

## About this report

This Sustainability Report seeks to provide information regarding the material aspects of Codan's sustainability practises across the Codan Group including all its controlled entities during the year ended 30 June 2022 (FY22). The Sustainability Report (report) is published on 21 September 2022 and forms part of Codan's Annual Report.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. For a full list of disclosures referenced in this report, please refer to the GRI Content Index available within the **Sustainability Report** published on our website. The information contained within this report has been compiled with the contribution of various leaders across the business and has been approved by the board. Please note this report has not been externally assured. We welcome any feedback and questions you may have on the information presented and encourage you to contact us at [sustainability@codan.com.au](mailto:sustainability@codan.com.au).

In FY21, we engaged the assistance of an external consultant to facilitate a series of workshops with employees across the company to identify the material topics to form the focus of this report. We assessed this materiality on two criteria; namely: (1) what is material to our business; and (2) the industry in which we, and our stakeholders, operate. Codan's stakeholders include employees, customers, suppliers, investors and key regulatory, government and industry bodies (e.g., ASIC, ASX).

### List of Material Topics

- Innovation – Our Culture
- Innovation – Our Intellectual Property
- Social – Our People
- Social – Our Customers
- Social – Our Community
- Environment
- Governance – Corporate Governance Statement
- Governance – Business Ethics / Behaviour / Compliance
- Governance – Our Supply Chain
- Governance – Cyber Security
- Governance – Tax

*All data referenced in this report is in AUD unless otherwise specified. Note that FY22 data is inclusive of DTC and Zetron businesses acquired in May 2021, and FY21 data is exclusive.*

## CEO's statement

In the current global environment businesses have an obligation to lead on Environment Social and Governance (ESG) issues and make them part of the organisation's long term success.

As an organisation, the Codan values drive our approach to ESG and as such we have challenged our approach to addressing sustainability, with the purpose to build a framework that can drive greater impact for all internal and external stakeholders.

The newly created cross functional sustainability committee has gained inspiration from Codan's rich history of innovation and developed a forward looking framework that endeavours to make an impact that is applicable in the markets and communities we are involved in. Our current initiatives are focussed on outcomes that directly align to the framework presented below, and build upon the work we already do within the community to provide greater impact.

To provide greater transparency regarding the compilation of this report, we have been guided by recognised standards of sustainability reporting and have aligned our FY22 report utilising the GRI Standards: Core option.

In FY23 we look forward to providing further updates throughout the year on the progress of our initiatives.



**Alf Ianniello**

Managing Director and CEO

## Sustainability Framework

### PILLARS

 INNOVATION	 <p>Promote a culture of innovation and protect our intellectual property.</p>
 SOCIAL	 <p>Encourage, promote, and develop all students, regardless of gender, age, family status, culture, ethnicity, and religion to pursue a career in STEM.</p>
	<p>Target Community Programs that assist disadvantaged groups within the communities our businesses operate.</p>
	<p>Empower a connected and high-performing workforce to deliver long term value creation.</p>
 ENVIRONMENT	 <p>Review our environmental footprint to establish the timeframe and financial implication of making a net zero statement.</p>
 GOVERNANCE	 <p>Committed to conducting business in an honest, ethical, and accountable way in accordance with our core values.</p> <p>Upholding a strong governance program, including a Sustainability Council, dedicated to identifying and managing risks, issues and opportunities that are important to our business and stakeholders for long term value.</p>

2021 — 2022

CODAN





Innovation

Our Culture

Promoting a culture of innovation is embedded in the way Codan does business. Our capabilities span across multiple engineering disciplines, including software, electronics and mechanical engineering. We also have several PhD-qualified physicists in our engineering teams. Our engineering teams ensure that technology is released to specification, on schedule and with the appropriate Intellectual Property (IP) protection. This combination of core competencies allows us to continuously develop unique IP to solve our customers' communications and detecting problems in some of the harshest environments in the world.

To continuously boost its innovative edge, the engineering team pursue new recruits who share a similar attitude, fit and desire to learn. Continuous improvement is facilitated through training, coaching, regular innovation and product review forums, (where staff can put forth novel ideas), and regular one-to-one communication. This ensures an optimum path for our people to be "the best that they can be", promoting freedom of thought and the desire to innovate and succeed. When designing new or improved products, the team looks beyond its own innovative ideas and strengths and seeks broad market research to help balance product capabilities. We also routinely seek customer feedback through our sales and distribution network, as well as talking directly to users, fuelling further thoughts for both innovation and product improvement.

