



CODAN

MODERN SLAVERY STATEMENT

Codan Limited and its
Controlled Entities (Codan)



1. THE REPORTING ENTITIES

This is a Joint Modern Slavery Statement for Financial Year 2023 (**FY23**) for Codan Limited (ACN 007 590 605) (**Codan**) and its wholly owned subsidiary Minelab Electronics Pty Ltd (ACN 008 208 446) (**Minelab**) and the entities which they control. Codan is headquartered in Adelaide, South Australia.

2. CODAN STRUCTURE, OPERATIONS, AND SUPPLY CHAINS

Codan is listed on the Australian Securities Exchange (*ASX:CDA*). Founded in 1959, Codan has a global footprint of approximately 900 employees with sales offices in Australia, Brazil, Canada, Denmark, India, Ireland, Mexico, Singapore, the UAE, the UK and the USA.

Codan is a technology company that provides robust technology solutions that solve customers' communications, safety, security and productivity problems in some of the harshest environments around the world. Our customers include United Nations organisations, security and military groups, government departments, major corporates, as well as individual consumers and small-scale miners.

Codan's products are sold in more than 150 countries, with exports accounting for more than 85% of its sales. Codan has a global network of dealers, distributors and agents that allow it to deliver its solutions and capabilities anywhere in the world.

Codan has the following brands in its Communications and Metal Detection portfolios:

- Communications - Domo Tactical Communications (**DTC**) and Zetron Inc. (**Zetron**).
- Minelab Metal Detection – Recreational, Gold Mining and Countermining metal detecting.

Codan's primary manufacturing facility, located at its head office in South Australia, is an integral part of its operations where it serves as a technology hub for new product development and the manufacture of "IP-sensitive" and high-complexity products. Of particular note are the Communications divisions' security-featured radios and Minelab's countermining detectors, which retain an element of local manufacture. Zetron and DTC are both headquartered in the USA. Zetron has manufacturing facilities in Redmond, USA as well as Victoria, BC, Canada. DTC has manufacturing facilities in the UK, Denmark and the USA.

Codan's Australian operations are responsible for purchasing materials for all of Minelab's products and a significant proportion of the Communications divisions' products. Codan has an extensive global supply chain in place, sourcing products and materials from 1,050 direct suppliers from 32 different countries. At the end of Codan's supply chain are global distribution centres located in the UAE, the USA, India, Netherlands, New Zealand, Malaysia, Poland, Brazil, Mexico and Australia, which ensures products are regionally distributed for the fastest route to market. Zetron's distribution centres are located in the USA, the UK and Australia. DTC has distribution facilities in the UK, Denmark, Singapore, and the USA.

