



CSL's Statement on Modern Slavery

1 July 2019 to 30 June 2020

About our Statement

Towards meeting the expectations of disclosure requirements in a number of jurisdictions,¹ this Statement on Modern Slavery (the Statement) describes the risks of modern slavery in our business, the steps that we have taken to identify, manage and mitigate those risks in our operations and supply chains, and how we evaluate the effectiveness of our responses.

The Statement is a joint statement in relation to the reporting period 1 July 2019 and 30 June 2020 prepared by and for CSL Limited and also for the reporting entities CSL Behring (Australia) Pty Ltd and Seqirus (Australia) Pty Ltd.

For the purposes of this Statement, 'CSL', 'we', 'us' and 'our' collectively refers to CSL Limited, CSL Behring, CSL Plasma and Seqirus (and includes all relevant reporting entities for this Statement). This Statement also describes practices that are common to CSL's other controlled entities and CSL-managed joint venture operations (together with CSL, referred to as the 'Group' or the 'CSL Group').

Modern slavery is used to describe serious forms of exploitation where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Types of serious exploitation include: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour.

Organisational structure

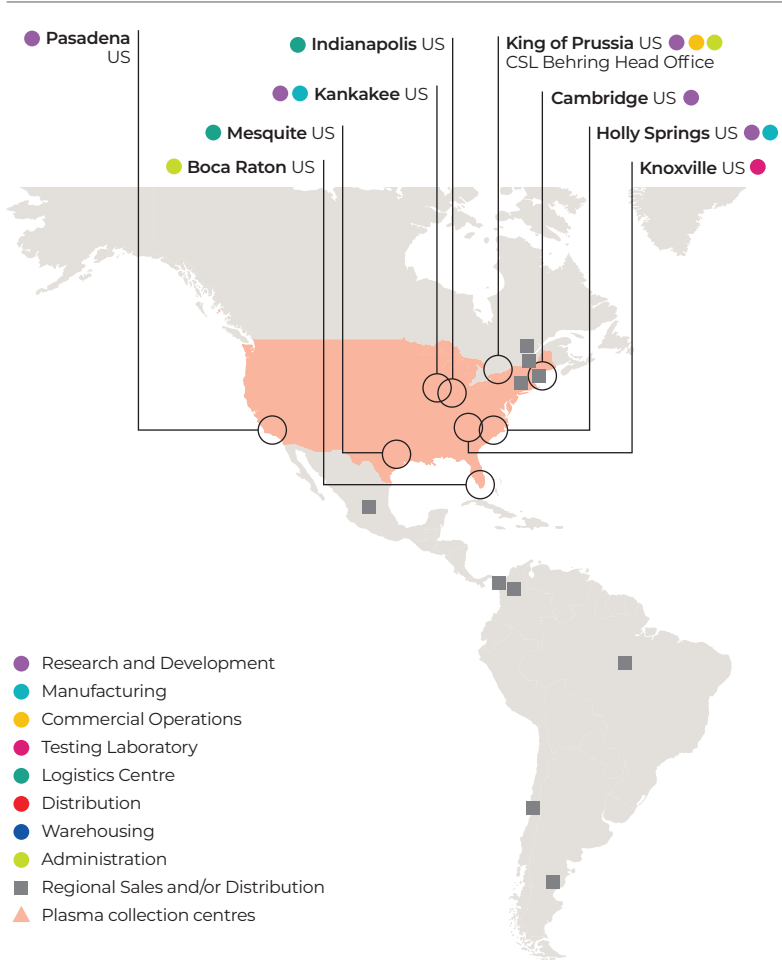
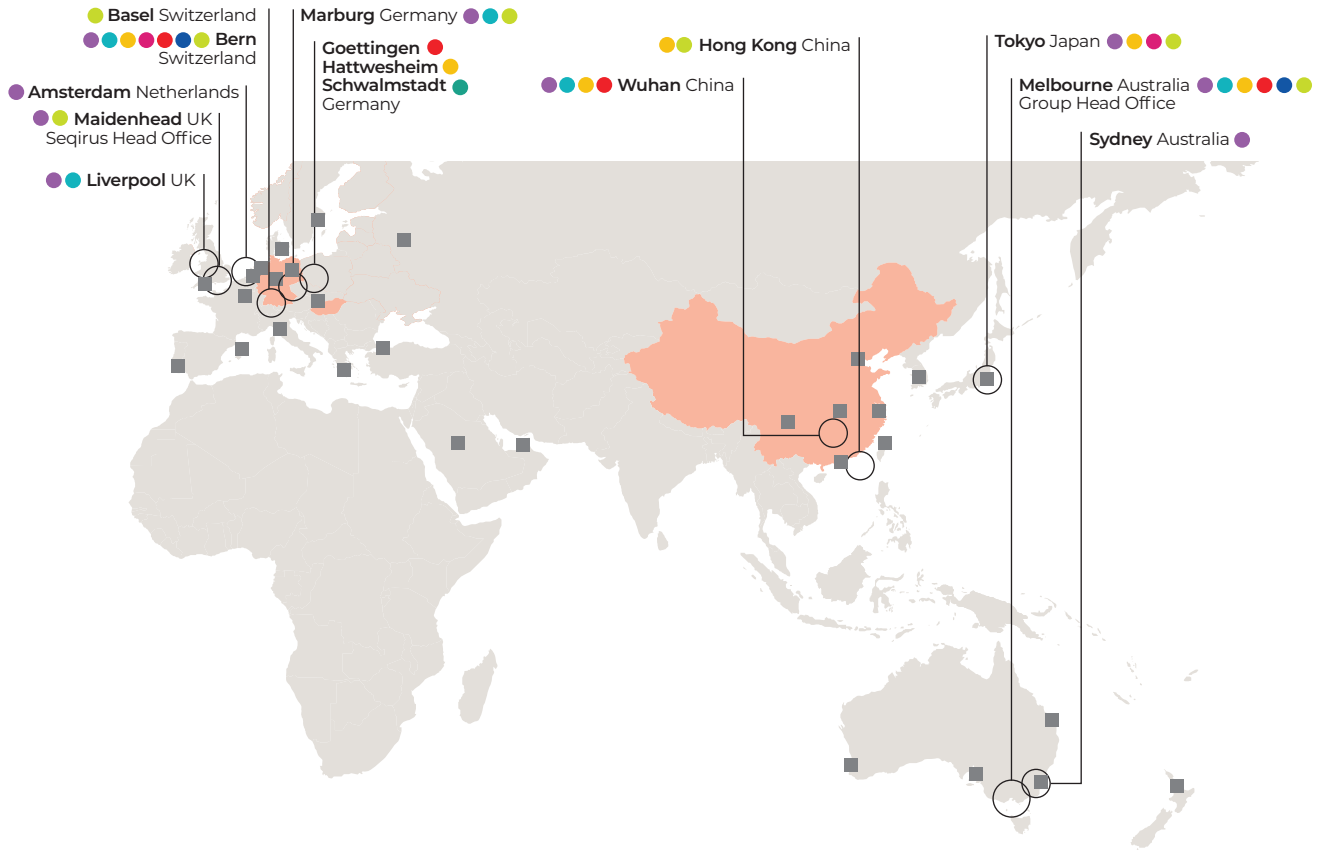
CSL Limited is the parent of the CSL Group and is headquartered in Melbourne, Australia. It is listed on the Australian Securities Exchange (ASX) and is a constituent of the S&P/ASX 20 index.

CSL is a leading global biotechnology company with a dynamic portfolio of life-saving medicines, including those that treat haemophilia and immune deficiencies, as well as vaccines to prevent influenza. Since our start in 1916, we have been driven by our promise to save lives using the latest technologies. Today, CSL – through our two businesses, CSL Behring and Seqirus – provides life-saving products to more than 100 countries and employs 27,009 people in 39 countries.² Our unique combination of commercial strength, research and development focus and operational excellence enables us to identify, develop and deliver innovations so our patients and global communities can live life to the fullest.

¹ The Statement has been prepared for purposes of the *Modern Slavery Act 2018* (Cth) (Act), United Kingdom *Modern Slavery Act 2015* and the *California Transparency in Supply Chains Act 2010*.

² As at 30 June 2020.

Our locations



- Research and Development
- Manufacturing
- Commercial Operations
- Testing Laboratory
- Logistics Centre
- Distribution
- Warehousing
- Administration
- Regional Sales and/or Distribution
- ▲ Plasma collection centres

CSL's businesses include the following businesses.

