



CSL

Driven by **Our Promise**

Our Purpose

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

Arthur's story

Staying active has always been a priority for Arthur.

Arthur grew up playing sports and later moved on to weightlifting and bowling. In his late 30s, however, he was robbed of his mobility and left in severe pain by chronic inflammatory demyelinating polyneuropathy (CIDP). CIDP is a rare neurological disorder that can lead to symptoms such as weakness, paralysis or impairment in motor function, especially in the arms and legs.

After following a journey to diagnosis that lasted nearly 15 years, Arthur finally found the right treatment and is getting back to some of the activities that make him who he is.

He's also advocating for fellow CIDP patients and encouraging others to do the same. As he puts it, *'We need to speak up, work hard and be determined to overcome this'*.

Introduction

2022 Corporate Governance Statement

The CSL Limited Board of Directors is pleased to present CSL's Corporate Governance Statement for the financial year ending 30 June 2022.

Copies of all governance documents referred to in this statement can be found on [CSL.com](https://www.csl.com).

2021/22 Governance Highlights:

- In July 2021, CSL released its Third Party Code of Conduct.
- The Board Charter was updated in August 2021.
- The delegations of authority were updated and became effective in September 2021.
- In September 2021, CSL released the Group Sustainability Strategy, incorporating environment, social and sustainable workforce.
- CSL appointed two new non-executive directors in August 2021 and one executive director became a non-executive director in October 2021.
- In December 2021, the Board attended virtual tours of the Marburg, Bern and Liverpool manufacturing sites.
- Updates were made to the enterprise-wide training module on CSL's Code of Responsible Business Practice and Good Decision Making Tool at the end of 2021.
- CSL undertook a competitive external audit tender process during the 2022 financial year and appointed Deloitte Touche Tohmatsu.
- In April 2022, the Board held meetings in the United States and visited CSL's Holly Springs manufacturing plant and Kankakee plasma facility. This was the first in person travel since the COVID-19 pandemic.
- Development of gender targets for 2025 and 2030.
- On 9 August 2022, CSL welcomed Vifor Pharma into the CSL Group and we will include corporate governance reporting for CSL Vifor in the coming years.

The following table indicates where each ASX Corporate Governance Principle is dealt within this statement.

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

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



Relevant governance documents:

- Board Charter
- Corporate Governance and Nomination Committee Charter

1.1 Role of the Board

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

The Board's key responsibilities are to:

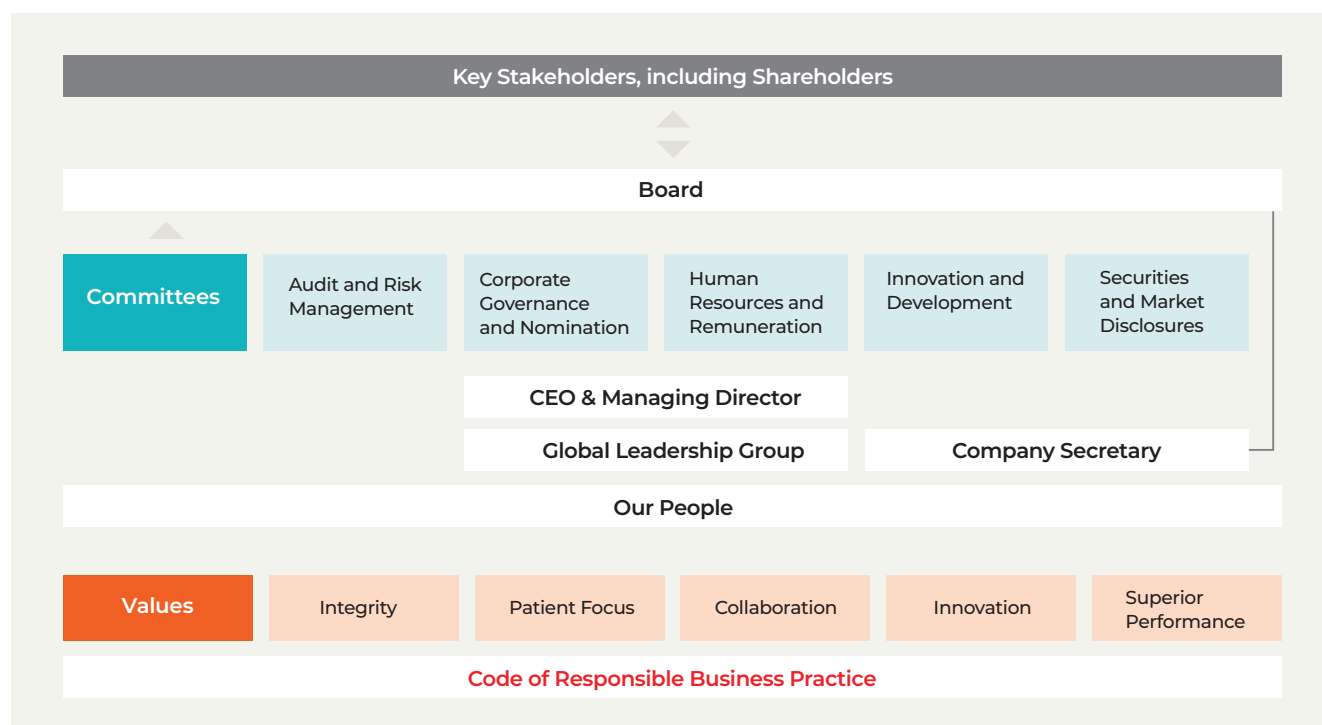
- set CSL's strategic objectives and the risk appetite within which the Board expects the management team to operate;
- model and monitor the values and culture of CSL;
- act to protect and enhance the performance and reputation of CSL and build sustainable value for shareholders;
- select, appoint,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