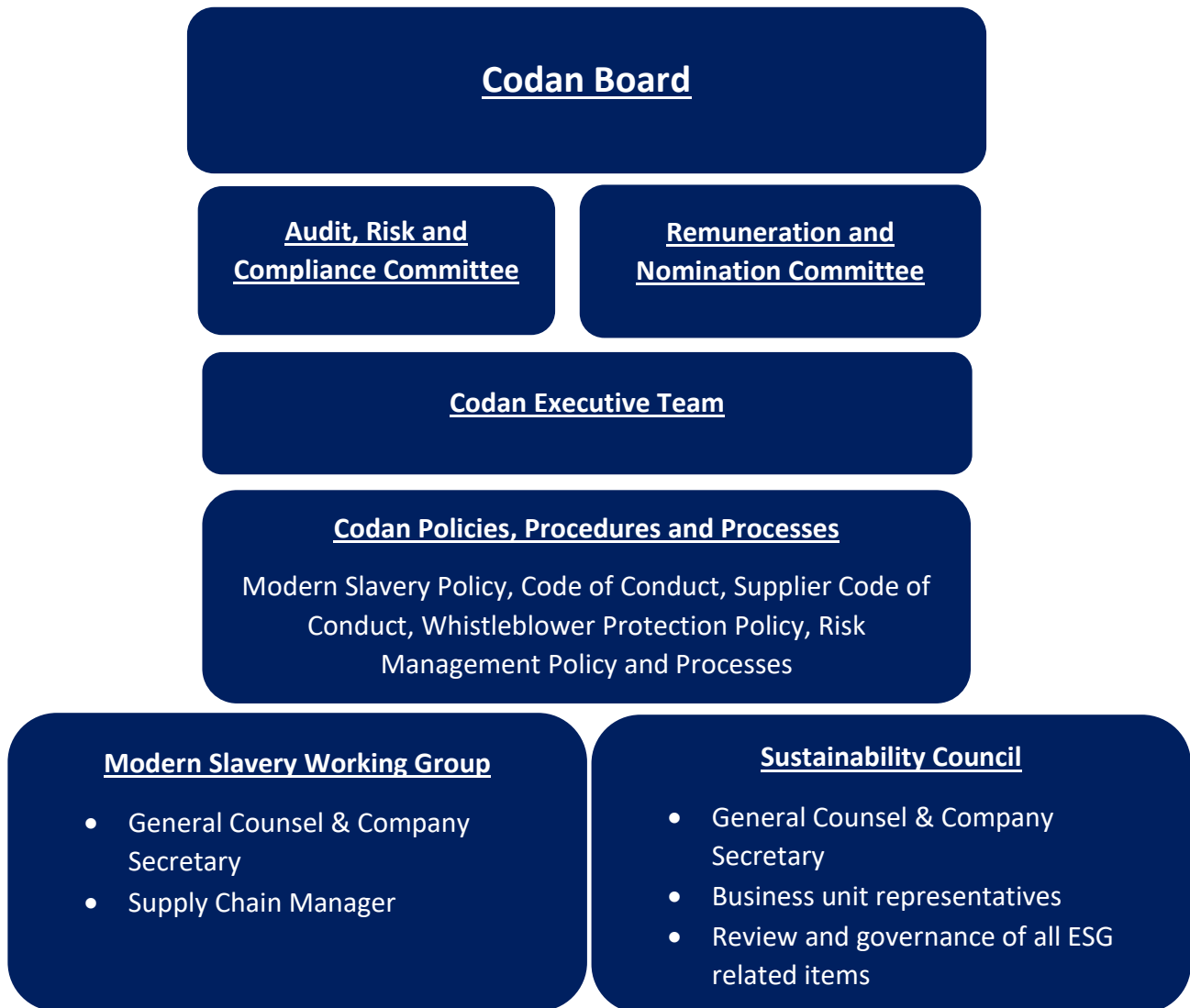
Codan’s strategic relationships with world leading subcontract electronics manufacturers remains a cornerstone of its manufacturing approach. Most of Codan’s manufacturing is carried out in Malaysia, via two main suppliers, namely Plexus Services Corp (**Plexus**) and Venture International Pte Ltd (**Venture**).

The Codan Group’s total material supplier spend in FY23 was just over AUD 196 million with the distribution of that spend as follows.

Country	Percentage of Spend %
USA	28.47
Malaysia	23.77
United Kingdom	21.23
Australia	8.51
Canada	7.01
Singapore	6.20
Denmark	1.44
Czech Republic	1.17
China	<1
Hong Kong S.A.R.	<1
Germany	<1
New Zealand	<1
South Africa	<1
Netherlands	<1
Taiwan	<1
France	<1
India	<1
Israel	<1
Ireland	<1
Luxembourg	<1
Republic of Korea	<1
Switzerland	<1
Andorra	<1
Norway	<1
Finland	<1
Sweden	<1
Jordan	<1
Japan	<1
Poland	<1
Ukraine	<1
Hungary	<1
Slovakia	<1

3. GOVERNANCE FRAMEWORK

The following image details the Codan Governance Framework, as it relates to modern slavery. For further details regarding our governance processes, please see our [FY23 Corporate Governance Statement](#).



4. RISKS OF MODERN SLAVERY IN CODAN'S OPERATIONS AND SUPPLY CHAINS

It is acknowledged that any of the categories of modern slavery including:

- trafficking in persons;
- slavery;
- servitude;
- forced labour;
- forced marriage;
- debt bondage;
- deceptive recruiting for labour or services; or
- the worst forms of child labour,

could potentially be occurring within Codan's global supply chain. Codan is currently unaware of it causing, contributing, or being linked to such practices anywhere within its supply chain. Codan will continue to improve its processes to increase its capability to detect these forms of modern slavery in its global supply chain.