Codan's reputation for quality is paramount to its success, and this is a testament to the efforts put into the research & development phase, along with the rigorous testing undertaken.

	FY22	FY21
Total R&D investment (\$M)	46	30
Number of products brought to market	4	5

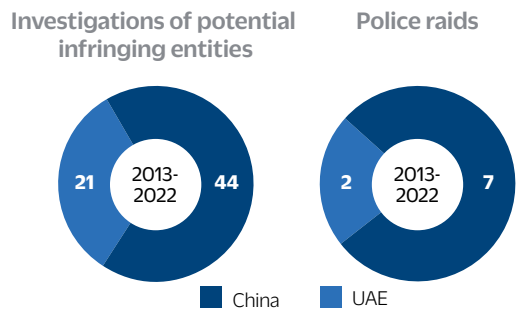
Our IP

Great lengths are taken to protect our IP, with the use of patents, designs and trade marks. Broadly, registered IP provides us with a legal right to exclusively use our novel ideas. A registered patent provides our business with the exclusive right to use or commercialise a product or invention for the life of the patent. Registered designs protect the shape, configuration, pattern or ornamentation of a product, that is, what gives a product a unique appearance. Registered trade marks provide protection for our brands/logos.



We also have a strong anti-counterfeit strategy. The purpose of this is to protect the integrity of our brand and products. We enforce this by using a third party to actively search for and pursue on-line B2B sites, platforms and marketplaces selling counterfeit Minelab products. Utilising numerous investigation firms across the world, in China we have successfully criminally prosecuted six serious infringers and have ongoing civil actions against three of the six entities, with a further 11 people serving prison sentences for counterfeit offences. We have ongoing civil actions against three of the six entities in China. In Dubai, we removed the biggest trader of counterfeit Minelab products and, since 2016 with the cooperation from the Dubai Economic Department raided over 20 traders. We have proactively trained multiple customs officials both in Dubai and China with respect to our products.

	FY22	FY21
Online marketplace listings analysed	38,875	14,925
Number of removed infringement listings	16,838	12,694





**Social**  
**Our People**

-  Can-Do
-  High Performing
-  Customer Driven
-  Openness & Integrity

Codan's core values are a shared set of principles that shape our company culture and ultimately enable us to achieve our organisational goals. We strive for our values to help guide our day-to-day decisions and provide the framework for not only what we do, but more importantly, how we do it. Our company's core values underpin our core purpose of delivering superior shareholder value by growing a lasting and innovative organisation that consistently creates outstanding customer experiences.

Codan seeks to employ individuals who align to and genuinely relate to our core values and encourages all staff to help bring these values to life through their everyday interactions with one another.

Throughout another year of disruption, the health, safety and wellbeing of our people remains of utmost importance. During periods of shut down due to COVID-19 our staff were swiftly and safely moved to a work from home arrangement. For production staff who were unable to work from home, we continued to pay wages in full if those staff had to isolate. We encourage staff to remain connected to one another and look after their mental health, with access to confidential counselling support also available. Specific online training sessions focused on mental health have also been provided to staff. Head office provides voluntary free flu shots for staff, hosts an onsite gym, and an in-house café with subsidised meals to encourage staff to socialise with others and enjoy our state-of-the-art canteen and courtyard facilities. The office also caters for parents when flexible working arrangements are required; there is a dedicated meeting room configured with dual AV, phone, game console, child friendly games and toys so both children and parents can continue to work when necessary.

Codan continues to focus on growing its own future leaders and building capability by providing all employees with high-quality learning experiences and development opportunities. We utilise several tailored training approaches, including short courses on our online Learning Management System, a platform which houses various mandatory and

optional training content for all staff to access, as well as providing select staff with professional management and various other leadership programs to build our own internal capabilities. We have a license to The Growth Faculty, which provides live and library online content from change-making leaders.

Spend on external training courses was down compared to prior year as we opted for more online training, as the pandemic disrupted face to face training. In addition, the spend reduction reflects the organisation's focus on the integration of the DTC and Zetron businesses with staff across the globe working on integration projects which has provided many development opportunities.