Delegation

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

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

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



Board processes

CSL has entered into a written agreement with each director and senior executive setting out the terms of their appointment, including their respective roles and responsibilities. CSL has also recently updated its policy on Director Conflict of Interest.

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

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

Details of Board meetings and committee meetings held during the year and individual directors' attendance at these meetings can be found in the Directors' Report of the 2022 Annual Report available on CSL.com (Our Company > Corporate Responsibility).

1.2 Board Composition

Throughout the year, there were between seven and nine directors on the Board. Details are set out in the following table.

Director	Length of service (as at 30 June 2022)	Independent/Non-independent
Dr Brian McNamee AO	4 years, 4 months	Independent, non-executive director and Chair
Mr Paul Perreault	9 years, 4 months	Non-independent, executive director MD and CEO
Mr Bruce Brook	10 years, 10 months	Independent, non-executive director
Dr Megan Clark AC	6 years, 4 months	Independent, non-executive director
Professor Andrew Cuthbertson AO	3 years, 8 months	Non-independent, non-executive director
Ms Carolyn Hewson AO	2 years, 7 months	Independent, non-executive director
Professor Duncan Maskell	11 months	Independent, non-executive director
Ms Marie McDonald	8 years, 10 months	Independent, non-executive director
Ms Alison Watkins AM	11 months	Independent, non-executive director

1.3 Director Independence

The Board comprises a majority of independent directors and an independent non-executive Chair.

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

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

As part of this assessment process, the Board has adopted the guidelines for assessing the independence of a director as those set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations, including assessing relevant interests or relationships, and considers other facts, information and circumstances that the Board considers relevant.

The Board Charter sets out guidelines as to the desired length of service of non-executive directors, after which time the Board may invite the director to stand for an additional term. The Board believes that having directors with a mixture of tenures is beneficial to the functioning and effectiveness of the Board, as it results in having a mix of corporate experience and knowledge with that of new ideas and perspectives represented on the Board.

The Board has determined that all of its non-executive directors, except for Professor Cuthbertson, are independent and were independent for the duration of the reporting period and consists of an appropriate mix of tenures. Professor Cuthbertson is not presently considered independent because of his former executive role with CSL as Chief Scientific Officer, which he ceased to hold in October 2021.

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

1.4 Nomination and Appointment of Directors

CSL undertakes appropriate background checks on all potential new directors, including the person's character, experience, education, criminal record and bankruptcy history. This process was followed during the financial year.

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

Prior to the expiry of a director's current term of office, the Board reviews that director's performance and determines whether to recommend that director for re-election by shareholders.

1 The Board of Directors

1.5 Induction of New Directors and Ongoing Development

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

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

In addition to the briefing papers, agendas and related information regularly supplied to directors, the Board has an ongoing professional development and education program designed to give directors further insight into the operation of CSL's business, and to provide opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.

The program includes education on key developments relating to CSL and the industry and environment within which it operates. As part of this program, directors periodically visit CSL's facilities, including major operating sites in the United States, Europe and Australia, and attend meetings and information sessions with CSL's local management and employees.

Modifications were made to the director induction and professional development and education program in response to the COVID-19 pandemic and the evolving virtual working environment.

1.6 Director Knowledge, Skills and Experience

The Board, through its Corporate Governance and Nomination Committee (CGNC), is focused on maintaining an appropriate mix of skills and diversity in its membership. This includes a range of skills, experience and background in the pharmaceutical industry, international business, finance and accounting and management, as well as diversity. The Board skills matrix as at 30 June 2022 is set out below and describes the capabilities of the Board across a range of general and specialist areas.

