

CEO's statement

Over the last 12 months, across the organisation, we have taken significant strides in embedding our Environment, Social and Governance (ESG) framework.¹ The framework endeavours to both build upon, and enhance the work we do within the communities we operate to provide greater impact.

As part of our commitment to being a responsible company, we joined the United Nations Global Compact (UNGC), and seek to entrench its principles as part of the strategy, culture and day-to-day operations of our company. As a member of the UNGC we sit alongside global entities who are best in class with respect to corporate sustainability.

In line with our Environment pillar, we are committed to understanding our organisational carbon footprint and the subsequent climate risks and opportunities that can affect the long term sustainability of our business. With engagement from sustainability consultants and interactions with various internal stakeholders, we will present our first voluntary disclosures aligned to the Taskforce on Climate Related Financial Disclosures (TCFD) and provide an in-depth organisational carbon footprint within the Environment section of this report. The work undertaken in FY23 is the beginning of this journey, and the roadmap presented in this section will outline the next steps for FY24 and beyond.

Within our Social pillar, STEM has been a focus area, and I am pleased to see some tangible outcomes delivered which accomplishes an on-going target to encourage diversity and inclusion for all students to pursue a career in STEM. This has included the establishment of the inaugural Women in STEM Undergraduate Scholarship with the University of South Australia.

We are also delighted to honour the Codan founders with a long-term commitment with the Adelaide University to fund multiple PhD research scholarships that could span the research fields of AI, electronic engineering, signal processing and/or geophysics.

The Adelaide University scholarships will provide Codan with exclusive access to the very best engineering talent and as a result, exclusive access, and rights to unique and valuable Intellectual Property with the intention to continue to enhance innovation, wherever you are.

We have strengthened the efficacy of our Sustainability Council, with the adoption of a Terms of Reference which aligns with the objectives of our Governance pillar to uphold a strong governance program.

The ESG report provides greater detail on the progress made on the initiatives linked to the framework below.

We look forward to communicating regularly on the progress of our initiatives during FY24.



Alf Ianniello
Managing Director and CEO

ESG Framework



Review our environmental footprint to establish the timeframe and financial implication of making a net zero statement.



Encourage, promote, and develop all students, regardless of gender, age, family status, culture, ethnicity, and religion to pursue a career in STEM.

Target Community Programs that assist disadvantaged groups within the communities our businesses operate.

Empower a connected and high-performing workforce to deliver long term value creation.



Committed to conducting business in an honest, ethical, and accountable way in accordance with our core values.

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.

About this report

This ESG 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 2023 (FY23). The ESG Report (report) is published on 20 September 2023 and forms part of Codan's Annual Report.

This report has been prepared in reference with the Global Reporting Initiative (GRI) Standards. For a full list of disclosures referenced in this report, please refer to the GRI Context Index available within the [ESG report](#).

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.

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).

We have amended our reportable material topics in FY23, removing Innovation from the report and as a pillar in our framework. We have also renamed this report to Environment, Social and Governance (ESG) report, instead of Sustainability report. These changes were based on feedback from our stakeholders, who understand Innovation to be crucial to every aspect of our business operations and culture, but believe we should focus solely on the reporting on the ESG pillars. We note that innovation is interwoven across all the elements of the ESG pillars, and our entire operations, as demonstrated within the Annual Report.

List of Material topics

Environment
Social – Our People
Social – Our Customers
Social – Our Community
Governance – Corporate Governance Statement
Governance – Business Ethics / Behaviour
Governance – Our Supply Chain
Governance – Cyber Security
Governance – Tax

All data referenced in this report is in AUD unless otherwise specified.

¹ Previously referred to as Sustainability framework



Climate Change

Codan is committed to doing its part to mitigate climate change and adapt to a changing world. As part of this commitment, in FY22 Codan reviewed its environmental footprint and we undertook to establish the timeframe and financial implications of making a net zero commitment in the future.

In FY23 Codan took concrete steps towards the achievement of this target. We:

- engaged external consultants to prepare an organisational carbon footprint which allowed us to understand and quantify the emissions associated with our business activities;
- decided to make voluntary climate-related disclosures based on the framework provided by the TCFD; and
- engaged external consultants to identify our organisational readiness for alignment with the TCFD framework and to prepare a TCFD roadmap and implementation plan.

TCFD Disclosures

Since publication in 2017, the TCFD recommendations have become the leading global framework for companies and investors to assess climate-related risks and opportunities.