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 85% of overall company revenue with substantial markets in more than 100 countries across Asia Pacific, Europe, Latin America and North America.

CSL Plasma is a division of CSL Behring and collects human-derived plasma (sourced plasma) via its global network of plasma collection centres located in China, Hungary, Germany and the United States of America (US).

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 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.

Our Workforce Breakdown (as at 30 June 2020)

Asia Pacific	3,843
Europe, Middle East, Russia	7,274
North America	15,739
South America	153
Total	27,009

Our value chain

Across our value chain, employees drive our strategy and underpin the delivery of our promise, while our Code of Responsible Business Practice sets the foundation for making good decisions across the organisation. Across our businesses, our value chain can be broken down as follows.



CSL's Values and Code of Responsible Business Practice

Our operations at a glance

CSL Limited

Headquarters
Australia



Total headcount³
653



Key operations

- Corporate governance
- Corporate finance
- Legal services
- Early stage research and development

CSL Behring

Headquarters
US



Total headcount³
11,662



Key operations

- Sourcing
- Research and Development (R&D)
- Product manufacturing – 5 facilities located in Australia, China, Germany, Switzerland and the US
- Contract manufacturing
- Warehousing, transport and logistics
- Business technology
- Commercial operations

CSL Plasma

Headquarters
US



Total headcount³
12,143



Key operations

- Sourcing
- Product manufacturing – Plasma collection centres located in China (5), Germany (8), Hungary (3) and the US (261)³
- Warehousing, transport and logistics
- Business technology
- Commercial operations

Seqirus

Headquarters
United Kingdom



Total headcount³
2,551



Key operations

- Sourcing
- Research and Development (R&D)
- Product manufacturing – 3 facilities located in Australia, United Kingdom and US
- Contract manufacturing
- Warehousing, transport and logistics
- Business technology
- Commercial operations

CSL does not undertake external financing activities.

³ As at 30 June 2020. Excludes contract workers.

Our supply chain

Across our global operations we work with more than 15,000 suppliers in the following categories:

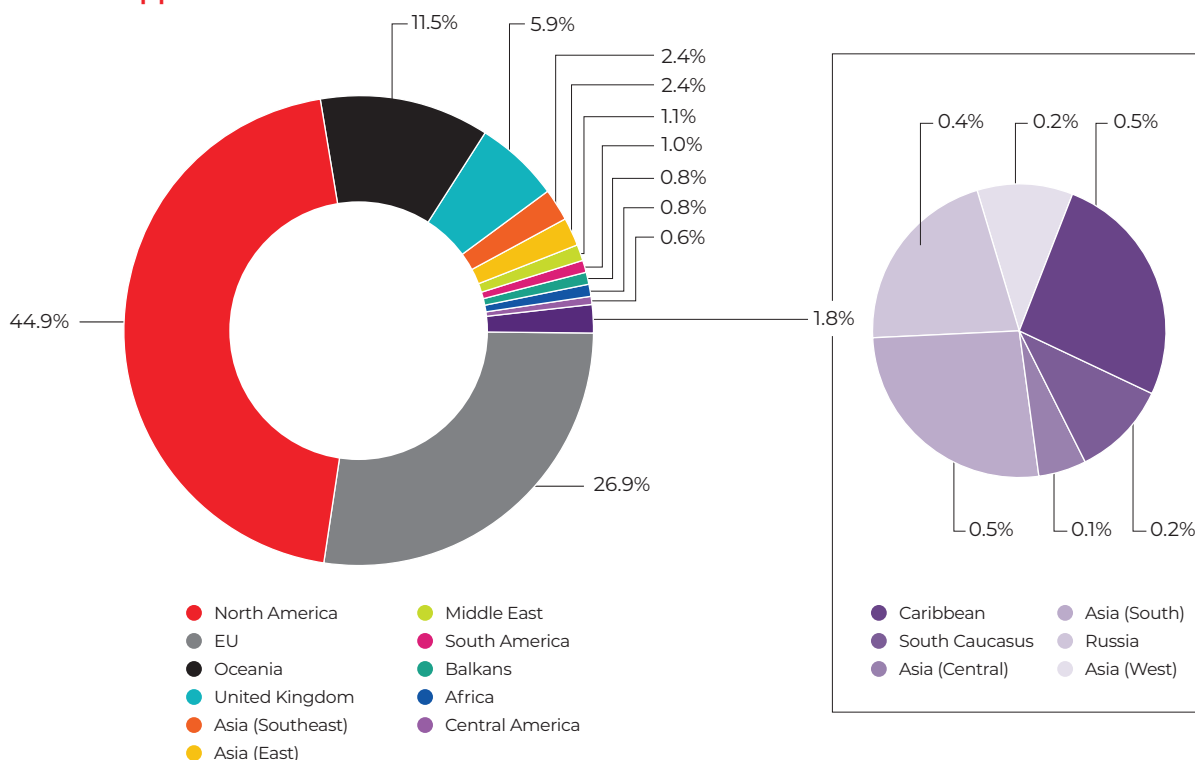
- **indirect** – refers to expenses incurred for materials, services (including clinical trials) and maintenance required to operate the business such as professional services, logistics, sales and marketing support, business travel, information technology and commercial spend;
- **direct** – involves the procurement of goods, materials and services directly related to the production of goods and/or services that CSL manufacture, such as packaging, chemicals, medical devices, filters, gels and ingredients; and
- **construction capital equipment and maintenance** – goods and services related to new plant and equipment and its ongoing maintenance, engineering goods and services to ensure our production lines remain operational and fit for purpose.