Codan's mentoring program has continued into its second year after the success from last year, with registrations more than doubling and some mentors volunteering their time for a second consecutive year. Participation in the program provides our team with additional support in their professional development and assists to broaden their networks across the Codan group. This aligns with our culture of collaboration and leadership development. The mentoring partnership runs for 12 months and includes a mix of formal and informal meetings.

	FY22	FY21
Learning & Development (\$000)	361	504



"To be effective in our roles, careers, and lives, we need to listen to understand, learn, and be empathetic. Building a rapport and practicing my communication skills while transferring knowledge to the mentee has been a very positive learning experience."

"Having time set aside to pursue new things that I don't normally find time for. Getting fresh ideas from my mentor".







In an effort to attract talent to build our future capability, Codan offers selected candidates a four year apprenticeship at our head office, and also offer internships across the business, including paid co-op placements at Zetron. Zetron has also paid the university fees for one co-op placement on the provision they will work for us once they graduate. Codan also supports the South Australian Node of the Australian National Fabrication Facility (ANFF-SA) Microengineering School as part of the industry tour groups to demonstrate career opportunities in manufacturing.

The pandemic has presented its challenges on the workforce, and talent retention has proved to be one of these. Dubbed “The Great Resignation”, the increased number of voluntary resignations post COVID-19 is widely reported and Codan has similarly experienced this. We are currently working on a strategy to actively retain key talent, by investing in our employees and providing development opportunities and identifying career pathways.

	FY22	FY21
Voluntary turnover	12%	6%

Codan recognises that our success is directly related to our people. Our people reflect a growing diversity, with different gender, ages, family status, cultures, ethnicities, and religions represented among our employees. Research shows that a diverse work force is strongly linked to high performing teams, and we see evidence of that at Codan through innovation, product development and our global workforce. Codan’s purpose to “deliver innovation wherever you are”, can only be achieved through the wide range of talent, experience, skills and perspectives of our employees.

Codan continues to monitor our diversity profile, review our recruitment and development processes and challenge ourselves to understand our employees better, so that all our employees have the ability to succeed and meet their potential. Codan is committed to sustaining an inclusive working environment where our people feel part of the team and contribute to Codan’s wider success. On International Women’s Day our staff had access to curated content with top diversity and inclusion thought leaders heading up a week long event to help leaders become more aware and inclusive. Throughout the year we introduced diversity training and team building in our Mawson Lakes production facility. Facilitated by an external inclusion expert, the three sessions were well received and will be an ongoing program.

The board work with management to set specific gender equity targets ahead of each financial year. All objectives were met for FY22, with an increase in female applications for technical and leadership roles versus the previous year. The board have set an objective to achieve a minimum of 30% female directorship by FY26.

The decrease in overall female representation in our workforce is due to the acquisition of Zetron and DTC which have a high number of engineers. Engineers Australia has produced a report which tracks females studying STEM degrees, which helps to explain the lower proportion of female engineers. This is why Codan is committed to investing more time and resources into educating and promoting a STEM career for all minority diversities.

Gender representation	FY22		FY21	
	Female %	Male %	Female %	Male %
Board	20%	80%	20%	80%
Senior Executive	0%	100%	0%	100%
Senior Management	23%	77%	27%	73%
Other	27%	73%	30%	70%
Whole workforce	26%	74%	29%	71%

Three years ago, we introduced a paid maternity leave program, and since its introduction, we have had 31 staff utilise this, and had 100% of female staff return to work.

We maintain an effective Work Health and Safety System that is integral to our business processes and are accredited to OHSAS 18001 and AS/NZS 4801 Occupational Health and Safety Management Systems.

Workplace Health & Safety Statistics	FY22	FY21
Lost Time Injuries	3	3
Near Misses	17	14
Incidents	17	24



Our Customers

Codan is a customer driven organisation. We pride ourselves in ensuring we offer premium customer satisfaction. We aim to get as close as possible to the end users of our products. To achieve this, we have established offices in all of our key regional markets, and spend time on the ground with our customers no matter how harsh the environment.

In FY22, we incurred no product recalls, and warranty costs were less than 1% of sales.

Zetron provides essential communication services to US government agencies to keep our first responders and our environment safe

The customers

The United States Forest Service (USFS) deploys over 1,500 Zetron radio systems into the field to provide essential communication services to keep our first responders and our environment safe. The USFS manages a system of 154 national forests and 20 national grasslands encompassing 193 million acres (78 million hectares).

