



## CSL's Statement on the Prevention of Human Trafficking, Slavery and Forced Labour (*Modern Slavery*)

1 July 2018 to 30 June 2019

CSL is a leading global biotechnology company listed on the Australian Securities Exchange (ASX) 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, incorporating CSL Plasma, and Seqirus – provides life-saving products to more than 70 countries and employs over 25,000 people. Our unique combination of commercial strength, research and development focus and operational excellence enables us to identify, develop and deliver innovations so our patients can live life to the fullest.

Towards meeting the expectations of disclosure requirements in a number of jurisdictions, this statement covers the steps taken by CSL (including our subsidiaries) during the financial year to ensure that slavery and human trafficking is not taking place in our global operations and supply chains.

### Organisational Structure

Our Modern Slavery Statement covers CSL Limited and its group companies, CSL Behring and Seqirus, and refers to the financial year of 1 July 2018 to 30 June 2019.

CSL's operating entities include:

- 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.

For a list of CSL's material subsidiaries please see page 119 of 2018/19 Annual Report available on CSL.com.

### Policy Approach

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: and
- forbids the solicitation, facilitation, or any other activity in connection with slavery or human trafficking. 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;
- access to the Code website from portable devices;
- printed copies of the Code distributed to offices across our global operations; and
- a requirement to complete training in a newly designed e-learn module of the Code.

As per our commitment to good corporate governance, in 2018/19 we commenced a review of CSL's Code. The review will also be informed by outcomes resulting from the development of a supply chain integrity roadmap.

## **Steps to Prevent and Mitigate Modern Slavery Risk**

Over the reporting year, CSL undertook the following steps to prevent and mitigate modern slavery.

### **Governance and training to facilitate improved assessment**

- In 2018/19, to raise awareness of our expectations for responsible business conduct and to support achievement of CSL's values of integrity, patient focus, innovation, superior performance and collaboration, 93% of CSL's employees and contingent workers (supervised contractors) undertook training on CSL's Code of Responsible Business Practice. Training was made available in 16 languages.
- To learn more about Modern Slavery and how to manage risks, so that we could develop the most appropriate training and due diligence, senior members of our management:
  - participated in workshops on "*Modern Day Slavery and what it means to Supply Chains, and Embedding CSR into Company Culture and Social Procurement Policies*" at the Australia Chartered Institute of Procurement and Supply (CIPS) two day conference, and roundtables with leadership from other large Australian businesses on the new modern slavery legislation, also meeting with CIPS Global CEO and GM APAC to understand market trends and good practice for how we might best manage modern slavery risks;
  - met with the Walk Free Foundation CEO Jenn Morris, regarding their "Global Slavery Index" and the "Freedom United" efforts.
- Attendance of our Supply Chain Integrity Head at a two-day conference to learn ways companies manage risk of modern slavery in global supply chains. Our representative participated in and learned from updates provided by the Institute for Human Rights and Business (IHRB), "Hope for Justice", "Safer Jobs", and firms with leading efforts such as HP, Marshalls.
- Engagement of an experienced supply chain modern slavery, labour, and environmental standards advisory consultancy to support us in developing a roadmap toward integrated and updated supply chain integrity efforts, with particular attention to how we assess and tackle any potential risk of modern slavery in global supply chains. Toward the development of the roadmap, senior team leaders in our operational functions including supply chain, supply chain integrity, trade compliance, quality, environmental, health & safety, and legal participated in a webinar training on:
  - better understanding the growing expectations for increased human rights due diligence on companies like ours;
  - actual risks which could be present in the supply chains of a company with our global footprint;



- good practices for how companies like ours implement robust monitoring and engagement of suppliers to prevent and remediate any modern slavery or other labour standards risks to workers;
- risks in Asian supply chains for foreign contract workers in manufacturing;
- how we could improve our supply chain risk assessing and mapping, and various industry data sharing technology tools developed to tackle modern slavery, and participation in industry collaborative monitoring initiatives, especially multi-stakeholder, which we are now reviewing;
- how we could improve our surveying via questionnaires of suppliers, and to recognise those who may already be participating in industry collaboration initiatives, especially those striving for better labour conditions for foreign contract workers;
- how rigorous social audits, by qualified, experienced, local experts fluent in the most vulnerable workers languages, can help identify risks in higher risk suppliers, and the learnings from other companies of the need for sufficiently skilled and worker rights dedicated staff to be allowed sufficient time onsite when investigation is necessary;
- the importance of a “beyond audit” approach as we deepen our efforts to prevent modern slavery in our supply chains, through collaboration (as much as possible); and
- how we can collaborate better internally to track and share more indicators of supplier performance towards better analysing, assessing and engaging where there may be risk.