Within the above categories we classify certain critical suppliers as ‘GxP suppliers’ and use those suppliers for the manufacture of our biopharmaceutical products. GxP suppliers are required to comply with one or more industry standards (hence the term GxP), including good manufacturing practice (GMP), good laboratory practice (GLP) and good distribution practice (GDP). These GxP standards describe the minimum standards and systems that must be met to ensure the quality and integrity of medicines.

CSL’s GxP supplier list is overseen by CSL’s quality function to support our compliance with stringent regulatory requirements for the manufacture of biopharmaceuticals. This is achieved, but not limited to, periodic onsite quality management system inspections and/or paper-based self-assessments of the suppliers. This approach captures information beyond that which is held within CSL’s Enterprise Resource Planning System(s), such as country and location of manufacture.

Of CSL’s GxP supplier list (1,700 total), 89% of suppliers reside within Europe (48% of which are located in Germany), the UK (England), North America, and Oceania (Australia).

CSL GxP Supplier List



Within each category there are also detailed plans managed by our Global Sourcing team. These plans are codeveloped with leaders within the business and map out strategies to minimise and mitigate operational risks, including those related to modern slavery.

[You can find more information on CSL, our operations, and our strategic priorities including our recent financial and non-financial performance in our 2019/20 Annual Report on CSL.com.](#)

Identification of modern slavery risk in our operations and supply chain

CSL views the identification and elimination of modern slavery as an ongoing and long-term concern. This applies to all businesses with activities and diverse supply chains located in numerous geographies and sectors. It is also due to the multiple tiers of suppliers involved in the sourcing, manufacture and distribution of starting material, intermediates and finished product. Furthermore, we expect an elevated risk of modern slavery in the near to medium term. This is likely to be the case for most value chains, with employment uncertainty and layoffs caused by the global pandemic (COVID-19) driving the movement of workers/migrants.

In recent years CSL has taken preliminary business human rights, modern slavery, due diligence, risk assessment and mitigation steps. Over the reporting period, while we have identified areas of potential risk to investigate, no instances of modern slavery were identified by CSL or reported to CSL for investigation and/or remedy. We acknowledge we are early in our program rollout and in the investigation down the tiers of partners. We engaged external subject matter support, reviewed stakeholder-informed insights to help advance our understanding of potential exposure to modern slavery risk in lower tiers down our global supply chain, and worked on internal awareness building (discussed following) as initial due diligence steps.

Over the reporting period, we conducted the following activities to seek to identify possible modern slavery risks in our operations and supply chain and have taken action to assess and address those risks.