The following section provides Codan's first set of voluntary TCFD disclosures. These disclosures summarise the initial measures taken by Codan in FY23 and our plans to progressively adopt the TCFD recommendations in the coming years.

This section is structured around the four core areas of the TCFD framework – Governance, Strategy, Risk Management and Metrics and Targets. It has been prepared by reference to the TCFD's 'Implementing the Recommendations of the TCFD' (October 2021).



Codan's TCFD Roadmap

Full alignment with the TCFD framework is an incremental process. In FY23, Codan engaged external consultants to undertake a TCFD readiness assessment to identify priority areas and actions to progress its maturity in TCFD during FY23 and beyond. The findings of the readiness assessment informed the preparation of our TCFD Roadmap which sets out key milestones for this progression. The Board has endorsed the following Roadmap:

Governance

Codan is committed to responsible and effective governance, which promotes the integrity and efficiency of our business and maximises shareholder value. In accordance with the Governance pillar of Codan's Sustainability Framework, we aim to uphold a strong governance program including the utilisation of a Sustainability Council. Codan is dedicated to identifying and managing risks, issues and opportunities that are important to our business and stakeholders, which will assist in creating long term value.

Board oversight

The Board has overall responsibility for the oversight of group risks and opportunities, including sustainability issues. The Board Audit, Risk and Compliance Committee (BARCC) is responsible for developing and monitoring risk management policies implemented by Management. BARCC reports regularly to the Board on its activities.

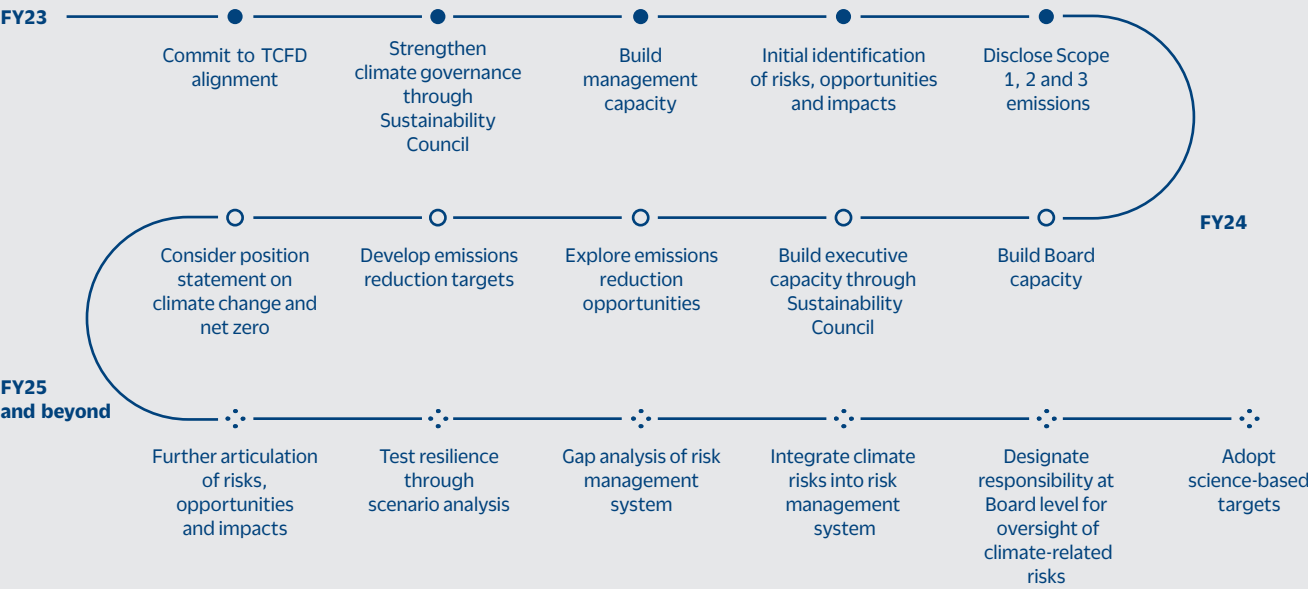
Management

Management is responsible for the implementation of Codan's group risk management policies and procedures, including the implementation of Codan's Sustainability Framework and the recommendations of the Sustainability Council.

In FY23, the responsibilities of the Sustainability Council were formalised with the adoption of Terms of Reference. The Sustainability Council is now chaired by the General Counsel and Joint Group Company Secretary, and the Chief Human Resources Officer has been appointed as the executive sponsor.

