

# CSL Anti-Bribery and Anti-Corruption Policy

## 1. PRINCIPLES

CSL has a well-established reputation for conducting business in an ethical and honest way. This reputation is built on our company value of Integrity, which is a major, underlying theme found throughout our *Code of Responsible Business Practice*.

CSL strives to participate as a strong competitor in our global market, and is committed to doing so without the use of bribery or other corrupt practices to obtain an advantage.

Bribery and corruption are morally wrong and could seriously damage CSL's reputation. Bribery is a criminal offence and any corrupt act exposes CSL and its employees to the risk of prosecution fines and imprisonment.

CSL will apply a "zero tolerance" approach to acts of bribery and corruption by any of our employees, officials or third-party representatives, each a "CSL Person". Local Management will have the primary responsibility for implementing this policy within their areas of responsibility.

Any breach of this policy will be regarded as a serious matter by CSL and will result in disciplinary action up to and including termination of employment or contract.

## 2. SCOPE

The policy applies to CSL Limited and the principles of this policy will be implemented across all CSL Group Companies.

## 3. LOCAL CONDITIONS

This policy must be read in conjunction with, and is subject to, the laws relating to employment and the responsibilities, if any, of employers and employees in the many local environments in which CSL operates.

## 4. POLICY

### 4.1 What are Bribery and Corruption?

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Bribes can take on many different shapes and forms, but typically there will be a "*quid pro quo*" – meaning that both parties, or a party's designate, will benefit. A bribe could be:

- The direct or indirect promise, offering, or authorization, of anything of value (whether the value is material or not);
- The offer or receipt of any kickback, loan, fee, reward or other advantage; or
- The giving of aid, donations or voting,

designed to exert improper influence.

Acts of bribery are designed to influence individuals to act dishonestly in the performance or discharge of their duty. For the purposes of this policy, whether the target of the act of bribery works in the public or private sector is irrelevant. Corruption is the misuse of office or power or influence for private gain.

## 4.2 Who may be guilty of Bribery and Corruption?

In the eyes of the law, bribery and corruption can be committed by:

- An employee, officer or director; or
- Any person acting on behalf of another (i.e. a third-party representative); or
- Organisations which authorize, permit or facilitate others to carry out such acts.

People who are likely to be approached with bribes or corrupt conduct are generally those who are able to obtain, retain or direct business, or government officials involved in some aspect of the regulation or purchase of a company's products and services, for example, tendering and contracting, or the handling of administrative tasks such as licences, customs, taxes or import/export matters. For the purposes of this policy, a "government official" could be:

- A public official, whether foreign or domestic;
- A political candidate or party official;
- A representative of a government-owned/majority-controlled organization or a representative carrying out public services, e.g. healthcare services;
- An employee of a public international organisation (e.g. World Bank); or
- A healthcare professional working for a government or other public health institution.

## 4.3 Bribery and Corruption Laws and Enforcement

Bribery is a criminal offence and penalties can be severe for both companies and individual employees.

There is legislation in many countries, including Australia (the Criminal Code Act), the United States (the Foreign Corrupt Practices Act and Anti-Kickback Statute) and the United Kingdom (the Bribery Act), that prohibit bribery and corruption and are enforced with vigour by their respective enforcement authorities. Acts of bribery and corruption committed overseas may well result in a prosecution at home and in other jurisdictions.

## 4.4 Bribery and Corruption Prevention

### A. Risk Assessment

Local Management must assess the vulnerability of each business unit to bribery and corruption risks. Where bribery and corruption risks are identified they should be managed in line with CSL's established risk management framework.

### B. Accurate Books and Record-Keeping

Local Management must ensure that books, records and overall financial reporting must also be transparent. That is, they must accurately reflect each and all underlying transactions.

## C. Effective Monitoring and Control

Local Management must take the necessary steps to maintain an effective system of internal control and monitoring to prevent bribery and corruption. This must include education and training of employees.

Local Management must provide a sign off to the CSL Group Financial Officer as part of the annual management representation process that the business that they are responsible for has assessed the vulnerability of its operations to bribery and corruption risks, that appropriate controls and monitoring have been put in place to prevent bribery and corruption and that there have to the best of their knowledge been no instances of bribery or corruption that have not otherwise been reported to Senior Management or CSL Legal.

## 4.5 Key Risk Areas for Bribery and Corruption

### A. Gifts, Entertainment and Hospitality

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. These activities are acceptable provided they:

- fall within reasonable bounds of value and occurrence as defined by CSL policies;
- do not influence, or are not perceived to influence, objective business judgement; and
- are not prohibited or limited by applicable laws or applicable industry codes.

CSL Persons must not accept gifts or entertainment where to do so might influence, or be perceived to influence, objective business judgement.

As a general rule, CSL Persons should not provide any gifts to, or receive them from, government officials. With the prior approval of CSL Legal, rare exceptions may be permitted where a gift is an important local/cultural custom, and any such gift is permitted under applicable law and is of nominal value.

#### ***How to evaluate what is “acceptable”***

First, each CSL Person must take a step back and ask the following when giving or receiving any gift, entertainment or hospitality:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were reported on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If a CSL Person finds it difficult to positively answer one of the above questions, there is a risk involved that the gift, entertainment or hospitality could be, or could appear to be, improper and could potentially damage CSL's reputation and business. The action could well be unlawful.