Our operations

Activities to identify risks and actions to assess and address those risks

- The majority of CSL employees are employed as permanent (96% of total workforce*) or fixed-term workers (4% of total workforce), on employment contracts. At a number of our sites, some workers are members of independent trade unions recognised by our management, and with which management retain ongoing dialogue regarding workforce conditions. These sites are located in Australia (Melbourne), England (Liverpool), Germany (Marburg) and the US (Kankakee). Given the level of transparency and control we have over the Group's direct workforce, we do not consider our operations to be a significant area of modern slavery risk.
- In order to mitigate modern slavery risks with respect to our workforce, we continue our practice of:
 - reviewing and assessing changes in wage regulations to ensure that we are in compliance with all local laws and regulations; and
 - ensuring all potential employees provide proof of eligibility to work (e.g. proof of age, qualification or immigration status), and in cases where an applicant is hired, ensuring that under no circumstance is their original documentation of eligibility to work (e.g. visa, passport) retained or withheld by CSL.
- CSL relies on contract workers to fulfil some aspects of our work. We have less direct visibility and control over these workers and their employment terms and these workers may be less aware of their rights and, consequently, susceptible to exploitation. The use of contract workers through contractor agencies does represent an area of potential modern slavery risk for CSL and we will continue to monitor this risk going forward (see 'Future focus' for more).
- Stakeholders, including employees, are able to bring, whether anonymously (where permissible by law) or not, instances of inappropriate conduct to our attention via CSL's 'speak up' hotline process. From 1 July 2019 to 30 June 2020, no instances related to human trafficking or slavery and forced labour were raised for the attention of management from 136 calls/reports received from our global operations. CSL's hotline can be accessed by toll-free numbers in more than 20 countries, with online access to report instances of inappropriate conduct also available in 22 languages and promoted periodically through employee communications and trainings.

* As at 30 June 2020. Excludes contract workers.



Our operations continued

Activities to identify risks and actions to assess and address those risks

- Over the reporting period, all employees in procurement and sourcing, including contract workers, from across all operations received e-learning training to raise their awareness of the challenge of modern slavery in business supply chains and operations. The completion rate for this training was 90% (contract workers who were assigned training but subsequently offboarded can impact completion rates).
- In July 2020, CSL recognised the United Nations World Day Against Trafficking in Persons with a communication to all employees by our Group Counsel. The message invited employees to share external modern slavery hotline resources with employees or supply partners, including the promotion of the UK modern slavery helpline run by the charity Unseen, the Polaris anti-trafficking helpline in the US and the Red Cross operated hotline in Australia. The call to action also invited employees to report any instances of inappropriate practices via CSL's 'speak up' hotline service. From July to September 2020, no such reports were received by CSL.
- In 2020, no employees in our operations were stood down as the COVID-19 pandemic took hold and spread across the world. In addition to other measures to protect and support our people, we offered employees at essential sites flexible Caregiver Leave of Absence and Caregiver Allowance plans to provide support for balancing work with home schooling and other caregiving responsibilities. For more information on our COVID-19 response, see our 2019/20 Annual Report on CSL.com.

Risks identified in our operations

While many of CSL's contract workers operate in highly professional/skilled areas of CSL's operations, such as business technology, manufacturing/engineering, we are aware that some, especially less senior foreign and other migrant workers in manufacturing contract roles, could be exposed to labour exploitation, especially when these contract workers are hired through agents/agencies.

Future focus

Assess a sample of labour hire firms through CSL's third party risk management (TPRM) platform which is currently under development (see 'Our supply chain' for more).