In accordance with the Terms of Reference, the Sustainability Council has an explicit responsibility to have regard to the physical risks of climate change for Codan's businesses and the risks and opportunities that may be material for Codan as the world transitions to a low carbon economy. The Sustainability Council is required to provide regular reports to the CEO on management of existing sustainability issues and emerging issues that may be material for Codan.

CODAN'S TCFD ROADMAP



In addition to strengthening climate and sustainability governance through the Sustainability Council, in FY23 Codan committed to build executive and management capacity in climate change issues as part of the development of its TCFD Roadmap.

This initiative started with an externally run engagement process to familiarise executives and managers with the TCFD recommendations and seek their views on the ways in which climate-related risks and opportunities may intersect with Codan's business interests and strategic priorities.

This engagement involved management functions representing the CEO, Finance and Investor Relations, Sustainability, Supply Chain and Group Operations, as well as the executive functions representing Minelab, Zetron, DTC and the General Counsel and Joint Company Secretary.

Based on input from these sessions, a further capacity building workshop was conducted with a focus on Codan's contract manufacturing (detailed below in Strategy).

In FY24, Codan intends to continue this initiative to strengthen engagement at Board, executive and management level by:

- delivering training to the Board on directors' duties and climate change risk disclosure; and
- delivering training to the Sustainability Council on TCFD and climate risks and opportunities.

In due course, Codan's TCFD Roadmap envisages the consideration of additional governance mechanisms for Board oversight and executive management of climate-related risks and opportunities.

Strategy

In FY23, Codan took its first actions to specifically identify and assess climate-related risks and opportunities relevant to Codan's businesses, starting with a focus on contract manufacturing.

An externally facilitated workshop was conducted with the Group Operations Manager, Supply Chain Manager and the General Counsel and Joint Company Secretary to build capacity in understanding climate-related issues and to analyse the risks and opportunities that arise in relation to Codan's use of contract manufacturing.

The workshop introduced participants to scenario analysis and considered examples of a physical risks scenario and a transition risks scenario relevant to supply chain risks, in accordance with the TCFD guidance.

The TCFD divides climate-related risks into two categories, namely:

- risks related to the physical impacts of climate change; and
- risks related to the transition to a lower carbon economy.

The initial assessment that emerged from the workshop was as follows:

Physical risks: Risks are event-driven (acute) and longer-term shifts in climate patterns (chronic). The physical risks relevant to Codan's use of contract manufacturing sites include extreme weather events (acute) and sea level rise (chronic) resulting in flooding which could hinder access to production sites and disrupt distribution.

Transition risks: Risks that are driven by policy, legal, technology and market changes to mitigate and adapt to climate change. The transition risks relevant to Codan's use of contract manufacturing sites, which are low impact risks, and include:

- market risks from rising energy costs resulting in increased production costs; and
- policy risks from carbon pricing resulting in increased production costs.

Opportunities

The TCFD also defines categories for climate-related opportunities that may arise for companies in the transition to a lower carbon economy. The initial assessment of opportunities that emerged from the workshop related to:

- resource efficiency – potential collaboration with contract manufacturers to investigate opportunities to reduce operating costs by improving efficiency across production processes; and
- products – innovation to develop new products using more recycled materials.

Resilience

Codan has started the process of engaging with contract manufacturers on energy and resource efficiency, emissions reduction plans and adaptation of their sites to physical risks. This process will help inform Codan's strategy and business continuity planning.

In future years, as envisaged by the TCFD Roadmap, Codan will increase its capacity to conduct assessments of climate-related risks and opportunities, develop appropriate responses and integrate these into Codan's strategy and planning.

Risk management

The Board has overall responsibility for the establishment and oversight of Codan's risk management system.

Risk management policies are established to identify and analyse the risks faced by the group, to set appropriate limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Codan's activities.

The BARCC oversees how management monitors compliance with Codan's group risk management policies and procedures, and reviews the adequacy of the Risk Management Framework in relation to group risks.

Certain climate-related physical and transition risks are already addressed in the Codan Group Risk Register, albeit not explicitly. These relate to business continuity, interruption of material supply, technology risk, reputation, and policy risks. Controls include the ongoing review of Codan's Business Continuity Plan, continued investment in R&D, governance of ESG issues through the Sustainability Council and the Sustainability Framework and continued public reporting of Codan's sustainability performance.

As part of Codan's commitment to increasing alignment with the TCFD recommendations, actions will be taken in the coming years to develop processes to ensure that climate-related risks are identified and managed as part of Codan's risk management system. The TCFD Roadmap envisages a gap analysis of the existing risk management system and recommendations for integrating climate-related risk management.