As in FY22, Codan has engaged an independent consultant (Nathan Winter & Associates) to assist with the ongoing assessment of the potential risk of modern slavery within Codan's operations and supply chain. This assessment has been based on the sector, industry, services, products procured and geographical locations of Codan's suppliers utilising the following published sources of known modern slavery risk:

- The 'Modern Slavery Risk, Rights & Responsibilities – A Guide for Companies and Investors' commissioned by the Australian Council of Superannuation Investors (**ACSI Publication**);
- The US Department of Labor's '2022 List of Goods Produced by Child Labor or Forced Labor'; and
- The US Department of State's '2023 Trafficking in Persons Report'.

Codan's assessment has also considered the independent review of modern slavery legislation in Australia led by John McMillan and his subsequent report, namely the "Report of the statutory review of the *Modern Slavery Act 2018* (Cth) – The first three years" (the **McMillan Report**).

4.1 Statutory Reform Recommendations

The *Modern Slavery Act 2018* (Cth) (the **Act**) required a review to be conducted within 3 years of its commencement (on the 1st of January 2019). The review of the Act was carried out over a 12-month period and its findings were outlined in the McMillan Report. The McMillan Report outlines 30 recommendations of reform to the Act. Codan has reviewed these recommendations and assessed that it is well positioned to comply with the majority of the recommendations should they be enacted. Codan will continue to follow any further requirements that follow from the McMillan Report and any subsequent amendments to the Act.

4.2 Sector, Industry and Service Analysis

An analysis of the ACSI Publication has again identified the following **Sectors/Industries and Services** as potential areas of risk for Codan:

- branded and unbranded goods (including garments) not for re-sale utilised in our laboratories, for marketing or cleaning;
- transport and accommodation utilised by our employees when they travel for work;

- the manufacture of the Information Technology equipment we use including computers and printers; and
- raw material extraction and the smelting of minerals that are utilised in the production of such Information Technology equipment.

The following **Sectors/Industries and Services** were identified as potential areas of supply chain risk for our 'Operations':

- security, maintenance and cleaning;
- asset and tenant management;
- transportation: ports, maritime freight and truck drivers;
- storage of hazardous material; and
- base skill processing labour.

4.3 Product Analysis

Codan analysed its procurement of material supplies against the 2022 US Department of Labor's 'List of Goods Produced by Child Labor or Forced Labor'.

The following are goods procured from countries of concern:

Country	Goods Produced by Child or Forced Labor
Brazil	Garments
China	Garments, Gloves, Polysilicon, Electronics, Textiles
Malaysia	Electronics, Garments, Rubber Gloves
Mexico	Garments
India	Bricks, Carpets, Footwear, Garments, Glass, Locks, Matches, Mica, Sandstone, Stone

Codan also have the following goods incorporated in the buildings we use in our operations:

- bricks;
- nails;
- carpets;
- glass;
- locks;
- timber;
- stone (including limestone); and
- rubber.

4.4 Geographical Analysis

The Codan group's direct material suppliers have been analysed based on where they are located against the US Department of State '2023 Trafficking in Persons Report'. This report classifies all countries as either:

- Tier 1;
- Tier 2;
- Tier 2 Watch List; or
- Tier 3.

These are defined as follows:

Tier	Definition
1	Countries whose governments fully meet the US <i>Trafficking Victims Protection Act (TVPA)</i> minimum standards for the elimination of trafficking.
2	Countries whose governments do not fully meet the TVPA's minimum standards but are making significant efforts to bring themselves into compliance with those standards.
2 Watch List	Countries whose governments do not fully meet the TVPA's minimum standards but are making significant efforts to bring themselves into compliance with those standards, and for which: <ul style="list-style-type: none"> • the estimated number of victims of severe forms of trafficking is very significant or is significantly increasing and the country is not taking proportional concrete actions; or • there is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year, including increased investigations, prosecution, and convictions of trafficking crimes, increased assistance to victims, and decreasing evidence of complicity in severe forms of trafficking by government officials.
3	Countries whose governments do not fully meet the TVPA's minimum standards and are not making significant efforts to do so.