Our supply chain

Activities to identify risks and actions to assess and address those risks

- In late 2019 we commissioned country modern slavery and related human rights risk mapping, tailored to our industry and footprint, to be undertaken by an independent modern slavery risk monitoring advisory firm. This company has worked on modern slavery issues in business and the non-profit sector. This was in line with business human rights due diligence good practice. Countries we source from and/or have operations in were ranked for risk of modern slavery in the types of industries our footprint is comprised of. Data to generate ranking was from multi-stakeholder sources including:
 - the Global Slavery Index by the Minderoo Foundation's Walk Free initiative;
 - US Department of State's Trafficking in Persons (TIP) report;
 - IOM's (International Organization for Migration) top destinations for international migrants and top countries from which migrants send remittances;
 - Transparency International CPI (Corruption Perceptions Index);
 - ITUC (International Trade Union Confederation) Global Rights Index countries for workers' rights;
 - US Department of Labor lists of countries in which goods are made by child labour or forced labour; and
 - public notes by Verisk Maplecroft country Modern Slavery Index ratings.
- This tailored country risk mapping helped our team start to understand where our highest risks may lie. Suppliers in less wealthy countries ranked high for modern slavery risk. The country risk map generated and accompanying advice educated us on the rise in some modern slavery risk for often-migrant, agency-hired workers in recent years in Australia, the UK and the US and in the types of industries in our supply chains (warehousing, cleaning, logistics, manufacturing, etc.).
- Following the country risk assessment, we assessed supplier risk based on supplier sector and the work practices of various suppliers based on our understanding of heightened risk in areas such as manufacturing and logistics versus accounting and other professional services supply. This helped us shortlist a pilot group of suppliers to begin desk-based risk assessment. Subsequently, a shortlist of 111 suppliers, across all CSL supplier categories and divisions, were invited to undertake an EcoVadis self-assessment of their environmental, social and governance (ESG) practices and performance. We undertook this pilot to understand the capabilities and outcomes offered by the EcoVadis external third party supplier assessment system and process, and if and how such a platform might inform our due diligence efforts. These assessments help us gain an initial understanding of overall governance practices in place, including across ESG practices, and corrective actions necessary to address identified gaps. From self-assessments received (70), for the risk domain of Labour and Human Rights, CSL respondents achieved an average score of 54.6 (out of 100), well above the EcoVadis average (of all assessments undertaken in the platform) of 45 and EcoVadis' pharmaceutical supplier average of 42.



Our supply chain continued

Activities to identify risks and actions to assess and address those risks

- As additional supplier profiling steps:
 - we amended the paper-based GxP assessments undertaken by CSL Behring's quality function to also include a supplier questionnaire on labour and human rights management practices. The new questionnaire was issued to suppliers from January 2020. This additional information will help to inform the need for more detailed onsite social audits; and
 - as part of CSL's anti-bribery and corruption (ABAC) screening, third parties, such as distributors and agents in markets where CSL does not have a direct operational presence, were also screened against modern slavery aspects.
- Other activities undertaken to support modern slavery efforts across our supply chain include:
 - implementation of modern slavery contractual provisions across agreements, with rollout across the Group underway. These provisions complement existing requirements for compliance with CSL's Code of Responsible Business Practice;
 - a review of industry initiatives to consider joining for collaboration and alignment. This includes discussions with the Pharmaceutical Supply Chain Initiative (PSCI) and current members of the PSCI; and
 - development of an enterprise-wide third party risk management (TPRM) platform that seeks to consolidate third-party risk management activities across the Group, including those related to modern slavery.
- For the reporting period impacted by the COVID-19 pandemic, CSL logistics was able to maintain continuity of product deliveries amidst unprecedented disruptions of shipping capacity affecting both sea and airfreight. Furthermore, the demand for personal protective equipment (PPE) across the world has been unprecedented. With almost half our workforce operating remotely, we have been able to mitigate the need for the urgent and tight demands on suppliers, utilising existing reserves and procuring early for long-term demand. We have also sourced alternative providers so that we can ensure continued supply. We are conscious that for some suppliers advancing orders and/or increased orders can result in increased pressure, leading to the need for longer worker hours or perhaps a need for agency workers. We will continue to engage with key suppliers on a periodic basis to ensure products are supplied in a responsible and commercially viable manner and, where necessary, set up task force teams to focus on times of potential high risk.



Our supply chain continued

Risks identified in our supply chain

Following the country risk mapping exercise (detailed previously), we have determined that the following countries and goods and services within our supply chain represent areas of modern slavery risk.

Countries

- We have small amounts of sourcing from and/or small distributor business relationships in countries which our tailored modern slavery risk mapping indicated could have significant to high risks for modern slavery for our sector footprint, such as in warehousing, logistics, manufacturing, or raw materials production (especially for foreign migrant workers). These countries include: Thailand, India, Myanmar (Burma), the Russian Federation and China – for significant risk; and Brazil, Malaysia, Italy, Mexico, Philippines, Saudi Arabia, Taiwan and Vietnam – for high risk.
- In countries where a larger portion of our sourcing requirements originate, we also identified some recently increasing medium risk of modern slavery in these same industries in our sector and supply chain footprints. These countries include Germany, the UK and the US.
- As an Australian company, we are conscious that some risk may also exist in these sectors in Australia, and our due diligence takes this into account.