Metrics and targets

Codan currently applies the Risk Management Policy and Framework. In the coming years, Codan intends to develop suitable metrics for the measurement and management of climate-related risks through the application of Codan's existing risk rating matrix, likelihood and consequence ratings and control effectiveness ratings.

Emissions data

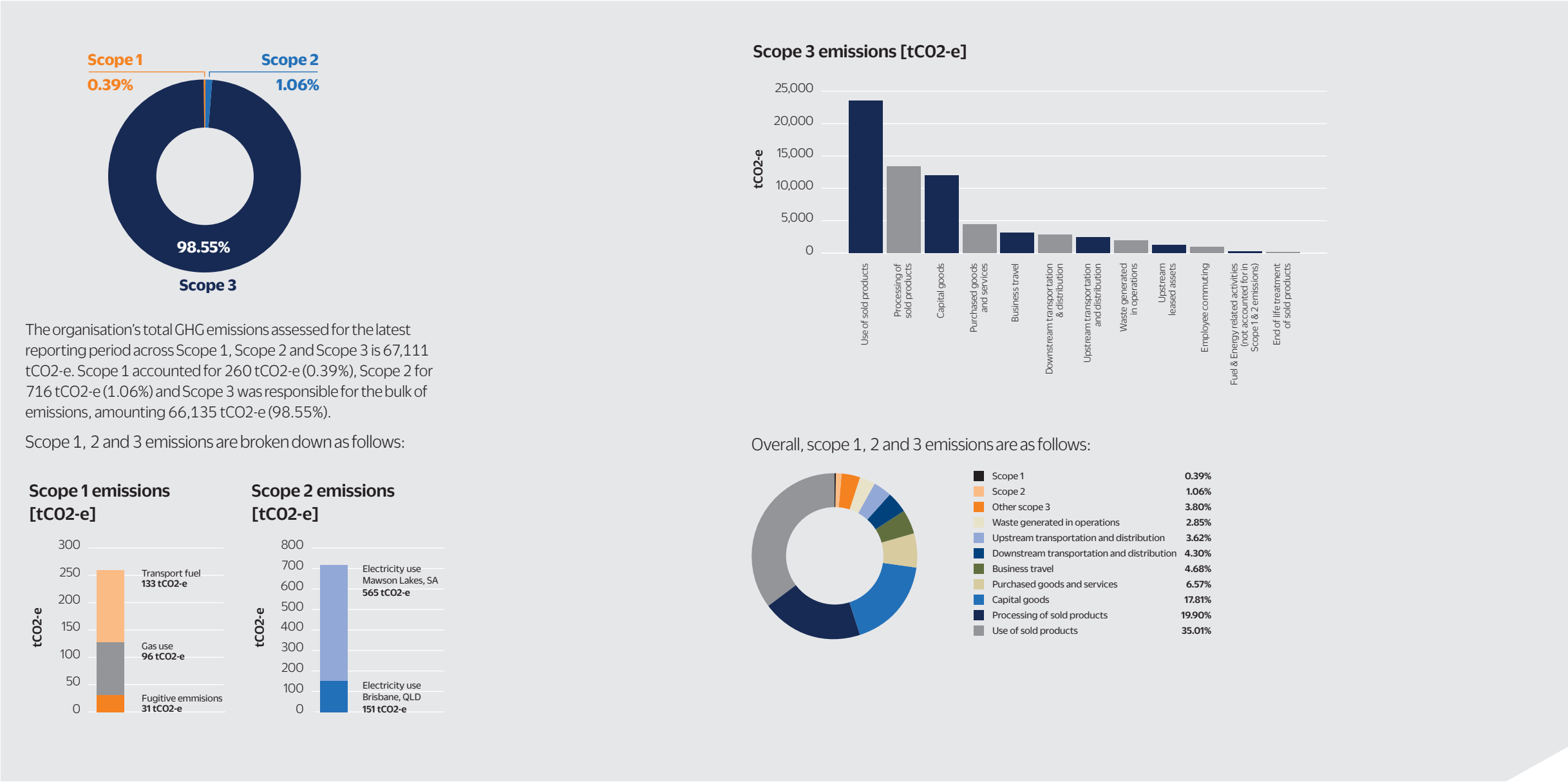
In FY23, Codan engaged external consultants to undertake an assessment of Codan's organisational carbon footprint. The following information represents Codan's initial baseline.