Although no two situations are the same, the following guidance should be considered globally:

### ***Never acceptable***

Circumstances which are never permissible include examples that involve:

- A “*quid pro quo*” (a benefit or advantage offered for something in return);
- Gifts in the form of cash/or cash equivalent vouchers;
- Entertainment of a sexual or similarly inappropriate nature; or
- Making incomplete, false or inaccurate entries in CSL’s books and records.

### ***Sometimes acceptable***

Activities that may be acceptable depending upon the particular jurisdiction and the particular person CSL does do business with include:

- Modest/occasional meals;
- Occasional attendance at ordinary sports, theatre and other cultural events; or
- Gifts of nominal value, such as pens, or small/low value promotional items.

Further guidance in this area is provided in CSL’s *Global Provision of Gifts, Entertainment and Hospitality Policy*.

If the person CSL does business with is a healthcare professional or government official there are often local laws and applicable industry codes that would further restrict activities that may be considered acceptable if the person was not a healthcare professional. Such further restrictions must always be adhered to.

Further guidance in this area is provided in CSL’s *Global Dealing with Healthcare Professionals and Healthcare Organisations Policy*.

If an example does not fall under the above categories, please in the first instance seek guidance from CSL Legal. Generally, such examples would not be permissible without prior approval.

### ***Determining Acceptable Value***

A variety of factors such as local laws, applicable industry codes, customs, culture and currency may influence the level of acceptability. Local Management – subject to approval by Regional/Divisional Management and CSL Legal – must establish a monetary range of acceptable values for gifts, meals and entertainment for each business unit.

## **B. Facilitation Payments**

A facilitation payment is a small payment made to a government official to secure or expedite the performance of a routine or necessary action (for

example, the issue of a permit or license) to which the payer of the facilitation payment is entitled.

**It is CSL's policy that facilitation payments must not be made.**

If a CSL Person is unsure whether a certain payment is considered a facilitation payment, please contact CSL Legal.

### C. Political Donations, Charitable Donations and Sponsorships

Neither CSL nor any CSL Person may make any direct or indirect contribution to any political party, organisation or individual engaged in politics as a way of obtaining an improper advantage in CSL's business. CSL must ensure that any charitable contribution or sponsorship is not being used as a subterfuge for bribery.

All political donations, charitable donations and sponsorships must be made in accordance with applicable local laws and regulations and in accordance with CSL's authorisations and delegations framework.

Further guidance in this area is set out in CSL's *Global Community Contributions Policy* and CSL's *Global Statement on Political Contributions*.

### D. Use of Third Party Representatives

For the purposes of this policy, the term "third-party" includes anyone who is not a CSL employee or CSL official (e.g. Board Member). As such, a "third-party" includes agents, distributors, consultants and joint venture partners. Risk can be identified where a third-party conducts business activities on CSL's behalf or distributes CSL's products, so that the result of their actions can be seen as benefiting CSL. **Third-parties who act on CSL's behalf or distribute CSL's products must operate at all times in accordance with CSL's Code of Responsible Business Practice and this policy.** Local Management of the CSL contracting party is responsible for the evaluation of each third-party relationship and assessing risk. Where potential risk regarding a third-party arrangement has been identified, Local Management must:

- Evaluate the background, experience, and reputation of the third-party;
- Understand the services to be provided, and methods of compensation and payment;
- Evaluate the business rationale for engaging the third-party;
- Take reasonable steps to monitor the transactions of the third-party;
- Ensure there is a written agreement in place which acknowledges the third-party's understanding of and compliance with CSL's *Code of Responsible Business Practice* and this policy; and
- Establish a process to conduct regular reviews of the third-party's ongoing understanding and compliance with CSL's *Code of Responsible Business Practice* and this policy.

## 4.6 How to Raise a Concern

All CSL Persons have a responsibility to help detect, prevent and report instances not only of bribery and corruption, but also of any other suspicious activity or wrongdoing in connection with CSL's business. CSL is absolutely committed to ensuring that all

CSL Persons have a safe, reliable, and confidential way of reporting any suspicious activity.

CSL has established and will continue to maintain multiple channels that facilitate the reporting of any suspected incidence of bribery or corruption.

A CSL Person may report the issue/concern to their Line Manager or to CSL Legal in the first instance. If for some reason it is not possible to speak to their Line Manager or CSL Legal, then the issue/concern should be reported to another Senior Manager, the Company Secretary, or the Director of Corporate Responsibility.

If a CSL Person is not comfortable with speaking directly to a colleague or anyone mentioned above, CSL has a reporting or “whistleblower” facility or “hotline” for all CSL Persons to use. Details of this have been communicated separately and are set out in CSL’s *Global Whistleblower Policy*.

In the event that an incident of bribery, corruption, or wrongdoing is reported, CSL will act as soon as possible to evaluate the situation. CSL has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. In addition to any internal procedures, this includes the referral to appropriate government enforcement agencies. Any questions about these procedures should be directed to CSL Legal.

**The Anti-Bribery and Anti-Corruption Policy was adopted by the Board on 12 August 2014**