Source: US Department of State '2023 Trafficking in Persons Report'

The analysis identified the following for Codan's group suppliers:

Tier	Number of Direct Suppliers	Countries in which Suppliers are based
1	981	Australia, Canada, Czech Republic, Denmark, Finland, France, Germany, Luxembourg, Netherlands, Singapore, Sweden, Taiwan, United Kingdom and United States of America.
2	38	Hong Kong S.A.R., Hungary, India, Ireland, Israel, Japan, Jordan, New Zealand, Norway, Poland, Republic of Korea, Slovakia, Switzerland and Ukraine.
2 Watch List	16	Malaysia and South Africa.
3	14	People's Republic of China.

*Codan has 1 supplier in Andorra, which is not referenced in the US Department of State '2023 Trafficking in Persons Report.'

In FY23, Codan’s internal tool for supplier risk analysis was updated to include specific fields to list the US Department of State ‘Human Trafficking’ Country Tier in which each supplier is located and whether that supplier supplies a good and is from a country that is on the US Department of Labor List of Goods produced by Child Labor or Forced Labor.

This created a mechanism for our supply chain team to be able to have greater oversight of its highest risk suppliers.

5. ACTIONS TAKEN BY CODAN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

5.1 Policies

We have already established:

- a Code of Conduct that governs a framework around conduct required of our employees. It also provides guidance with respect to expected and acceptable standards of behaviour that are aligned with Codan’s core values (which includes acting lawfully and therefore acting in accordance with the Act.) This Code of Conduct is issued to all employees upon induction;
- a Supplier Code of Conduct that sets the expectations for suppliers and explicitly includes not using any forms of modern slavery;
- a Modern Slavery and Human Rights Policy, which sets out our commitment to combatting modern slavery in our business and supply chains to make sure that our business practices are aligned with the Universal Declaration of Human Rights (**UDHR**). This expectation of compliance with these policies extends to contractors, suppliers and business partners;
- a Whistleblower Protection Policy, which provides protection for employees, suppliers and other third parties by encouraging a “speak up” culture. This Policy outlines the mechanisms available for reporting and the investigation of misconduct, such as modern slavery, and the communication process that will be followed. It also advises of the protections available to eligible whistleblowers. Reports can be made anonymously. In FY23, we received no reports of misconduct relating to modern slavery or human rights related issues;
- a Risk Management Policy that sets the framework for managing risks within Codan; and
- an Anti-Bribery and Anti-Corruption (**ABAC**) Policy, which, among other things, requires Codan employees to conduct due diligence on proposed third parties and ongoing due diligence on current third parties to assess their suitability to partner with Codan from an ABAC perspective.

Each of the above are well established and we continually assess their relevance in dealing with modern slavery risks in our business and supply chains.

5.2 Dedicated Team

Codan’s General Counsel and Joint Company Secretary is the dedicated Compliance Manager. In addition, Codan’s Legal & Compliance team works closely with the Supply Chain Manager’s team to form Codan’s Modern Slavery Working Group (**MS Group**). It is the responsibility of the MS Group to ensure Codan’s modern slavery program is well resourced and the Modern Slavery Policy is well communicated and implemented.

5.3 Training

In FY22, Codan's compulsory online modern slavery training requirement was incorporated within the new employee induction process. It was also rolled out to employees and managers of DTC and Zetron. This process continued into FY23.

At the end of FY23, Codan engaged the services of a well-established global compliance training provider to assist it with curating modern slavery training to be distributed across Codan's offices globally for completion by all employees. The intent is for this training to be completed by at least 80% of recipients in FY24.

Going forward, we will encourage our direct suppliers to conduct equivalent modern slavery training with their employees. In FY23, we provided awareness training to key Venture and Plexus personnel during in person visits to both organisations.