In addition, the Board considers that each of its directors has the following attributes:

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

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

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

Relevant governance documents:

- Diversity and Inclusion Policy
- Code of Responsible Business Practice

2.1 Diversity, Equity and Inclusion at CSL

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

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

We believe a diverse workforce and an inclusive environment allow us to:

- better understand and connect with our patients;
- develop strong and sustainable relationships with diverse stakeholders, including shareholders, communities, employees, governments, donors, customers and suppliers;

- attract, retain, develop and engage a diverse workforce to sustain our long-term success;
- foster creativity and innovation; and
- improve the quality of the decisions that we make.

CSL's global Diversity and Inclusion Policy is integral to our overall talent and culture strategies and guides our investment in these areas.

Our Diversity and Inclusion Policy is available on [CSL.com](https://www.csl.com)

In accordance with the requirements of Australia's *Workplace Gender Equality Act 2012*, CSL lodged its annual public report with the Workplace Gender Equality Agency. A copy of this report can be found at corporateresponsibility.csl.com/workplace/employee-relations-and-diversity.

2.2 CSL's Diversity Profile

CSL's growing workforce is made up of more than 30,000 employees with operations in more than 40 countries. The overview of our workforce that follows highlights progress toward aspirational representation goals and provides insight into the diversity of our global workforce in areas of gender and generations, as well as ethnicity in the United States and disability in the United States and Germany.

All Employees



- Gen Y (1980-2000) **56%**
- Gen X (1962-1979) **33%**
- Baby Boomers (1946-1961) **6%**
- Gen Z (2001+) **5%**

Senior Executives



- Gen X (1962-1979) **78%**
- Gen Y (1980-2000) **10%**
- Baby Boomers (1946-1961) **12%**

People Managers



- Gen X (1962-1979) **51%**
- Gen Y (1980-2000) **43%**
- Baby Boomers (1946-1961) **6%**

Data as of 30 June 2022 and includes all employees globally where birthday is recorded (99.8% of population)

2 Diversity

CSL's Generational Profile

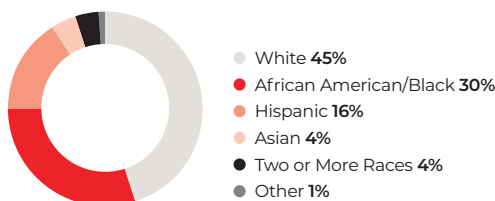
Our multigenerational workforce includes employees ranging in ages Gen Z to Baby Boomers. Millennials continue to make up over half of CSL's total workforce and are the largest and fastest-growing segment in the global workforce overall.

Ethnic & Disabled Workforce Composition

CSL is assessing the global legal landscape to be able to capture demographic information related to multiple diversity classifications. This information will be used to measure and further focus our efforts as we strive to ensure we have the broadest array of diversity within our employee population.

CSL's Ethnic Profile (United States)

Currently, our ethnically diverse talent represents 53% of our workforce in the United States. Ethnicity of our United States employee population follows.



CSL's Disability Profile (Germany and United States)

Total representation of workforce who identify as having a disability has:

> Remained the same in Germany.

> Increased 1% in the United States.

7%

Germany

8%

United States



CSL's Gender Profile

CSL also has a strong commitment to advancing women in the workplace. Female employees represent 61% of our global workforce. The Board of Directors and Executive Team monitor the percentage of females in the workforce with a particular focus on Senior Executive and People Manager positions.

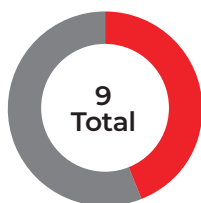
Our Board, Senior Executive and People Manager gender representation progress through FY22 is trending to meet our longer-term goals. In particular:

- We have met the gender representation goal of at least 30% or better of each gender in the Board population, with female representation at 44%.

- We have increased the representation of women in People Manager positions by 2% to 46% over the past financial year. We define People Managers as all managers with three or more direct reports.
- With an increase of 1% to 31% over the past financial year, we are trending to meet our Senior Executive target of 40% female representation by FY30.

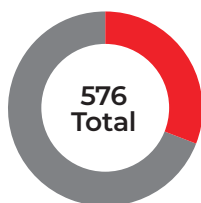
In line with the ASX Principles, the following charts highlight the proportion of women and men on the Board, in Senior Executive positions (senior director and above), in People Manager roles (which do not include Senior Executives) and across the entire organisation as of 30 June 2022, as well as the current gender targets.