The assessment follows the operational control approach under the GHG Protocol guidelines and covers scope 1, 2 and 3 emissions for Codan's Australian operations. Consequently, the Scope 1 and 2 emissions disclosed are related to two stationary facilities comprised of the headquarters in Adelaide and the engineering office in Brisbane. Due to Codan operating globally, many of the scope 3 emissions disclosed are based on upstream and downstream emissions in the global value chain. Therefore, emission sources occurring overseas are included to the extent deemed relevant under the GHG Protocol's guidance.

The following sections offer more information about each of the GHG emission scopes, covering the assessment period.

Please note that the activities and emission sources included for Scopes 1 and 2 GHG emissions differ from those presented in previous annual reports. This is due to the inclusion of additional, previously unassessed activities for Scope 1 emissions, as well as a switch to another methodology for the accounting of Scope 2 emissions associated with the use of electricity. Also, this report separates Scope 1 and 2 emissions for clearer segregation of emission sources and to support the identification potential reduction initiatives (Codan's previous FY21/22 annual report aggregated Scopes 1 and 2 as one single number).

The emissions boundary includes all relevant emissions categories as per the GHG Protocol's value chain (scope 3 standard). Excluded from this boundary are the GHG emission categories of 'Downstream leased assets', 'franchises', and 'investments' which did not meet the relevancy criteria (i.e., not relevant for business operations or non-existent activities).





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.

Our mission is to empower a connected and high-performing workforce to deliver long term value creation. We aim to do this by providing programs to support our staff's health and wellbeing, learning and development, and providing a safe and inclusive workspace across all our global offices.

A new initiative rolled out to employees at head office, was a 13 week Health & Fitness Improvement Program. The program, (free of charge provided an employee donation was made to Codan's charity of choice) included a welcome pack, incentives, and prizes for most improved. This provided an opportunity for staff to meet new people in the workplace, find a new buddy to exercise with, increase mental well-being, and/or increase fitness levels. It included activities such as walking groups, pilates, yoga and meditation classes, as well as information seminars on topics such as health assessments and seminars, nutrition and stress counselling with access to a personal nutrition plan and stress profile with health coaching, heart checks and analysis, ergonomic assessments, mindset mastery webinar, and weekly motivational emails. Codan's subsidised in-house café also provided healthy choice food options, with a loyalty offer. With a 20% uptake, based on the successful feedback the program will be provided again next year.

Codan's mentor program, now well embedded across our global businesses in its third year, continues to thrive. Employees can register as a mentee or a mentor (or both), and are paired with employees across different business units and/or office locations. The mentoring partnership runs for 12 months and includes a mix of formal and informal meetings. One notable observation is to witness some previous mentees in the program now signing on as mentors. We also have some employees registered as both a mentee and a mentor. Some mentor relationships from prior years have also continued into their consecutive year. Participation in the program provides employees 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.

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, such as the Professional Management Program, and courses on Emotional Intelligence. We have a license to The Growth Faculty, which provides live and library online content from change-making leaders.



Australia



Brazil



Canada



Denmark



UAE



Mexico



UK



USA



	FY23	FY22
Learning & Development (\$'000)	323	361

With intent to build our future talent, the Codan group have long standing relationships with local universities to also provide meaningful work experience for future engineers. Zetron Canada has partnered closely with the University of Victoria, to recruit the majority of our co-op student placements. Many co-op students have joined Zetron as a permanent employee post graduation. DTC UK established and fund a formal framework with a four year program which if successful leads to a qualification at the end of the tenure, and also recruits apprentices from school. Codan offers selected candidates a four year apprenticeship at head office, and also offers internships across the business. 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.

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. We recognise that this is reinforced by ensuring that our diversity is reflected throughout all levels of the organisation. 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. Specifically, Zetron hosted a Lunch and Learn on the Power of Empathy in Business. Zetron is committed to creating the sense of "I belong", where all employees can bring their authentic selves to work each day, from how we run meetings where every voice counts to how we interact so that people know that they matter. We all bring intrinsic worth to the organisation because of our differences.

The Board work with management to set specific gender equity targets ahead of each financial year. In FY23, gender representation shifted positively at both Board and Senior Executive levels, with a second female Board member appointment and female executive appointment.

Gender representation	FY23		FY22	
	Female %	Male %	Female %	Male %
Board	40%	60%	20%	80%
Senior Executive	17%	83%	0%	100%
Senior Management	24%	76%	23%	77%
Other	26%	74%	27%	73%
Whole workforce	25%	75%	26%	74%

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*	FY23	FY22
Lost Time Injuries	1	3

*Australian operations only

Other services provided to staff include access to confidential counselling support, voluntary free flu shots, head office hosts an onsite gym and in-house café with subsidised meals also provided at some of our global sites. Head 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.