5.4 Supplier Due Diligence Process

Codan continues to carry out supplier due diligence and a risk assessment before entering any commercial relationship with a new supplier. This is followed by a formal renewal process every three (3) years. Codan has a documented flow chart, which outlines the process for the internal procurement team to make the appropriate risk assessment for supplier approval. The process includes requesting a copy of the supplier's Modern Slavery policy, or equivalent thereof. This process has been enhanced in FY23 with the following key updates:

- all suppliers are required to acknowledge and accept conformance with the Codan Modern Slavery Policy;
- we assess new suppliers based on whether we deem such suppliers as "High Risk" (as defined at 5.5) and if a supplier is High Risk we ask more detailed questions around well-known modern slavery practices in such high risk environments; and
- non-conformance by a supplier with our expectations on modern slavery will result in an education and remediation processes with such supplier.

No suppliers have been rejected from our supplier due diligence process in FY23, but Codan does have a small number of suppliers with whom it is working to better educate and remediate their modern slavery understanding and processes (respectively).

Codan's Supplier Terms and Conditions include:

- modern slavery clauses;
- the requirement to comply with our Supplier Code of Conduct; and
- the requirement for suppliers to allow inspections, audits and ongoing monitoring.

5.5 Monitoring of Suppliers with Third Party Screening

In FY23, Codan included 47 suppliers who were located in countries that were either ranked Tier 2 Watch List or Tier 3 in the US Department of State 2023 Trafficking in Persons Report. These suppliers were uploaded into Refinitiv's World-Check Risk Intelligence third-party screening system which undertakes daily searches for negative media reports or sanctions via more than 1500 databases worldwide (including local language media) using the supplier name as well as key words including "fraud" and "modern slavery". In FY23, no hits were identified in the ongoing monitoring.

Codan considers its "**High Risk**" suppliers to be those that are either in countries that are:

- in Tier 3 or Tier 2 Watch List within the US Department of State '2023 Trafficking in Person's Report' (as set out in section 4.4 above); or

- listed as those of concern with respect to 2022 US Department of Labor's list of goods produced by child labor or forced labor (as set out in section 4.3 above).

Codan will continue to update and conduct searches of the Refinitiv World-Check Risk Intelligence database for all new High Risk suppliers such that by the end of FY24, it will ensure that all of its High Risk direct suppliers are recorded within Refinitiv's World-Check Risk Intelligence third-party screening system.

6. NEED TO REMEDIATE

During FY23, we did not identify any occurrences of modern slavery in our operations or supply chain. In the event we encounter modern slavery practices in our operations or supply chain caused or contributed to by us, we will take action to cease, investigate and remediate such contribution to the modern slavery practices and those affected. We will also take steps internally to work with third parties and suppliers to implement processes to mitigate and prevent future incidents. In FY24, we intend to develop guidelines which outline the courses of action we could take in the event we identify modern slavery occurrences in our operations specifically detailing how we would remediate such occurrences.

Should we encounter modern slavery practices in our supply chain, we will use our leverage to influence the entity responsible for the modern slavery to take action and consider whether we should provide for, and/or, cooperate in remedying any actual impact. If we are unable to exert the appropriate influence to have the entity to cease the modern slavery practices, we will consider terminating the business relationship. To the extent possible, we will use best efforts to inform any victims that are identified within our supply chain of the remediation channels available to them and we will ensure that remediation is conducted confidentially to protect any victim's privacy. We will also follow up once the remediation is completed to ensure that it has been effective, and the modern slavery has not re-occurred.

7. FY23 ACTION PLAN AND OUTCOMES

In our FY22 Modern Slavery Statement, we committed to a number of actions. Below, we provide a summary of the outcomes of those actions and where they were not fully completed, why this is the case and when we intend to complete them.

