



The Women's Investment Club
MENTORING FOR EASY INVESTING

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Thank you Meena for the invitation to provide the Investment Circle(The Women's Investment Club) with information on CSL's approach to sustainability.

Before I take you through our approach and achievements, I would like I introduce myself and mention, albeit briefly, a little about CSL. My name is Patrick Castauro and I oversee CSL's Corporate Responsibility (CR) function which includes aspects of reporting, community involvement and guidance on our governance and environmental practices.

CSL is a specialty biopharmaceutical company, with its origins in Australia back in the early 1900's, CSL now has a reach that extends to global markets with operations in more than 20 countries worldwide. We are listed on the Australian Securities Exchange. We develop, manufacture and market therapies to prevent and treat serious human diseases – such as bleeding disorders and vaccines to name a few. We are comprised of two core business units, CSL Behring and CSL Biotherapies, both of which are supported by an R&D function.

At the core of our CR is our ability to continue to improve and develop therapies for unmet needs, but I will touch on this a little later. Over the last decade CSL has acquired and expanded its operations, particularly in the US and Europe. This expansion and a focussed approach on operational efficiencies have contributed to our success.

Our Corporate Responsibility focus was strengthened in 2007 with the appointment of a dedicated CR Director. This is demonstration of the commitment to furthering our social and environmental focus. As a result, CSL undertook to understand its priorities in relation to sustainability. You can read more about our priority areas in our global CR reports available on our website. We have now published two reports which detail our economic, social and environmental performance.

CSL's Code of Responsible Business Practice, developed soon after the appointment of our Director, sets the framework for how our employees, contractors and suppliers are to conduct business. This Code, supported by the CSL values, is the basis from which we operate. We believe operating ethically and in line with our values underpins our long term sustainability. Our employees in Asia Pacific have undergone training in the CRBP and our US and European workforce (which amounts to just over 9,000), will also complete this training in June 2011.



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A key challenge facing many organisations is managing their impact on the environment - particularly as it relates to global warming and climate change. CSL manufactures complex therapies in 5 large scale facilities in Australia, US and Europe. In 2008 we set up a global inventory of greenhouse emissions and invested in energy and greenhouse gas emission reduction schemes. From 2005 (our baseline year of data), CSL has year on year reduced its environmental intensity (on a per unit basis of vaccine and plasma production) across all indicators. For example, we have reduced our water intensity for vaccine production by 77% since 2005. Our CO₂ emissions for plasma production have reduced by 41% over the same period. We have also completed an enterprise wide climate change risk assessment which indicated our exposure to climate change risk over the 25 year horizon as low.

These activities, describe in part, our ability to manage risk, respond to regulatory developments and reduce cost in some areas. All of which generate shareholder value. Our efforts have also been externally recognised - for the second consecutive year CSL was included in the Carbon Disclosure Leadership Index (CLI). The CLI in Australia includes the top three companies in any industry group that are best positioned to manage climate change risks, capture opportunities. It demonstrates that we have assessed and understand the risks and opportunities associated with climate change, and have in place effective management, governance, strategies and programs to address them.

In relation to our community contributions, we have developed a global framework for community support. It guides our investment decisions and choices. We believe contributing to patient, biomedical and local communities is important, and particularly so for our stakeholders, including employees. We partner with not-for-profit organisations to help deliver positive health outcomes for patients in our therapy areas. As a speciality biopharmaceutical we acknowledge we have a role to play in supporting developing countries by improving access to lifesaving therapies. In the last three years we have made significant product and financial contributions to support the WHO and the WFH as example with their access programs in developing countries.

These contributions form part of our total community investment, which in 2009/10 reached A\$26 million. Our community support enhances our reputation, which is good for business, but for CSL this is not our primary intent – we do this because we want to deliver positive social outcomes.

Environment and Community are just two of our CR priority areas. I previously mentioned that innovation and R&D are particularly important to our long term sustainability and of course business value. We do this by continuing to invest in R&D (which over the last three years was maintained at levels above A\$300million) and focussing on our key strengths and capabilities – that is a pipeline of products that we have expertise and ability to develop. That flows well onto another CR



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priority area- ensuring we have a positive working environment for our people. We need to ensure we have the human capital resources with the right skills and motivation to deliver on our R&D commitments, and of course the safety and quality of our therapies – yet another key CR priority area.

In 2010, CSL was awarded the Sustainable Company of the Year, by Ethical Investor, Australian Sustainability Awards. We are also listed on the Dow Jones Sustainability Asia Pacific Index. I hope you can see that sustainability for CSL is whole of business approach - everything we do and how we behave contributes to business value and our long-term sustainability, all of which create shareholder value.

As investors, and in particular ethical investors, you make decisions on whether the practices, performance and systems utilised by an organisation are in line with your values and expectations. At CSL we are proud of our achievements. Of course there is much more we need to do, and we look forward to sharing our experiences with you.

Thanks for your time.