Board
Target 30% representation
by either gender



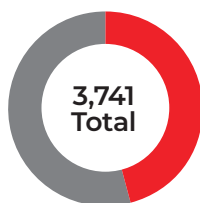
● Female 44%
● Male 56%

Senior Executive
Target 40% by FY30



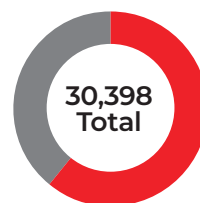
● Female 31%
● Male 69%

People Manager
Target 50% by FY25



● Female 46%
● Male 54%

All Employees



● Female 61%
● Male 39%

Data as of 30 June 2022 and includes all employees globally. % calculations exclude 100 employees that chose to not disclose gender. (This 100 are included in the 30,398 total.)



2 Diversity

2.3 Report on Measurable Objectives for FY22

The Board sets measurable objectives for achieving diversity and evaluates progress against them on an annual basis. For FY22, our objectives were to:

Multiyear Measurable Objectives	Highlights of Progress in FY22	Highlights of Focus Areas in FY23
<p>Build a more diverse workforce to bring a wide variety of viewpoints and ideas to the work that we do every day, including diversity representation goals: to achieve gender diversity in the composition of our board by having 30% or better of each gender represented and make progress towards achieving 50% female representation in CSL's overall People Manager population while demonstrating a 5% increase of ethnic or disabled diverse talent in People Manager roles by FY25 and 40% female representation among our Senior Executives by FY30</p> <p>Foster an inclusive culture in which all employees are respected, valued and inspired to do their best work</p> <p>Enhance our external reputation by partnering with organisations and suppliers who share our passion for diversity, equity and inclusion (DE&I)</p>	<ul style="list-style-type: none"> • Incorporated unconscious bias training as a core module of our Management Essentials development program for new and existing Managers and Senior Managers. • Expanded the Promising Futures Scholarship program in Australia, focusing on diverse populations, such as Indigenous people. • Prioritised diverse candidate interview slates and utilisation of diverse interview panels to create a process that ensures different perspectives are represented. • Achieved greater than 10% increase in hires and promotions coming from diverse populations. • Exceeded the goal of 50% or more female participation within key leadership development offerings and increased ethnic participation within the United States. • Developed and implemented a plan to deliver global benefit standards. • Implemented our parental and caregiver leave standards. • Conducted a second global gender pay equity analysis as part of our equal pay for equal work process. No systemic pay issues were discovered in our pay practices. • Continued to listen and respond to employee feedback throughout the year, including: <ul style="list-style-type: none"> – our employee feedback survey, with results showing improved scores across all items. This year's engagement index was 77.9%, a 4.2% increase over the prior year; and – a comprehensive culture assessment in which we partnered with senior leadership to identify and address any DE&I-related opportunities. Results of the assessment demonstrated that we have a highly inclusive environment. • Developed a supplier diversity strategy to promote an inclusive approach to procurement and create opportunities to expand our business relationships with appropriate diverse suppliers. • Expanded our existing strategic partnerships with associations or educational institutions for disadvantaged people and people with disabilities. • Received external recognition for our workplace and inclusion efforts, including being named as Forbes America's Best Large Employer 2022, Australian Financial Review - Boss Magazine Best Places to Work 2022 among others. 	<ul style="list-style-type: none"> • Increase diverse talent within CSL's intern and rotational programs. • Implement a targeted female leader retention strategy based on insights from exit surveys, the employee feedback survey and mid-year career conversations. • Implement an internal global DE&I series that incorporates global DE&I network-sponsored diverse speakers with the intention to develop employees on DE&I topics and initiatives. • Evaluate our key partnerships with diverse organisations to determine efficacy of programs. • Improve marketplace recognition and awareness of CSL's commitment to championing DE&I. • Provide positive social impact with implementation of diverse supplier program/strategy to achieve a more diverse supplier base, emphasising inclusion of vendors, such as minority-owned, women-owned, veteran-owned and disabled-owned businesses.

Relevant governance documents:

- Code of Responsible Business Practice
- CSL's Third Party Code of Conduct
- Anti-Bribery and Anti-Corruption Policy
- 2021 Modern Slavery Statement
- 2021/22 CSL Limited Annual Report
- Speak Up Policy

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

3.1 Group Values

Our Values are common to each of the business units that form the CSL Group (Group Values). The Group Values serve as the foundation for everyday decision-making.

A detailed description of the Group Values is available on CSL.com (Our Company) and in the Code of Responsible Business Practice.