Goods and services

- Manufacturing, especially some finished product component providers (glass, vials, personal protective equipment) and machinery.
- Warehousing and third-party logistics.
- Facilities services (e.g. cleaning, construction capital and equipment).

Within the above sectors, we consider industries and suppliers with a heavy reliance on subcontracting and the use of foreign/migrant workers recruited through an agent/agencies to represent a potential for higher modern slavery risk.

Future focus

Development and implementation of our third party risk management platform is critical for scaling future risk mapping and assessment activities. The platform will also incorporate EcoVadis ESG assessments and facilitate management of corrective actions and controls to mitigate modern slavery risks.

Our approach to modern slavery

Policy

CSL's Code of Responsible Business Practice (our Code) defines the standards of behaviour expected of all our employees, contractors, suppliers and distributors. Our Code:

- recognises the right of every child to be protected from economic exploitation;
- supports the right of every employee to be legally employed;
- allows employees the right to seek representation (i.e. from a trade [labour] union or employee association) without fear of intimidation, reprisal or harassment;
- ensures employees receive payment that meets or exceeds the minimum wage in all jurisdictions;
- prohibits less favourable treatment of a person on the basis of gender, age, race, religion, disability and sexual orientation;
- forbids the solicitation, facilitation or any other activity in connection with modern slavery or human trafficking; and
- requires that no engagement with CSL should deprive individuals of their freedom.

The Code has been made available to employees across several mediums including:

- electronic copies translated into 17 languages available on CSL's intranet and CSL.com;
- a Code website translated into 13 languages available on CSL's intranet and CSL.com;
- quick access to the Code website from portable devices;
- printed copies of the Code distributed to offices across our global operations; and
- a newly designed e-learn module of the Code.

CSL's Speak Up Policy encourages all of CSL's employees, directors and suppliers and relatives of these individuals to report any improper conduct which includes unethical activity and is illegal or in breach of a legal obligation or constitutes an unsafe work practice. The CSL Speak Up Policy has been designed so that investigations of incidents of improper conduct will be treated in a timely manner that is confidential, fair and objective. Employees of CSL are required to undertake training on the CSL Speak Up Policy to encourage a 'safe to speak up' workplace.

Our Values bind the CSL Group of companies together through a shared commitment to:



Framework, including due diligence

We are continually looking for opportunities to improve our approach to identifying and mitigating modern slavery risks in our supply chain and looking for opportunities develop a flexible, robust yet sustainable framework over the longer term. The diagram below shows our current approach to monitoring modern slavery risk and is followed by a summary of our roadmap of action steps. As we undertake activities and learn from our own experiences, and that of our suppliers, and external partners, we will seek to refine our approach.



Area

Roadmap: key focus areas

<p>1 Policy</p>	<ul style="list-style-type: none"> • Build on our existing policy framework • Raise awareness internally and with suppliers of modern slavery to support the identification and management of risk • Externally benchmark to drive continuous improvement
<p>2 Risk mapping</p>	<ul style="list-style-type: none"> • Identify high risk partners and hotspots across sectors and geographies utilising existing and emerging external sources/platforms, and other best-practice approaches where relevant • Utilise TPRM platform to generate supplier scorecards for new and existing suppliers
<p>3 Risk assessing</p>	<ul style="list-style-type: none"> • Utilise TPRM platform to flag a requirement for additional detailed risk assessments • Assess a sample of labour hire firms through CSL's TPRM • Promote CSL's 'speak up' hotline process (via CSL.com) to encourage employees and suppliers to speak up and report information about potential misconduct • Leverage industry-based platforms for conducting risk assessments and facilitating corrective actions • Preference suppliers who commit to maintaining compliance to our Code and whose scorecards have more favourable outcomes associated with management of modern slavery and related human rights risks
<p>4 Onsite investigation where needed</p>	<ul style="list-style-type: none"> • Collaborate in industry-based initiatives (such as the PSCI) that undertake social audits, such that resource impacts on suppliers can be minimised • Commission deeper-dive investigative onsite 'social audits' by modern slavery experts where potential risk of modern slavery may be identified and industry collaboration approaches may be insufficient due diligence
<p>5 Remediation and continuous improvement</p>	<ul style="list-style-type: none"> • Establish Corrective and Preventative Action Plan(s) (CAPA) for suppliers where modern slavery risks are identified • Support supplier capacity building if needed for remediation directly, or in industry collaborations if more relevant • Monitor through follow-up efforts (in collaboration where possible) • Look to exit supplier relationships where CAPA plans are not agreed or ultimately executed to a standard acceptable to CSL • Look to reward compliant suppliers with continued fair business • Build internal capability through training, policy refinement and standard operating procedures • Work collaboratively with suppliers to increase awareness around modern slavery risk management and labour standards requirements
<p>6 Reporting, oversight, governance and process improvement</p>	<ul style="list-style-type: none"> • Drive operational accountability and cross-functional collaboration to support continuous improvement (e.g. through our Supply Chain Integrity Council) • Ensure annual public disclosure of performance with signoff from highest governance body