The United States National Park Service (USNPS) has over 500 Zetron radio systems in place across the 400 parks, monuments and other areas of national interest in land that encompasses 84 million acres (34 million hectares).

The Bureau of Land Management (BLM) is responsible for administering federal lands across the United States, with over 700 Zetron radio systems, with oversight over 247.3 million acres (100 million hectares), governing one eighth of the country's landmass.

How our technologies are deployed

The lands managed by these agencies include specially designated wilderness areas, wild and scenic rivers, national monuments, research and experimental areas, and other unique natural and cultural treasures. These radio networks are used

by maintenance, protection and law enforcement employees and are used to keep the millions of visitors safe within the boundaries of the forests and parks. A major aspect of these land management agencies, and their use of the radio networks is for preventative measures against, and fighting, wildland fires.

The National Interagency Incident Communications Division (NIICD) is a multi-agency partnership between the USFS, USNPS and BLM. The NIICD maintains a cache of 400 Zetron repeaters in transportable cases for rapid deployment anywhere in the country. The NIICD's major focus is wildland fire suppression, however their equipment and personnel have been utilised on hurricanes, floods, earthquakes, volcanic eruptions, oil spills, and other man-made and natural disasters where federal assistance is required.

Zetron is honoured that we can fulfil our purpose to provide communications solutions that save lives and enable these critical operations, and most importantly our customers trust us to protect one of our greatest resources, our environment.

'Wildfires continue to plague our national parks and forests and the safety of those that combat those fires is foremost in our minds when we design, deliver and service communications solutions. Zetron is proud to be the primary provider of communications technology for every major forestry agency and national park in North America.'

Scott French  
Executive General Manager, Zetron





Our Community

Being a socially conscious and responsible organisation is a part of Codan's corporate identity. We endeavour to foster a sense of awareness through our charitable programs and product donations as well as giving our time and resources to support our community.

We proudly participated in the University of South Australia's STEM Girls Conference in September 2021, where we hosted female students at our head office facilities and have similarly hosted secondary school tours. Codan has exhibited at various career fairs hosted by local universities. It is mutually beneficial to meet the up-and-coming generation interested in tech, and to discuss the vast opportunities we have within the Codan Group.

	FY22	FY21
Donations (\$000) inclusive of product donations	263	280

Zetron are the proud title sponsor of Shoot for the Stars, an annual public safety golf fundraiser with all proceeds directly benefiting Behind the Badge Foundation, an organisation supporting the agencies, families, and communities of law

enforcement officers that are seriously injured or killed in the line of duty.

Shoot for the Stars has consistently grown each year and is now the largest public safety charity golf tournament in the region. The event has raised \$275,000 for Behind the Badge Foundation to date. Beyond the golf course, many lasting relationships have been formed with public safety first responders, along with our sponsors. Zetron supports and provides volunteers to Behind the Badge Foundation well beyond the golf event.

Codan is a long-time proud supporter of Variety – the Children's Charity (Variety). 2022 marks our 34th year of gold sponsorship of the Variety Bash, Australia's largest and longest running charity motoring event through the Australian outback. Codan participates in the event with our own Variety Bash vehicle and oversees the radio communications in the lead up to the event. In addition, Codan is responsible for manning the control centre to facilitate the communication and tracking of all official vehicles, mobile workshops and mobile doctors, for a safe and successful Variety Bash.



I have been playing in Zetron's "Shoot for the Stars" tournament since 2016. It is such a positive and uplifting event. The golf course is so beautiful, and the event is so well organized, that I am honored to participate. But more importantly, it means so much to me that Zetron is doing this for the Behind the Badge Foundation. Especially now, in these tough times, it feels so good to know that the people at Zetron appreciate what we do. To know that they have our backs and appreciate the sacrifices that so many Officers and their families have made, really means the world. I don't think people realize how touching it is just to have someone say "Thank you" which is what Zetron, its sponsors, and supporters are doing when they honor us with this event. For this, I say, "Thank you Zetron for making this such a special gift for all of us."

**Detective Fran Smith**  
Seattle Police Department – 37 year veteran  
Internet Crimes Against Children Task Force

"Through Zetron's unwavering support for Behind the Badge Foundation, we are able to expand officer wellness programs into new communities across Washington State. This generous donation also provides immediate and adaptable resources for families, agencies and communities grieving the loss of their fallen officer. Behind the Badge Foundation is honored to be the recipient of the challenging work and dedication this company shows the community."