	FY23	Industry benchmark	FY22
Voluntary turnover	10%	10%	12%

Our voluntary turnover is one measure we use to assess the efficacy of our programs. A culture and engagement survey will be issued to staff in FY24 as another measure to assess and guide the effectiveness of the HR strategy going forward.



In FY23, gender representation shifted positively at both Board and Senior Executive levels, with a second female Board member appointment and female Executive appointment.

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 FY23, we incurred no product recalls, and warranty costs were less than 1% of sales.

Minelab builds infrastructure to provide clean drinking water to a community in Mali

Africa is a large market for Minelab which means that members of our Dubai team regularly travel into the region to talk with customers and end users. This direct contact in the field is hugely valuable in maintaining our relationships and keeping us up to date with the needs of our markets as they evolve and change. Mali, one of our biggest gold detecting markets in Africa, is a destination the Minelab Dubai team often frequent. Across a number of these trips it became apparent that our customers in Mali did not always have access to clean drinking water. A lack of access to clean water results in the increased transmission of waterborne diseases through using water from contaminated sources, compromising hygiene and sanitation.

In Africa, Minelab’s vision statement is “Changing Lives”. We normally achieve this through providing tools to allow individuals and communities to safely and efficiently find gold nuggets that can put food on the table each day or result in even more significant changes.

But what if we could “Change Lives” in other ways? The Minelab team workshopped how they could help our customers to access water, which is a basic human right, as deemed by the United Nations. We explored available options to see how we could provide the infrastructure to build a water well to supply clean drinking water.

With the assistance of Yacouba Bathily who owns Sahel Group, our largest dealer in Mali, we were able to connect with Soludarite Conjointe au Mali, a local non-governmental charitable organisation that works in the field of humanitarian services. After conducting a series of studies on villages suffering from water scarcity and their urgent need for clean and healthy water, the village of Kamani, in the Koulikoro region, was selected. Kamani with a population of 2250, resides 145km from the capital of Mali, and were previously travelling 22km to access clean water.

The water well, erected in June 2023, is an artesian water well with a depth of 80–100 meters with a water tank, which provides village residents with clean water for drinking, cleaning, watering, animals and agriculture. The health and wellbeing of the village residents will be improved with access to clean water. Minelab are pleased to be able to provide this infrastructure to benefit the residents of Kamani, which should last for many decades to come.



Our Community

We acknowledge the backbone of our company’s longevity and success rests on the innovative thinking of our people. Employing over 200 engineers across the Codan group, STEM disciplines are a large part of our business operations. To further future proof our talent pipeline, an on-going target for our business is to encourage, promote, and develop all students, regardless of gender, age, family status, culture, ethnicity, and religion to pursue a career in STEM. Across all our global offices, we have continued to engage with local universities, including exhibiting at various career fairs and networking events. DTC UK attended a presentation open evening at CEMAST (Centre for Excellence in Engineering & Manufacturing Advance Skills Training) based at Fareham College where our current students were able to showcase some of their project work. It was a great opportunity to see their progress and also raise DTC’s profile as an organisation that is wholly supportive of nurturing young talent into a STEM career. Zetron participated in VIATEC’s Discover Tectoria event in June 2023, with an estimated 4000 attendees. Tectoria is a chance for Victoria’s most innovative companies to connect with STEM students who attend local universities in Victoria. The event included career talks and keynotes, groundbreaking research, and hands-on product demos.

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.

In 2023, we launched the Undergraduate STEM Scholarship for Women with the University of South Australia. Available to second-year female students enrolled in a full-time or part-time eligible STEM undergraduate program, the scholarship is valued at up to \$15,000 over three years. It also provides a paid work experience component to complement the financial assistance and extend the scholarships value by providing practical work-based experience, mentoring, and a potential pathway to employment.

Codan has engaged with the University of Adelaide and agreed to provide significant investment in a multi-year PhD Scholarship program to be known as the “Codan Founders Scholarship.” This program will support PhD candidates to undertake leading edge research projects, co-designed by Codan engineers that could span the research fields of AI, electronic engineering, signal processing and/or geophysics. These scholarships will provide Codan with exclusive access to the very best engineering talent and as a result, exclusive rights to unique and cutting-edge Intellectual Property with the intention to continue to enhance innovation, wherever you are. Codan has also continued to support the Codan / Playford Trust honours scholarship.