3.2 Code of Responsible Business Practice

CSL's Code of Responsible Business Practice (the Code) outlines our commitment to responsible business practices and ethical standards. The Code sets out the rights and obligations of our people when they are conducting CSL's business.

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

All employees are required to undertake regular training on the Code and CSL's new ethics-based decision making tool.

In June 2021, CSL published its Third Party Code of Conduct (Third Party Code). The Third Party Code complements CSL's Code, adopting the Pharmaceutical Supply Chain Initiatives Principles (including international labour standards drawn from international human rights conventions).

The Third Party Code sets out our expectations for the conduct of CSL business by third parties, including suppliers and is available in multiple languages for suppliers and workers.

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

3.3 Modern Slavery

Each year, CSL's Board of Directors reviews and approves CSL's Modern Slavery Statement as required by the Australian *Modern Slavery Act 2018* (Cth). The Statement details the steps the CSL Group is currently undertaking to identify, assess and address modern slavery risks.

In December 2021, CSL's second Statement was approved by the Board. The Statement can be found on CSL.com (Our Company > Corporate Responsibility).

3.4 Speak Up Policy

In accordance with the Code, CSL is committed to ensuring that employees, contractors, suppliers and business partners are able to raise concerns regarding any potential misconduct and to have such concerns properly investigated. This commitment is implemented through CSL's Speak Up Policy. The Speak Up Policy contains mechanisms, including a global 24/7 telephone and internet hotline service, for employees, contractors, suppliers and business partners to raise concerns in a confidential and anonymous (where permissible by law) manner without being subject to any form of detriment or retaliation.

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

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

3.5 Anti-Bribery and Anti-Corruption

CSL has no tolerance for acts of bribery and corruption by any of our employees, officials or third-party representatives.

CSL has an Anti-Bribery and Anti-Corruption Policy (ABAC Policy). The ABAC policy builds on CSL's position in the Code and supports the considerable amount of work being undertaken in many areas of CSL's operations so that CSL's people are acting ethically and with integrity (one of CSL's core Values) at all times, as well as protecting CSL's reputation.

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

CSL carries out an annual Anti-Bribery and Anti-Corruption Risk Assessment (ABAC Risk Assessment) across the CSL Group with the goal of ensuring compliance with global anti-bribery and anti-corruption laws including, for example, the United States Foreign Corrupt Practices Act and the UK Anti-Bribery Act. Use of this tool keeps the business proactively aware of external enforcement initiatives related to CSL's business locations and the third parties CSL chooses to partner with, for example, distributors, agents, etc.

The results of the ABAC Risk Assessment support CSL in a number of ways including the compliance procedures which are completed as part of the financial half and full year end processes.

The Board, through the ARMC, is informed of material breaches under the ABAC Policy.

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

Relevant governance documents:

- Board Charter
- Corporate Governance and Nomination Committee Charter
- Audit and Risk Management Committee Charter
- Human Resources and Remuneration Committee Charter
- Innovation and Development Committee Charter
- Securities and Market Disclosure Committee Charter
- 2021/22 CSL Limited Annual Report

4.1 Board Committees

In 2021/22 CSL had five Board committees:

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

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

Details of the number of committee meetings held during the year and individual directors' attendance at these meetings can be found in the Directors' Report of the 2022 Annual Report, available on CSL.com (Our Company > Corporate Responsibility). Details of the qualifications and experience of committee members can also be found in the 2022 Directors' Report.

A summary of each committee's composition and role is set out in the following table.

Committee	Members ¹	Composition	Role
Corporate Governance and Nomination Committee The Committee's Charter, including its responsibilities, can be found at: csl.com/-/media/csl/documents/csl-governance-docs/corporate-governance-and-nomination-committee-charter.pdf	Ms Carolyn Hewson (Chair) Dr Brian McNamee Mr Bruce Brook Dr Megan Clark Professor Andrew Cuthbertson	<ul style="list-style-type: none"> – At least three independent non-executive directors. – An independent Chair. 	The role of the CGNC is to develop and recommend corporate governance principles to the Board and to assist the Board in fulfilling its responsibilities relating to the size and composition of the Board, reviewing Board performance and Board and CEO succession planning.
Audit and Risk Management Committee The Committee's Charter, including its responsibilities, can be found at: csl.com/-/media/csl/documents/csl-governance-docs/armc-charter.pdf	Mr Bruce Brook (Chair) Ms Marie McDonald Ms Carolyn Hewson Ms Alison Watkins	<ul style="list-style-type: none"> – At least three, and not more than five, non-executive directors, all of whom must be independent (as determined by the Board). – At least one member should have financial expertise. – An independent Chair who is not Chair of the Board. 	The role of the ARMC is to assist and advise the Board in discharging its responsibilities in relation to the following: <ul style="list-style-type: none"> (a) oversight of the integrity and quality of interim and annual financial reporting and disclosures; (b) identification and management of key risks, financial risks, and regulatory risks; (c) oversight of compliance with relevant laws, regulations, standards, and codes; (d) oversight of the adequacy of the internal control framework; and (e) oversight of CSL's global quality, health, safety and environmental performance.