**Tracy! Michel, Community Engagement,**  
Behind the Badge Foundation

Codan employees conduct site surveys ahead of the Variety Bash to ensure the remote site provides reliable communications along the Variety Bash route, as well as provide HF radio operator training, assist with radio installations and attend Variety Bash meetings.

Codan hosted its second annual charity golf day in South Australia, where key stakeholders were invited to register a team to participate in a fun filled day on the course. Over \$180,000 was raised inclusive of key stakeholder and Codan donations, and this amount was donated and distributed evenly amongst three chosen charities, Variety, Hutt St Centre and KickStart for Kids. Variety, who invests into the wellbeing of children who are sick, disadvantaged or living with a disability, has been able to use the funds to assist specialist schools via a 22-seat wheelchair accessible Sunshine Coach that takes children to and from school and transports them to social and sporting experiences.

"Codan's support over so many years has been invaluable in changing the lives of children in need in our community. Beyond the balance sheet, we have enjoyed the personal engagement of senior management and staff who live the values of the company and are authentic in their care for the outcomes we achieve" said Mark McGill CEO.

KickStart for Kids creates extensive programs within schools to serve breakfast, lunch, mentoring, school holiday care programs, and period poverty. Codan's donation has allowed 30 schools to access these programs for the year. These funds give many disadvantaged children the opportunity to achieve favourable educational outcomes, with the end goal of breaking out of the unemployment and poverty cycle that their families have lived in for generations.

The Hutt St Centre provides a welcoming and safe place with the purpose to end homelessness. The golf day donation has helped 850 people each month experiencing homelessness with:

- Essential health and wellbeing services including meals, bathrooms, laundry and locker facilities, phone charging, mail collection and pastoral care;
- Connections to more than 20 visiting services including daily healthcare appointments with a RDNS nurse, twice-weekly GP clinics, eye clinics and dental care, as well as professional services such as financial counselling and legal aid; and
- Pathways Program which creates opportunities for education, training and employment through individual coaching and group sessions, supporting people to learn new skills and qualifications, prepare resumes, practice job interviews, and obtain or renew important identification documents.

Other initiatives across our head office and regional offices include a charitable giving matching program, where the company matches staff contributions dollar for dollar, with proceeds benefiting employee chosen charities, such as the MS Society of SA & NT, Queensland SES to assist with the 2022 Eastern Australia Floods Donation Drive, the American Red Cross, and supporting Hopelink with holiday food and donations drives to assist families in our local community who are in need.







Environment

Codan is conscious of our impact on the environment during the manufacture, distribution, use and disposal of our products. We maintain an effective Environmental Management System that is integral to our business processes and are accredited to AS/NZS ISO 14001 Environmental Management Systems. Our direct environmental impact largely relates to the energy to run our global offices and our travel footprint. Our scope 1 and 2 emissions increased in FY22 due to the additional office locations acquired from Zetron and DTC. As part of our recent board approved initiatives, we have committed to review our environmental footprint to establish the timeframe and financial implication of making a net zero statement.

Our global head office located in the Technology Park precinct, South Australia, houses around 240 staff, and is currently awarded a 5 star Nabers energy rating. Our consumption decreased by 32% this financial year, which is attributed to solar panel gains. Head office is fitted with multiple recycling stations and organic waste bins in staff kitchen areas to enable sustainable disposal of organic materials.

Scope 1 and 2 emissions	FY22	FY21 <sup>1</sup>
Total emissions (CO <sub>2</sub> e)	1,104 tonnes	623 tonnes
Emissions intensity (CO <sub>2</sub> e) per FTE	1.51 tonnes	1.65 tonnes
Solar panels (head office) consumption reduction	35%	25%

<sup>1</sup> Excludes DTC and Zetron

We are mindful of our indirect environmental impact within our supply chain. Our [Supplier Code of Conduct](#), encourages our suppliers to develop a more sustainable business by minimising their environmental impact. Our two largest contract manufacturers, Plexus Corp and Venture, are accredited with ISO 14001 Environmental Management Systems. Both contract manufacturers have confirmed their sites reported no environmental incidences for FY22.

Codan has adopted stringent testing and quality control procedures. It is accredited to AS 9100 Quality Management System – Requirements for Aviation, Space and Defence and maintains quality assurance systems approved to International Standard AS/NZS ISO 9001.