The \$10,000 scholarship is awarded annually to an outstanding student commencing third-year, fourth-year or Honours in electronic engineering, signal processing or physics, with an interest in sensing systems. The successful applicant has the opportunity to undertake paid work experience at Codan. The aim is to help the student develop skills and knowledge and enhance their industry experience. They will work on projects in a collaborative environment, actively contributing and drawing on the experience of others.

“The Codan / Playford Trust scholarship has amplified my personal interest and launched my professional career in a field I am truly passionate about – signal processing. I am grateful to Codan and I look forward to innovating the future and unearthing my potential at Minelab!”

Brian Wang, 2023 recipient

Codan participated in a ‘STEM Girls Day’ hosted by the City of Salisbury Council, providing hands on STEM activities, and panel discussions by our female employees in STEM careers, for 80 high school female students from local high schools in the suburbs of Northern Adelaide.

Being a socially conscious and responsible organisation is a part of Codan’s corporate identity. Our mission is to target community programs that assist disadvantaged groups within the communities our business operates.

	FY23	FY22
Donations (\$000) inclusive of product donations	230	263



Youth Opportunities supports young people to develop the lifelong skills, habits and confidence to thrive. Working in partnership with Youth Opportunities, Codan will provide 20 young people in Northern Adelaide the opportunity to participate in the Elevate Personal Leadership Pathway. This wellbeing and leadership program offered to Year 10 students, will help them to develop the skills to overcome adversity, build resilience and optimism, and prepare for their future - while also providing access to opportunities which reduce barriers to achieving their potential.

ESG REPORT **SOCIAL**

Codan was proud to be a major sponsor supporting South Australia Indigenous Football (SAIF) at the First Nations Indigenous Football Cup held in Queensland in November 2022. SAIF was established by Socceroo Travis Dodd as a pathway for young Indigenous footballers to be exposed to the world game. Through this exposure it is hoped that players can develop and set their sights on becoming an elite footballer and be a role model for other Indigenous players in the community. As a result of the team's performance at the tournament, three players from the squad were selected to represent the Indigenous Roos in a recent 3 match test series against the New Zealand Māoris.



Each year, Zetron holds our annual "Shoot for the Stars" golf tournament, benefiting Behind the Badge Foundation. All proceeds from the event go directly to the 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 close to \$500,000 for the Behind the Badge Foundation to date. At the 2022 Annual golf tournament, over thirty Zetron employees and leadership team volunteered their time, spending the day on the course.

"We would like to express our heartfelt gratitude to the entire Zetron Shoot for The Stars team for the dedication to bringing this event to all of our mutual friends and stakeholders; and to you as well, we appreciate and are indebted to you in helping us achieve our mission" Brian Johnston, Executive Director, Behind the Badge Foundation.

Codan is a long-time proud supporter of Variety - the Children's Charity (Variety). 2023 marks our 35th 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. 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 third 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.

Other initiatives across our head office and regional offices include charitable giving matching program, where the company matches staff contributions dollar for dollar, with proceeds benefiting employee chosen charities, such as the American Red Cross.



Corporate Governance Statement

Codan's [Corporate Governance Statement](#), which was approved by the Board on 14 August 2023, 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 no workplace grievances registered globally during FY23.

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 (ABAC) , 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.

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.

Codan's modern slavery program is continually reviewed in line with our [Modern Slavery Policy](#). To seek continual best practice, Codan has also joined the UNGC's Modern Slavery Communities of Practice, which allows discussions across different industries and organisation size, to share ideas. 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 75% of Codan product.

Codan's supply and procurement team are in regular contact with Plexus and Venture and have undertaken numerous discussions around their approaches to modern slavery. Codan's Supply Chain Manager and General Counsel also visited both sites to conduct an in person audit, following on from the conversations undertaken in FY22 around their modern slavery practices. The in person audits allowed us to see first hand that our contract manufacturers share the same expectations with respect to modern slavery compliance.

More generally, we have a Supplier Code of Conduct and 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".

