74†	76.4†	73.7†
Safety and Quality					
Regulatory audits	43	Number	440*†	401*†	365†
Quality audits of suppliers		Number	580*†	476*†	481**
Safety related recalls of finished product		Number	3*†	2*†	3†
Community					
Total contribution	54	US$ million	56.0	44.6^	55.2#†
Product access support (subset of total community contribution)	44	US$ million	21.7†	9.8†^	20.2#†
Marketing and Promotion					
Breaches	48	Number	0†	2†	0†
Environment§					
Energy consumption	41	Petajoules	3.39*	3.79	3.73
Greenhouse gas emissions		Metric kilotonnes	319*	344	326
Water consumption		Gigalitres	3.87*	4.25	4.44
Waste		Metric kilotonnes	61.40*	66.75	59.02
Waste recycling rate		Percentage	42*	46	40

* Excludes CSL Behring's operations in Wuhan, China (previously Ruide).

† Data for nominated period has received limited assurance by Ernst and Young, with Operating Revenue and Net Profit extracted from the audited financial statements.

‡ For 2018/19 Ernst & Young assured underlying data only.

§ See page 41 for more on reporting boundary.

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

^ Data has been restated upwards to include Seqirus contribution to the World Health Organization which was not disclosed in 2019/20's Annual Report due to a timing discrepancy.

** Quality audits of suppliers undertaken by CSL's Wuhan, China (previously Ruide) are not included in the reported totals. Processes are yet to be integrated. Data has received limited assurance by Ernst & Young.

Reporting Boundary

Our disclosure 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 UK and the 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. For some of our operations we continue to work towards fully integrating systems and processes for the acquired operations in Wuhan, China, (previously Ruide). Unless otherwise indicated, data for Wuhan, China has been included. CSL's acquisition of Vitaeris, announced in June 2020 has been excluded.

16 Medical Glossary

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

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

Allantoic fluid is fluid found in the foetal membrane that develops from the yolk sac.

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

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

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

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

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

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

Coagulation is the process of clot formation.

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

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

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

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

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

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

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

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

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

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

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

Neurology is the science of nerves and the nervous system.

Pandemic is the worldwide spread of a disease.

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

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

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

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

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

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

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

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

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

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

Corporate Directory

Share Registry

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

Auditors

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Further Information

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

Find out more **CSL.com**

CSL Limited ABN 99 051 588 348