Targets for Actions	Completed?	Comments
Enhance our online modern slavery training to include the “Red Flags” that different groups of workers may be able to identify.	Yes	Global training rolled out. Seek 80% completion during FY24.
Promote online modern slavery training that is freely available to our suppliers and encourage them to utilise it.	Partial completion	Codan provided training to key personnel at Plexus and Venture on modern slavery risks.
Conduct an audit of the supplier sourcing process throughout the controlled entities for new suppliers since the new process was introduced.	Partial completion	We have undertaken this process for a large proportion of our suppliers and will complete this for all suppliers in FY24.
Enhance the supplier due diligence process by conducting searches of the Refinitiv World-Check Risk Intelligence database for any US Department of State ‘Human Trafficking’ Tier 3 or Tier 2 Watch List countries and for suppliers of any goods from countries of concern (as outlined in 4.3) on the US Department of Labor List of Goods produced by Child Labor or Forced Labor.	Yes	We added all suppliers that fell within countries outlined in the US Department of State ‘Human Trafficking’ Tier 3 or Tier 2 Watch List countries and countries of concern (as outlined in 4.3) on the US Department of Labor List of Goods produced by Child Labor or Forced Labor.
Adding the classification of the suppliers according to the US Department of State ‘Human Trafficking’ Tier of the country in which they are based, and whether they supply a good and are from a country that is on the US Department of Labor List of Goods produced by Child Labor or Forced Labor to the Supplier Review Table.	Yes	Completed and now sits within Supplier database internally.

Add more questions to our 'New Supplier – Info Request Form' to assist identify Red Flags of modern slavery.	Yes	
Conduct formal audits of at least 10% our suppliers that are located in Tier 3 countries and supply goods on the US Department of Labor List of Goods produced by Child Labor or Forced Labor (Section 4.4 of this Statement) or are in the Sectors/Industries or provide services identified by our Sector, Industry and Services analysis (Section 4.3 of this Statement).	Yes	<ul style="list-style-type: none"> • In person audits of two of our biggest suppliers in Penang, Malaysia, with no adverse findings. • Distributed 42 modern slavery questionnaires to high-risk suppliers. • 38 questionnaires have since been returned and will require consideration and review during FY24.
Establish Key Performance Indicators (KPIs) for modern slavery training, supplier audits that include modern slavery, and remediation of any instances of modern slavery.	Partial completion	KPI's are under development for completion in FY24.
Use our "influence" with external providers that have greater abilities to identify and report modern slavery red flags, in particular our labour hire providers and the Financial Institutions of which we are a customer.	Yes	<p>Through our audit process and regular interactions with critical suppliers we constantly raised modern slavery risks and seek comments and feedback from our suppliers on concerns they have.</p> <p>We have open dialogue with suppliers to identify their labour hire practices and if they align with proper modern slavery practices.</p>

8. ACTION PLAN FOR FY24

During FY24 we will:

- continue to ensure our online modern slavery training is rolled out to all new employees as part of the onboarding process;
- ensure that at least 80% of recipients of global modern slavery training complete training successfully before the completion of FY24;
- translate Supplier Code of Conduct to Mandarin Chinese and distribute appropriately;

- ensure the supplier due diligence process conducts searches of the Refinitiv World-Check Risk Intelligence database for all High Risk suppliers on an ongoing basis;
- conduct formal modern slavery audits of Venture and Plexus and a selection of suppliers that are located in High Risk countries that were not audited in FY23;
- undertake necessary follow ups with those suppliers with whom we have identified as requiring assistance from FY23 Audits and those 4 suppliers that did not respond;
- commit that any visits by the Supply Chain Manager to any suppliers will have an agenda item dedicated to modern slavery compliance and questions; and
- establish remediation guidelines to be followed in the event we discover modern slavery within our operations.

9. ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Our actions during FY23 were focussed on further developing and consolidating our own Modern Slavery Policy and processes. To date, we have not identified any instances of modern slavery within our operations or supply chain. We have also increased our supplier audit efforts and conducted visits to our two key Malaysian suppliers where we carried out in person audits. Further, we have conducted online audits of 38 High Risk suppliers. Increased efforts in FY24 to conduct more auditing may well identify instances of modern slavery within our supply chain. We will continue to monitor for any instances of modern slavery with our aim to remediate any instance identified as quickly as possible.