	FY24 Target	FY23 Actual	FY22
ABAC Policy violations	NIL	NIL	NIL
ABAC Internal audits	2	2	2
Sanction breaches and fines	NIL	NIL	NIL
Modern Slavery breaches	NIL	NIL	NIL

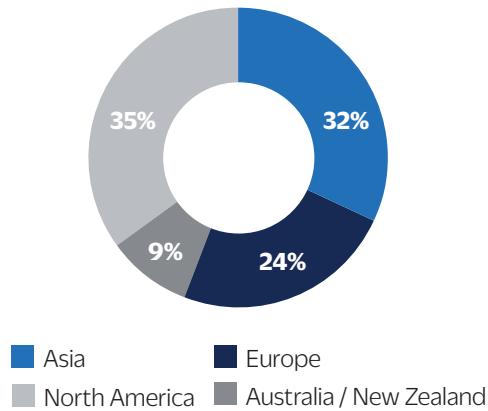


Our Supply Chain

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



1,000 active suppliers across the Codan Group, with supplier spend circa \$190 million across mostly electronic components, as well as cables, antennas, plastics, and packaging.

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 FY23 Codan completed penetration testing and regular vulnerability assessments to highlight potential system vulnerabilities. Continued staff awareness training and as well as rolling this program out to recently acquired companies.

In FY23, 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;
- 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 95 of this Annual Report. As Codan's business has continued to diversify, and in line with the success of our communications business, the activities and assets which generate our income have become more balanced and spread across the globe. In FY23, we paid \$9.3 million corporate income tax in Australia which is approximately half of our global corporate income tax contribution. Our shareholders continue to benefit from the generation of Australian franking credits from Australian tax paid.



GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

CONTENT INDEX

Statement of use: Codan Limited has reported the information cited in this GRI content index for the period 01 July 2022 to 30 June 2023 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	Codan Limited
	2-2 Entities included in the organization's sustainability reporting	Annual Report > Financial Statements Note 22 Group Entities page 106
	2-3 Reporting period, frequency and contact point	Annual Report > ESG Report > About this report section page 29
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Annual Report > ESG Report > About this report section page 29
	2-6 Activities, value chain and other business relationships	Annual Report > Financial Statements Note 2 Segment Activities page 91 Modern Slavery Statement accessible https://codan.com.au/who-is-codan/corporate-governance
	2-9 Governance structure and composition	Annual Report > ESG Report > Corporate Governance Statement page 44
	2-10 Nomination and selection of the highest governance body	Annual Report > ESG Report > Corporate Governance Statement page 44
	2-11 Chair of the highest governance body	Annual Report > ESG Report > Corporate Governance Statement page 44
	2-19 Remuneration policies	Annual Report > Remuneration Report - Audited pages 54–72
	2-20 Process to determine remuneration	Annual Report > Remuneration Report - Audited pages 54–72
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report > ESG Report > Business Ethics / Behaviour section page 44
	2-27 Compliance with laws and regulations	Annual Report > ESG Report > Corporate Governance Statement page 44
	2-28 Membership associations	During FY23, Codan Group employees held board positions on the following industry associations: Director, Export Council of Australia
	2-29 Approach to stakeholder engagement	Annual Report > ESG Report > About this report section page 29
	2-30 Collective bargaining agreements	Not applicable

GLOBAL REPORTING INITIATIVE (GRI) STANDARDS : CORE OPTION

CONTENT INDEX

GRI Standard	Disclosure	Location
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Annual Report > ESG Report > About this report section page 29
	3-2 List of material topics	Annual Report > ESG Report > About this report section page 29
	3-3 Management of material topics	Annual Report > ESG Report > About this report section page 29
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	Annual Report > ESG Report > Business Ethics / Behaviour section page 44
	205-2 Communication and training about anti-corruption policies and procedures	Annual Report > ESG Report > Business Ethics / Behaviour section page 44
	205-3 Confirmed incidents of corruption and actions taken	Annual Report > ESG Report > Business Ethics / Behaviour section page 44
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Annual Report > ESG Report > Environment section pages 30–35
	302-2 Energy consumption outside of the organization	Annual Report > ESG Report > Environment section pages 30–35
	302-3 Energy intensity	Annual Report > ESG Report > Environment section pages 30–35
	302-4 Reduction of energy consumption	Annual Report > ESG Report > Environment section pages 30–35
	302-5 Reductions in energy requirements of products and services	Annual Report > ESG Report > Environment section pages 30–35
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Annual Report > ESG Report > Environment section pages 30–35
	305-2 Energy indirect (Scope 2) GHG emissions	Annual Report > ESG Report > Environment section pages 30–35
	305-3 Other indirect (Scope 3) GHG emissions	Annual Report > ESG Report > Environment section pages 30–35
	305-4 GHG emissions intensity	Annual Report > ESG Report > Environment section pages 30–35
	305-5 Reduction of GHG emissions	Annual Report > ESG Report > Environment section pages 30–35
	305-6 Emissions of ozone-depleting substances (ODS)	Not disclosed
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not disclosed