¹ Ms Alison Watkins became a member of the Audit and Risk Management Committee and the Human Resources and Remuneration Committee on 19 August 2021. Professor Duncan Maskell became a member of the Innovation and Development Committee on 19 August 2021.

Committee	Members ¹	Composition	Role
Human Resources and Remuneration Committee The Committee's Charter, including its responsibilities, can be found at: csl.com/-/media/csl/documents/csl-governance-docs/hrrc-charter.pdf	Dr Megan Clark (Chair) Ms Marie McDonald Ms Carolyn Hewson Ms Alison Watkins	<ul style="list-style-type: none"> – At least three non-executive directors. – A majority of members will be independent (as determined by the Board). – Chaired by an independent director. 	The role of the HRRC is to assist the Board in fulfilling its oversight responsibilities to shareholders in respect of the CSL Group's remuneration policies and practices, executive management succession planning and diversity initiatives.
Innovation and Development Committee The Committee's Charter, including its responsibilities, can be found at: csl.com/-/media/csl/documents/csl-governance-docs/idc-charter.pdf	Professor Andrew Cuthbertson (Chair) Dr Brian McNamee Mr Paul Perreault Dr Megan Clark Professor Duncan Maskell	<ul style="list-style-type: none"> – At least three members, being at least two independent non-executive directors and the MD & CEO. – Chaired by a member of the Innovation and Development Committee. 	The role of the IDC is to assist and advise the Board in discharging its responsibilities in relation to its oversight of the Company's strategy related to research, product development programs and technical capabilities, which includes potential acquisitions, partnerships or joint ventures. The IDC also has oversight of R&D project risk and patient safety risk.
Securities and Market Disclosure Committee² The Committee's Charter, including its responsibilities, can be found at: csl.com/-/media/csl/documents/csl-governance-docs/smdc-charter.pdf	Dr Brian McNamee (Chair) Mr Paul Perreault	<ul style="list-style-type: none"> – A minimum of any two directors, one of whom must be an independent director. – Chaired by the Board Chair. – In the absence of the Board Chair, chaired by another independent director. 	In the event that the Company needs to make a significant announcement of an urgent or unscheduled nature in order to meet its reporting obligations under the <i>Corporations Act</i> and the ASX Listing Rules, and it is impractical for the Board to be convened, the SMDC is authorised to: <p>(a) consider and (if considered necessary or appropriate) request a trading halt in respect of CSL securities; and</p> <p>(b) approve the form and substance of such a disclosure.</p>

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

² This Committee will be disbanded in 2022 following updates to CSL's Continuous Disclosure Policy.

4 Operation of the Board and its Committees

4.2 Remuneration of Directors and Senior Executives

CSL is committed to ensuring that it has competitive remuneration and human resources policies and practices that offer appropriate and fair rewards to directors and employees in the countries in which they are employed, while at the same time aligning the interests of the management team with that of CSL's shareholders.

Details regarding the activities of the Human Resources and Remuneration Committee during the reporting period, along with a summary of its responsibilities, and CSL's remuneration policies and practices are set out in the Remuneration Report in 2022 Annual Report, available on CSL.com (Our Company > Corporate Responsibility).

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

4.3 Performance Evaluation

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

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

Matters considered in the evaluation include:

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

During the financial year, the Board undertook an internal review of its performance and that of its committees as well as individual directors. The findings of the review were confirmed and implemented by the Board and changes made as appropriate. An external review was completed in 2020/21 with the next external review scheduled in the coming 12 months.

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

These performance evaluations took place in accordance with the previously described processes during the 2021/22 financial year. Further information about the performance of key management personnel is set out in the Remuneration Report in the 2022 Annual Report, available on CSL.com (Our Company > Corporate Responsibility).



Relevant governance documents:

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

5.1 Role of the Audit and Risk Management Committee

The ARMC assists the Board in overseeing and reviewing annually the integrity of financial reporting, the effectiveness of the risk management framework, compliance systems and internal control framework, and the external and internal audit functions. In addition to this, the ARMC has oversight of CSL's global quality, health, safety and environmental performance. During the financial year, the ARMC has, in conjunction with the management team, reviewed CSL's risk management framework to satisfy itself that it continues to be sound and that CSL is operating with due regard to the risk appetite set by the Board.