### **Our direct operations and steps taken**

Across the CSL Group, managing our people responsibly and respectfully, while inspiring them to achieve superior performance, is critical to the ongoing success of our business. We promote collaboration, innovation, diversity, safety, health and wellbeing in the workplace. We strive to equip our people with the right skills to perform their roles by providing them with development opportunities to learn new skills, fulfil their career aspirations and achieve a promising future with CSL. Finally, we reward and recognise our people for their contributions to our business success.

We believe our exposure to modern slavery risk in our direct workforce is low to non-existent, as 96% of our workforce is comprised of permanent professionals (with the remaining 4% being fixed-term as at 30 June 2019), and are located primarily in Western European countries, North America, Japan and Australia where the risk of modern slavery in these types of workforces is low. However, we remain vigilant of work practices across the 35 plus countries where our employees are engaged to conduct CSL business, particularly our contingent worker base.

Furthermore, over the reporting period:

- 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; 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, where applicable, is hired, ensuring that under no circumstance is their original proof of eligibility to work (e.g., visa, passport) retained or withheld by CSL or agents.
- Stakeholders, including employees, are able to anonymously (where permissible by law) bring instances of inappropriate conduct to our attention via CSL’s global hotline process. From 1 July 2018 to 30 June 2019, no instances related to human trafficking or slavery and forced labour were raised for the attention of management out of 135 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 also available in 22 languages.

### **Our supply chain and steps taken**



CSL Behring operates an integrated global supply chain involved in the development, manufacture and distribution of life-saving medicines. Across our value chain, CSL Behring is reliant on supply partners who largely provide materials for the sourcing of plasma, its fractionation, and the development of finished product. Supply partners extend in the thousands and across numerous geographies. Key professional services, raw materials, packaging materials, process chemicals and equipment, and medical devices that are used to produce CSL's finished products are sourced predominantly from world-class manufacturing companies located in Europe, North America, and Asia. Most of these world-class suppliers have detailed corporate social responsibility programs and codes of conduct that aim to address modern slavery risk and other risk. These policies are reviewed as part of CSL's supplier selection process.

Additionally, we invest in developing long-term relationships and identifying third parties that best meet CSL's requirements; this is particularly important because of the specialist and technical nature of the materials and services we require to produce our finished products. We are increasing the proportion of our spend with preferred suppliers to strengthen third party relationships, improve quality and supply chain standards, enhance our management of risks and reduce costs. Reviewing these third party suppliers' policies and auditing programs to mitigate modern slavery risk and other environmental risk is part of our supply chain roadmap under development.

Seqirus also operates an integrated global supply chain involved in the manufacture of a broad and differentiated product portfolio of influenza vaccines. Its network of manufacturing sites and distribution centres is involved in the development and distribution of packaged finished goods, with inputs such as raw materials and equipment procured from numerous external suppliers, largely located in Australia, the United States and across Europe.

Across our extensive operations we cannot rule out the risk of modern slavery in our supply chain. Like all businesses with operations and supply chain partners located in many geographies, such as Asia, Eastern Europe, and even in some developed regions such as Northern America and Australia, the possibility of modern slavery, specifically the exploitation of foreign workers, is present. As a result, we have invested in a roadmap to guide our business to take greater due diligence steps in the coming year and years.

We commend the role of governments and non-government organisations in raising awareness and accountability, and driving action to eliminate modern slavery. We seek to learn from others efforts, and when relevant, to collaborate with others and support business, civil society and government collaborative efforts to end modern slavery.

Operationally, we have contractual provisions by which our suppliers confirm their adherence to CSL's Code of Responsible Business Practice (as described on page 1) and accept our right to audit their activities both routinely or where there may be concerns about their compliance. We have developed sophisticated supplier audit processes for the application of Good Manufacturing Practice (GMP), and look to leverage these capabilities across other environmental and social parameters in the future as determined by the development of a supply chain integrity roadmap.

Furthermore, the roadmap will seek to address how we might apply new risk scanning tools available to organisations such as CSL, participate in new industry collaboration initiatives, support social audits to investigate and ensure no modern slavery risk, increase training for suppliers, and support efforts by businesses to collectively influence improvements in supply chain labour standards.

#### **Over the reporting period:**

- CSL Behring:



- has appointed a Head of Supply Chain Integrity responsible for developing a program, informed by a roadmap, for assessing the corporate and social integrity of CSL's external supply chain partners;
- formed a supply chain integrity council to ensure cross-functional participation and decision making;
- gained external training for our supply chain leadership team briefing on the latest modern slavery risks relevant to our footprint and approaches to manage them as described above;
- commenced a process to develop a roadmap to deepen our due diligence towards continuously improving the monitoring of potential risks in our supply chain; and
- initiated a program to review current and emerging risk evaluation tools for suppliers.

While primarily being led out of CSL Behring, supply chain integrity measures and developments will be shared and, where applicable, deployed across Seqirus to ensure full coverage of our efforts.

This statement was reviewed and approved by the Board of Directors of CSL Limited on 9 December 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Paul Perreault', written in a cursive style.

Paul Perreault  
CEO and Managing Director  
CSL Limited