Codan's commitment extends to our supply chain, with both our largest contract manufacturers also holding these same accreditations. As part of our ISO certification process, we continually review and update our business risk management register and can confirm we encountered no environmental incidences in FY22.

Codan products are RoHS (Restriction of Hazardous Substances) certified. The goal of RoHS is to reduce the environmental effect and health impact of electronics. The legislation's primary purpose is to make electronics manufacturing safer at every stage of an electronic device's life cycle. Codan products are also fitted with a Waste Electrical and Electronic Equipment (WEEE) sticker which encourages consumers to dispose of the product thoughtfully when at the end of its lifecycle.



Governance

Corporate Governance Statement

Codan's [Corporate Governance Statement](#), which was approved by the board on 17 August 2022, is available on the company's website.

Business Ethics / Behaviour

Codan's Code of Conduct provides a framework for employee conduct, with guidance around expected and acceptable standards of behaviour that are aligned with our core values, and which allow us to work together to achieve the goals of the business. The Code of Conduct and Core Values are included in induction packs for new starters.

An essential part of our culture of "Openness & Integrity", one of Codan's four Core Values, is underpinned by our "Speak Up" framework. This framework encourages staff to raise issues or conduct that concerns them. Our Speak Up framework is reinforced by our [Code of Conduct](#), [Core Values](#), and [Whistleblower Protection Policy](#). We take all reports of harassment, discrimination, bullying and any form of misconduct very seriously. Our grievance procedure facilitates the appropriate investigation and resolution of complaints. There were two workplace grievances registered globally during FY22, and both have been resolved. One of these grievances was reported through our externally managed hotline.

At Codan, we take compliance seriously. We have a strong, fit for purpose compliance program run by our in house Legal & Compliance department. Staff training is a critical part of this program and is compulsory for all employees and forms part of our induction program. This includes training on Anti-Bribery and Anti-Corruption, Modern Slavery, Whistleblower Protection and Code of Conduct. Our training program is risk-appropriate, with additional tailored training sessions conducted for staff in high-risk roles.

Anti-Bribery and Anti-Corruption (ABAC) remains a material topic for our business, as we acknowledge some of our businesses operate in high-risk environments. Our program and [ABAC Policy](#) is reviewed annually to ensure it remains fit for purpose and in line with best in practice anti-bribery compliance programs. Key aspects of the program involve a risk driven due diligence process for third party business partners, regular training for high-risk staff and third parties, and an approval based Gratuities Register. Internal audits are conducted on our high risk transactions.

Codan's sanctions compliance program is a group-wide approach that uses enhanced due diligence measures, external resources, monitoring and approval procedures to ensure we meet our global sanctions obligations.

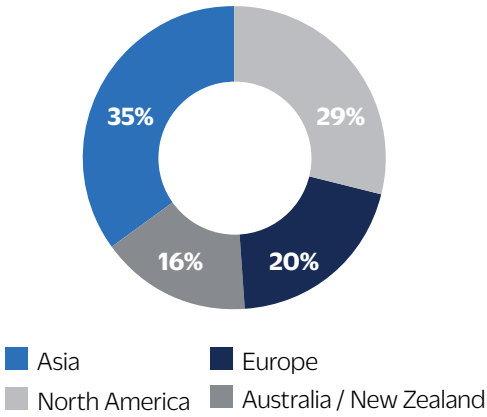
	FY23 Target	FY22	FY21
ABAC Policy violations	NIL	NIL	NIL
ABAC Internal audits	3	2	1
Sanction breaches and fines	NIL	NIL	NIL

Our Supply Chain

Codan has an extensive global supply chain in place, sourcing product and material from most regions in the world. We partner with suppliers who meet stringent quality standards, are innovative and work in safe and responsible ways. Our dealings with our suppliers reflect Codan's core values, and as such, we have built collaborative, honest and trusting relationships which have resulted in reliable supply over the long term.

Our supply chain is responsive to the changing needs of our customers and markets. All Codan suppliers must provide agility, flexibility and speed to market. At the end of our supply chain are global distribution centres located in the UAE, USA, Netherlands, Malaysia, Poland, Brazil, Mexico, India and Australia, which ensure product is regionally distributed for the fastest route to market.