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

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

5.2 Enterprise Risk Management Framework

CSL has adopted, and follows, a detailed and structured Enterprise Risk Management Framework (ERMF) to identify, evaluate, monitor and manage risks in the CSL Group. The ERMF sets out the risk management processes, internal compliance and monitoring requirements, governance structures and processes including roles and responsibilities for different levels of management, the matrix of risk impact and likelihood for assessing risk, the three lines of accountability for risk, the risk appetite statements, measures and thresholds and risk management reporting requirements.

The ERMF has been established to provide reasonable assurance that:

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

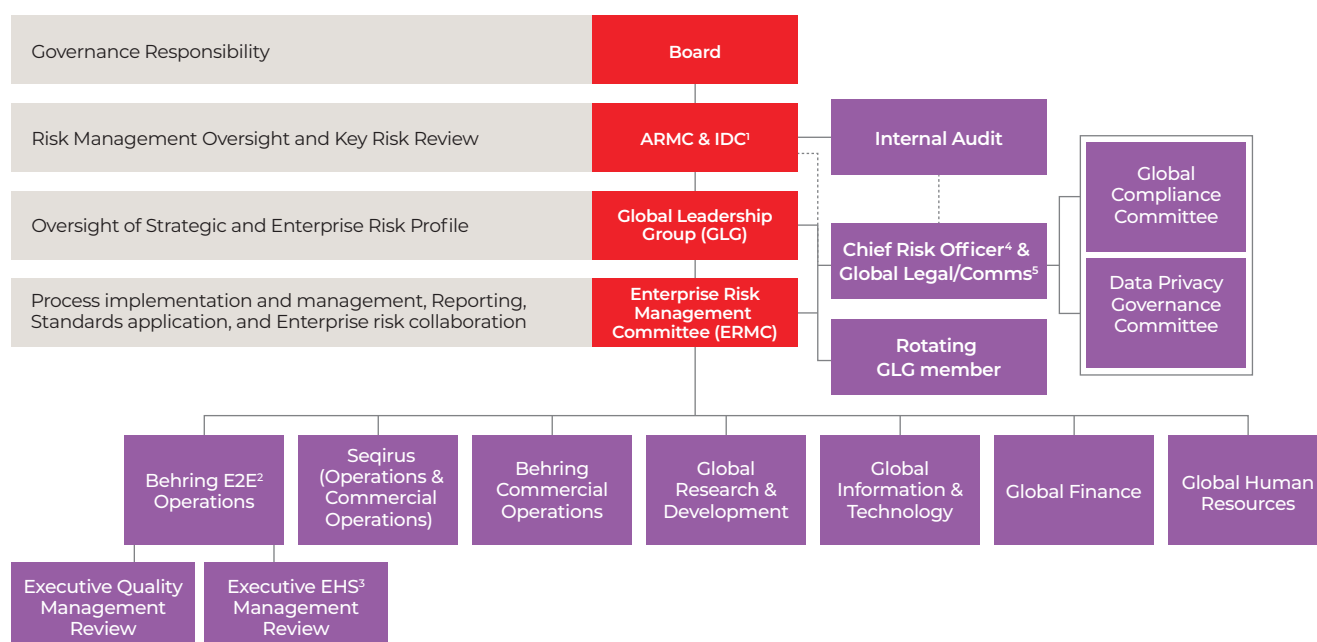
CSL has implemented internal 'Risk Appetite Statements' and associated Risk Appetite Statement measures and thresholds which are applied throughout the CSL Group. CSL's risk appetite is integral to the Company's overall enterprise risk management processes and sets out the types and extent of risk that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

In support of CSL's business operating model, the enterprise-wide risks are reported by global function and business. These risks are reported up through and discussed at the Enterprise Risk Management Committee (ERMC), which comprises of senior leaders across the organisation who hold an assignment as the senior risk leaders, and are responsible for overseeing and managing the risk management process for their respective global function or business. The ERMC is responsible for ensuring enterprise-wide and emerging risks are appropriately considered, with the structure of the committee illustrated in the diagram overleaf. The ERMC also facilitates connectivity across CSL in assessing and managing group-wide risks. The outcomes and reporting from this committee is then escalated to and reviewed by the senior executives which comprise the Global Leadership Group at CSL in accordance with the governance framework, where strategic risks are also discussed. Ultimate risk management oversight is with the Board through the ARMC.

The oversight of R&D project risk and patient safety risk is the responsibility of the Board and the Innovation and Development Committee. The Innovation and Development Committee receives a number of management committee reports from the R&D operations which cover these risks.