9.1 Key Performance Indicators (KPIs)

Codan will have a KPI that 100% of employees will be provided with access to its modern slavery training module within the first 4 weeks of employment with an expectation that such training be completed within 4 weeks of receiving such training.

In FY24, Codan will continue to establish new and develop existing KPIs for:

- supplier audits;
- employee modern slavery training; and
- further and ongoing visibility on all suppliers' modern slavery risk.

9.2 Review of Key Suppliers - Case Study

In undertaking its risk assessment with respect to modern slavery, Codan again identified that its primary risk lies with its major third party contract manufacturers. In FY23, this was Venture and Plexus. Both are based in Penang, Malaysia and manufacture up to 32% of Codan products. 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.

In May 2023, members of the MS Group conducted in person audits at the sites of Venture and Plexus. It has prepared and retained detailed reports of these audits. The MS Group were very impressed with the engagement and attitude of both Plexus and Venture personnel with respect to modern slavery risk and their appreciation of why this is critical for Codan.

For the purposes of this Statement, the key findings of the visits for each of the manufacturers is summarised as follows:

- each are either members of the Responsible Business Alliance (**RBA**) or in compliance with its requirements/standards;
- each have internal codes of conduct, policies and practices that:
 - govern and regulate modern slavery risks; and
 - provide for appropriate training and awareness of modern slavery risks to new and existing employees;
- each undertake appropriate and regular audits of their modern slavery processes and such audits are in compliance with RBA standards;
- each will audit critical suppliers and more broadly have processes in place to ensure that all suppliers are aware of modern slavery requirements;
- given the high proportion of foreign workers that each employ, they each ensure:
 - they comply with local labour laws and regulations;
 - the employees they employ meet relevant age requirements and undertake best practice in recruiting, onboarding and induction; and
 - they have appropriate practices in place to ensure that such workers live in appropriate conditions (in accordance with RBA standards);
- each of the facilities are well equipped in that they:
 - are well lit, spacious, tidy and well ventilated;
 - provide for communal dining facilities; and
 - have recreational facilities available to staff;
- each have detailed, transparent and specific mechanisms/processes to facilitate the reporting of any work-related grievance or complaint (both anonymous and otherwise) and in various languages; and
- all staff at both facilities were very engaging and positive about their experiences working for Plexus and Venture respectively.

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.

9.3 Collaborating with Third Parties

Codan is a member of the United Nations Global Compact (**UNGC**), and, in FY23, we declared our commitment to the Ten Principles of the UNGC on human rights, labour, environment and anti-corruption. This commitment remains unchanged.

In FY23, members of the MS Group engaged in further learning through UNGC Webinars and the Lawyers Weekly Corporate Counsel Summit which addressed prevalent concerns of modern slavery, as well as providing opportunities to network with industry peers on modern slavery best practices.

The Commonwealth Attorney-General's Department hosted a modern slavery conference held over 3 days in June 2023 which provided an opportunity for collaboration between government, the corporate sector and academia. During the conference, Codan was able to

reflect on its practices and identify that these aligned with those of our peers in the corporate sector. Further, we were able to learn from industry leaders' various measures we could consider when faced with modern slavery issues in our own operations or supply chains.

Codan, through its MS Group, is very active in identifying networking, development and educational opportunities to facilitate continued learning and development of what is best practice with respect to modern slavery compliance.

10. CONSULTATION WITH ENTITIES THAT CODAN LIMITED OWN OR CONTROL

Codan's General Counsel and Joint Company Secretary, together with Codan's group operations personnel across the entire Codan group were consulted to discuss the specific modern slavery risks and impact within each of their operations during the development of this Modern Slavery Statement. Each Codan subsidiary is bound by Codan's policies, procedures and systems, including those in relation to contracting, purchasing and human resources.

Each year, the Codan General Counsel and Joint Company Secretary represents the MS Group and presents this statement and summary of all completed actions and initiatives as well presenting forward looking actions for the next financial year to the Codan board for its review, consideration and approval.

This statement was tabled and approved by the board of Codan Limited at its meeting on the 18 December 2023.



Alf Ianniello
Managing Director and Chief Executive Officer
Codan Limited

18 December 2023



CODAN