Codan Group supplier spend



There are 1,000 active suppliers across the Codan Group, with supplier spend circa \$161 million across mostly electronic components, as well as cables, antennas, plastics, and packaging.



Codan produces a [Modern Slavery Statement](#) designed to meet the disclosure requirements of the *Australian Commonwealth Modern Slavery Act 2018*. In undertaking its risk assessment with respect to Modern Slavery, Codan has again identified that its main risk lies with its major third-party contract manufacturers. Presently, this includes Venture and Plexus Corp. Both are based in Penang, Malaysia and manufacture up to 41% of Codan product.

Codan's supply and procurement team are in consistent contact with Plexus and Venture and have undertaken numerous discussions around their approaches to Modern Slavery. More recently, Codan's compliance team has reached out independently to both contract manufacturers to have a discussion around the procedures, policies and practises they have in place to allow Codan's compliance team full visibility of their modern slavery programs. It was pleasing to learn that both contract manufacturers' programs were in line with Codan's expectations. Importantly, both conduct appropriate training and awareness programs internally, and conduct ongoing internal audits across their site.

Plexus is in full compliance with the UK Modern Slavery Act, and are a member of the Responsible Business Alliance (RBA), being the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. Moving forward, we will continue to work with both organisations to ensure that they comply with the standards we expect. We will also extend this requirement to relevant DTC and Zetron contract manufacturers.

More generally, we have created a Supplier Code of Conduct and have updated our Supplier Terms and Conditions to include additional Modern Slavery clauses. We have systems in place to carry out daily online searches on our highest risk suppliers for any adverse media, including modern slavery topics, and to date we have had no adverse "hits". In FY22, we had no breaches of our [Modern Slavery Policy](#).

Cyber Security

As a global technology company, safeguarding our intellectual property and confidential information is paramount to maintaining trust with our customers, suppliers and partners. As the probability of cyber-attacks increase and become more complex, Codan has adopted a risk-based framework to protect our assets. Cyber risks are regularly reported to the Codan Board and Board Audit, Risk and Compliance Committee. Relevant organisational policies and standard operating procedures are in place and are regularly reviewed to ensure they remain commensurate with the external risk.

During FY22 Codan completed penetration testing and regular vulnerability assessments to highlight potential system vulnerabilities. Codan has implemented additional technologies to further segregate our assets, along with increased security awareness training for all employees.

In FY22, Codan had no known major security incidents or events that resulted in loss of confidential information or intellectual property.

Tax

As part of our commitment to meeting our global taxation obligations in a transparent and open manner, we conduct our tax affairs within a robust tax risk management policy and framework overseen by the Board.

Codan's tax governance process is documented in our Tax Risk Management Policy and Framework. This framework is based on the philosophy of managing tax risk through a well-planned approach built around the following principles:

- A transparent and accountable relationship with local country tax authorities;
- The payment of the legally correct amount of tax in a timely manner;
- The systematic identification of significant tax sensitive transactions ahead of time;
- The documentation of tax processes to facilitate review and minimise the impact of changes in personnel;
- Defined channels for the reporting of tax information to the Board;
- Internal controls, with effectiveness of those controls assessed on a regular basis;
- Codan should not enter any transaction where there is a material risk that any legislative general anti-avoidance provisions will be applied by a Court; and
- Codan will not promote tax exploitation schemes.

The Board has delegated oversight of Codan's taxation affairs and the framework to the Board Audit Risk and Compliance Committee. The framework requires the Committee to attest to the Board on a yearly basis that it has effective policies and processes in place to manage tax risk.

The Chief Financial Officer has overall responsibility for the group's taxation affairs, including enforcing policies and implementing strategies approved by the Board, developing and implementing systems that identify, assess, manage and monitor tax risks, monitoring the appropriateness, adequacy and effectiveness of tax risk management systems and reporting on tax risk and management thereof to the Board. The Chief Financial Officer is also responsible for the maintenance of in-house tax resources with appropriate qualifications and experience in taxation matters, to oversee that Codan's obligations globally are discharged in a legally correct and timely basis and that the tax risk management controls set out in the framework operate in an effective and robust manner.

The framework requires management to consult with reputable local country external tax advisors where appropriate to ensure compliance with local country obligations. KPMG is engaged to review the numbers disclosed in the Tax Note in the Annual Report each year, as part of the half-year review and full-year audit. We apply arms'-length principles to our international related party dealings, engaging with external advisors with appropriate expertise to ensure our compliance with transfer pricing laws globally.