5 Risk Management and Financial Reporting

CSL's Enterprise Risk Management Framework Governance



1 Only as it pertains to Research & Development and Patient Safety Risks.

2 E2E (end-to-end)

3 EHS (Environment Health & Safety)

4 Chair of the ERM

5 Comms (Global Communications)

5.3 External Auditor

One of the chief functions of the ARMC is to review and monitor the performance and independence of the external auditor.

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

The ARMC has established a policy in relation to the engagement of the external auditor for non-audit services to review the independence of the external auditor. The ARMC has considered the nature of the non-audit services provided by the external auditor during the financial year and is satisfied that the services provided, and the amount paid for those services, did not compromise the independence of the external auditor. Details of fees paid (or payable) to Ernst & Young for non-audit services provided to the CSL Group in the year ended 30 June 2022 are set out in the Directors' Report of the 2022 Annual Report, available on CSL.com (Our Company > Corporate Responsibility).

Ernst & Young has provided an independence declaration to the Board for the reporting period. The declaration forms part of the 2022 Directors' Report. The ARMC undertakes a formal review of the appropriateness of continuing with the incumbent audit firm prior to approving the appointment of a new signing partner by rotation.

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

In line with an observed trend in many jurisdictions towards a tenure limit for audit firms, CSL undertook a competitive external audit tender process during the 2022 financial year. Subject to receiving shareholder approval, Deloitte Touche Tohmatsu was selected to become CSL's external auditors effective from the 2024 financial year (commencing 1 July 2023).

5.4 Internal Auditor

Another important function of the ARMC is to review and monitor the performance of CSL's internal audit operations. CSL's internal auditor for the financial year was PricewaterhouseCoopers.

The role of CSL's internal audit function is to provide independent and objective assurance to the ARMC and management team regarding the effectiveness of CSL's risk management processes (including the state of any material risks) and internal compliance and control systems, which are made up of various CSL policies, processes, practices and procedures.

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

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

5.5 Integrity in Financial Reporting and Regulatory Compliance

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

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

This written declaration was received by the Board prior to its approval of the full-year and half-year financial statements for the financial year ended 30 June 2022.

5.6 Verification of Unaudited Reports

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

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

confirmation by individuals responsible for the information that, to the best of their knowledge and belief, the information is accurate and not misleading;

- providing source material or supporting information for particular disclosures;
- review of the report or document by the relevant internal subject matter expert(s), and in some case external advisers; and
- approval by the individual responsible for the corporate report and confirmation that it is appropriate for release.

5.7 Sustainability Risks

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

Key business/industry risks and financial risks, including any applicable environmental and social sustainability risks and CSL's material exposure and actions to manage these risks are set out in sections 4, 8 and 9 of the 2022 Annual Report available on CSL.com.

CSL has a practice of periodically undertaking climate change risk assessments. The latest assessment was undertaken during the 2021/22 financial year. Further detail on the approach and outcomes can be found in section 8 of CSL's 2022 Annual Report on CSL.com.

In addition, further detail regarding CSL's ongoing efforts to operate ethically and responsibly with respect to sustainability are also set out in section 9 of the 2022 Annual Report and on CSL.com (Our Company > Corporate Responsibility).

Relevant governance documents:

- Code of Responsible Business Practice
- Communications and External Disclosure Policy

6.1 Communication and External Disclosure

CSL has a Communications and External Disclosure Policy³. This policy operates in conjunction with CSL's internal protocols. Together, these policies are designed to facilitate CSL's compliance with its disclosure obligations under the ASX Listing Rules and the Corporations Act.

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

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

6.2 Shareholder Communication

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

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

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

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

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

Due to COVID-19 restrictions, CSL hasn't been able to hold physical shareholder briefings and meetings that are normally held each year. CSL has however, continued to deliver its shareholder and investor briefings via online technologies which has provided analysts and investors the opportunity to speak directly with the management team and ask questions.

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

³ This will be replaced in 2022 by CSL's new Continuous Disclosure Policy.

Relevant governance documents:

- Securities Dealing Policy

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

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

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

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

This Corporate Governance Statement was current and approved by the Board on 16 August 2022 and signed on its behalf by:



Dr Brian McNamee AO
Chair

16 August 2022

Corporate Directory

Share Registry

Computershare Investor Services Pty Limited
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GPO Box 2975
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Enquiries within Australia: 1800 646 882
Enquiries outside Australia: +61 3 9415 4178
Investor enquiries online: [Investorcentre.com/contact](https://investorcentre.com/contact)

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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](https://www.csl.com)