Monitoring and assessing effectiveness

The maturity of our modern slavery program and assessment of its effectiveness will improve as we learn from pilot programs, internal data management capabilities, external good practice, participation in industry-based partnerships and continued dialogue with our suppliers and partners.

For this and future reporting period, key activities for monitoring effectiveness include the following.

Governance

- Policy robustness as benchmarked for our sector (such as PSCI good practice), advisory from civil society and feedback from suppliers or workers directly for how companies should improve policies towards ensuring no modern slavery in their operations or supply chains
- Increased percentage of employees trained in policies, and monitoring their understanding from trainings
- Progress with the rollout of contract provisions through the Group
- Feedback on performance by CSL's Leadership and Board
- Access to grievance mechanisms for employees and suppliers
- Benchmarking against other reporting entities and industry peers, taking into account feedback and public commentary by modern slavery expert charities and experts on how companies can improve their efforts

Risk assessment

- Increased percentage of new and existing suppliers assessed in third-party new risk assessment platform
- Supplier feedback from first-use of platform once launched
- Evaluation as to whether insights we gain from our assessments and platforms align with industry averages for risk areas as informed by modern slavery expert stakeholders such as charities, government bodies, etc.
- Number of paper-based assessments with labour practice questions completed by suppliers, including adoption of this process by Seqirus
- Percentage of suppliers identified as high risk that are 'social audited' onsite to verify conditions through audits we commission or collaborate in

Monitoring

- Number of suppliers with corrective actions requested and completed
- Review by modern slavery expert of process and framework, including the provision of advisory services on leading practice
- Staff participation in industry meetings or workgroups, building business understanding of modern slavery
- Number of meetings held by Supply Chain Integrity Council where performance is assessed
- Frequency of country risk reviews in light of impact of COVID-19 on worker migration, and any country risk raising and sourcing changes due to this
- Number of substantiated instances reported through our 'speak up' hotline or other mechanism
- Disclosure of substantiated cases remediated and corrective actions taken



Consultation with controlled entities

CSL's Global Leadership Group (GLG), led by the Chief Executive Officer and Managing Director, has oversight of the Group, including each of the reporting entities covered by this Statement. The GLG is responsible for Group functions such as human resources, business integrity and risk, business technology, legal, and environment health and safety. As a result, consultation with each of the reporting entities covered by the Statement and their controlled entities was undertaken at a leadership and functional level in the process of preparing this Statement. This included providing the Statement to the GLG for comment prior to it being put to the Board of CSL Limited for review and approval.

Furthermore, in June 2020, CSL's end-to-end operations, which carries responsibility for sourcing and supply chain activities across CSL Limited, CSL Behring and CSL Plasma operations, and is led by our Chief Operating Officer, a member of the GLG, assumed control of Seqirus' activities. In addition, to further enhance consultation across entities, CSL established a Supply Chain Integrity Council comprised of representatives from supply chain and other related functions across the Group to help steer our efforts to improve environmental, social and governance risk identification across the enterprise, including in relation to modern slavery.

Statement approval

This statement was reviewed and approved for each reporting entity by the Board of Directors of CSL Limited on 10 December 2020 and signed on its behalf by:



Paul Perreault
CEO and Managing Director
CSL Limited