As part of our commitment to our tax risk management policy and framework, we adopted the recommendations of the Board of Taxation's Tax Transparency Code with effect from June 30 2021. To this end, the Board has directed that each year the Annual Report should contain sufficient information to comply with Part A of the Code. The Part A disclosures required of Codan by the Code are:

- Codan's Australian and Global effective tax rates;
- a reconciliation of the accounting profit to income tax expense; a reconciliation from income tax expense to current year income tax payable; and
- Identification of material temporary and non-temporary differences.

The Part A financial information can be found in the Taxation Note (Note 7) of the Notes to the Financial Report on page 80 of this Annual Report. As most of the activities and assets which generate our income are in Australia, Codan pays most of its taxes here. In 2022, we paid \$38.0 million corporate income tax in Australia, or 99% of our global corporate income tax contribution. As a result, our shareholders can benefit from the generation of Australian franking credits notwithstanding that a high proportion of our sales are to overseas customers.





# GLOBAL REPORTING INITIATIVE (GRI) STANDARDS : CORE OPTION

## CONTENT INDEX

This content index supports Codan Limited’s 2022 Sustainability Report disclosures, which have been prepared in accordance with the GRI Standards: Core Option. The disclosures comprise relevant sections of Codan Limited’s website, 2022 Annual Report and 2022 Sustainability Report.

Disclosure	Description	Reference or link
<b>General disclosures</b>		
<b>ORGANISATIONAL PROFILE</b>		
102-1	Name of the organisation	Codan Limited
102-2	Activities, brands, products, and services	Available at: <a href="https://codan.com.au/who-is-codan/the-company">https://codan.com.au/who-is-codan/the-company</a>
102-3	Location of headquarters	Annual report > Corporate DirectoryPage 114
102-4	Location of operations	Available at: <a href="https://codan.com.au/contact">https://codan.com.au/contact</a>
102-5	Ownership and legal form	ASX-listed public company
102-6	Markets served	Annual report > Codan at a SnapshotPage 4-5
102-7	Scale of the organisation	Annual report > Codan at a SnapshotPage 4-5
102-8	Information on employees and other workers	Annual report > Codan at a SnapshotPage 4-5
		Annual Report > Sustainability Report > Our PeoplePage 28-31
102-9	Supply chain	Annual report > Sustainability Report > Governance > Our Supply ChainPage 37-38
102-10	Significant changes to the organisation and its supply chain	Annual report > Directors' Report > Operating and Financial ReviewPage 56-59
102-11	Precautionary principle or approach	Not applicable
102-12	External initiatives	Annual Report > Sustainability Report > About this reportPage 24
102-13	Membership of associations	During FY22, Codan Group employees held board positions on the following industry associations: <ul style="list-style-type: none"><li>Director, Export Council of Australia</li><li>Board member, Defence Teaming Centre</li></ul>

### STRATEGY

102-14	Statement from senior decision-maker	Annual Report > Sustainability Report > CEO's Statement	Page 25
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### ETHICS & INTEGRITY

102-16	Values, principles, standards, and norms of behaviour	Annual Report > Sustainability Report > Social > Our People	Page 28-31
		Annual Report > Sustainability Report > Governance > Business Ethics / Behaviour	Page 37

### GOVERNANCE

102-18	Governance structure	Corporate Governance Statement available at: <a href="https://codan.com.au/who-is-codan/corporate-governance">https://codan.com.au/who-is-codan/corporate-governance</a>	
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### STAKEHOLDER ENGAGEMENT

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102-41	Collective bargaining agreements	Not applicable	
102-42	Identifying and selecting stakeholders	Annual Report > Sustainability Report > About this report	Page 24
102-43	Approach to stakeholder engagement	Annual Report > Sustainability Report > About this report	Page 24
102-44	Key topics and concerns raised	Annual Report > Sustainability Report > About this report	Page 24

### REPORTING PRACTICE

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102-46	Defining report content and topic Boundaries	Annual Report > Sustainability Report > About this report	Page 24
102-47	List of material topics	Annual Report > Sustainability Report > About this report	Page 24
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102-49	Changes in reporting	Annual Report > Sustainability Report > About this report	Page 24
102-50	Reporting period	1 July 2021 to 30 June 2022	
102-51	Date of most recent report	21 September 2022	
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