



CODAN

MODERN SLAVERY STATEMENT

Codan Limited and its
Controlled Entities (Codan)



ZETRON



WHO IS CODAN

1 - THE REPORTING ENTITIES

This is a Joint Modern Slavery Statement for Financial Year 2022 (**FY22**) 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 730 employees with 15 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.

LOCATION

Codan's primary owned 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 countermine 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 the majority of the group's revenue, specifically Communications and Minelab. Codan also continues to manufacture product for Minetec Pty Limited (which was acquired from Codan by Caterpillar Inc. during FY21). Codan has an extensive global supply chain in place, sourcing products and materials from 955 direct suppliers from 26 different countries. At the end of Codan's supply chain are global distribution centres located in the UAE, the USA, Netherlands, New Zealand, Malaysia, Poland, Brazil, Mexico and Australia, which ensures product is 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**).

TOTAL MATERIAL SUPPLIER SPEND

The Codan Group's total material supplier spend in FY22 was AUD \$161 million with the distribution of that spend as follows:

Country	Percentage of Spend
Malaysia	41.3
USA	27.8
UK	13.7
Australia	8.0
Denmark	3.7
China	1.5
Czech Republic	1.3
Singapore	1.2
Taiwan	<1
New Zealand	<1
Netherlands	<1
Germany	<1
South Africa	<1
Finland	<1
Germany	<1
Canada	<1
Japan	<1
Italy	<1
France	<1
Poland	<1
Switzerland	<1
Norway	<1
Ireland	<1
Sweden	<1
Lithuania	<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 [FY22 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. However, in the coming years Codan will progressively improve its processes to increase its capability to detect these forms of Modern Slavery in its global supply chain.

Codan has engaged an independent consultant (Nathan Winter & Associates) to assist in conducting a scoping assessment of the potential risk of Modern Slavery within its 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 'List of Goods Produced by Child Labor or Forced Labor;' and
- The US Department of State's '2022 Trafficking in Persons Report'.

4.1 Sector, Industry and Service Analysis

An analysis of the ACSI Publication has identified the following **sectors/industries and services** as potential areas of risk for the 'Corporate' group:

- 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 manufacturer 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.

4.2 Product Analysis

Codan analysed its procurement of material supplies against the 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 Labour
Brazil	Garments
China	Garments, Gloves, Polysilicon, Electronics, Textiles
Malaysia	Electronics, Garments, Rubber Gloves
Mexico	Garments

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

- Bricks;
- Nails;
- Carpets;
- Locks;
- Timber;
- Stone (including limestone); and
- Rubber.

4.3 Geographical Analysis

The Codan group’s direct material suppliers have been analysed based on where they are located against the US Department of State ‘2022 Trafficking in Persons report.’ This report classifies all countries as either:

Tier 1 | Tier 2 | Tier 2 Watch List | Tier 3

These are defined as follows:

Tier	Definition
1	Countries whose governments fully meet the US Trafficking Victims Protection Act (TVPA) 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	<p>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:</p> <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.
Tier 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 ‘2022 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	712	Australia, Canada, Czech Republic, Finland, France, Germany, Lithuania, Netherlands, Singapore, Sweden, Taiwan, United Kingdom and United States of America.
2	196	Denmark, Ireland, Italy, Japan, New Zealand, Norway, Poland and Switzerland.
2 Watch List	2	South Africa
3	45	China and Malaysia

In FY23, the Codan Tool for supplier risk analysis known as the 'Supplier Sourcing Process' spreadsheet will be updated to include specific fields to list the US Department of State 'Human Trafficking' Country Tier that the Supplier is located in 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.

5 - ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

5.1 Policies

We have established:

- A Code of Conduct that establishes 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 Australian Modern Slavery 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 Policy, which sets out our commitment to combatting Modern Slavery in our business and supply chains. This expectation 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;
- 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.

5.2 Dedicated Team

Codan's General Counsel and Joint Company Secretary is the dedicated Compliance Manager. In addition, Codan has a dedicated Legal & Compliance team that form part of Codan's Modern Slavery Working group to ensure its 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.

Going forward we will encourage our direct suppliers to also conduct equivalent Modern Slavery Training with their managers and employees.

5.4 Supplier Due Diligence Process

Codan carries 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 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.

Codan has requested existing suppliers, including those of the most recent acquisitions, Zetron and DTC, to complete its updated modern slavery due diligence process. Codan's head office site in Adelaide has had 92% of its suppliers approved through its due diligence process.

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 Critical Suppliers with Third Party Screening

Codan includes critical suppliers 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 FY22, no hits were identified in the ongoing monitoring. Most critical suppliers from DTC were also added into this third-party screening system.

Going forward, Codan will conduct searches of the Refinitiv World-Check Risk Intelligence database for all suppliers in the US Department of State 'Human Trafficking' Tier 3 and Tier 2 Watch-List countries and suppliers from countries that supply goods that are on the 'List of Goods produced by Child Labour or Forced Labour' from the US Department of Labor.

6 - NEED TO REMEDIATE

As we are yet to identify any occurrences of Modern Slavery in our operations or supply chain, we have not had a need to remediate. In the event we were to encounter Modern Slavery practices in our supply chain caused or contributed to by us, we will take action to cease and prevent our contribution to the Modern Slavery practices. We will also provide for, and, or cooperate in remedying any actual impact.

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. We will 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 - ACTION PLAN FOR FY23

During FY23 we will:

- Enhance our online Modern Slavery Training to include the “Red Flags” that different group of workers may be able to identify;
- Promote online Modern Slavery Training that is freely available to our suppliers and encourage them to utilise it;
- Conduct an audit of the Supplier sourcing process throughout the controlled entities for new Suppliers since the new process was introduced;
- 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 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;
- Add more questions to our ‘New Supplier - Info Request Form’ to assist identify Red Flags of Modern Slavery;
- 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 4.3 of this Statement) or are in the Sectors/Industries or provide services identified by our Sector, Industry and Services analysis (Section 4.2 of this Statement);
- Establish Key Performance Indicators (KPIs) for Modern Slavery Training, Supplier Audits that include Modern Slavery, and Remediation of any instances of Modern Slavery; and
- 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.

8 - ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Our actions taken up until and during FY22 have been focused on developing our own Modern Slavery Policy and processes. To date we have not identified any instances of Modern Slavery within our operations or supply chain. Although we acknowledge to date, with a limited number of visits to our key Tier 1 suppliers, we have not formally carried out an audit or insist that they audit their own suppliers (our Tier 2 suppliers). Conducting more auditing may well identify instances of Modern Slavery within our supply chain, so we will continue to monitor for any instances of Modern Slavery with our aim to remediate any instance identified as quickly as possible.

For other process related measures of our effectiveness, we will establish several Key Performance Indicators.

8.1 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 it be completed within 4 weeks of receiving such training.

In FY23 Codan will establish KPIs for:

- Supplier audits; and
- Remediation of any instances of Modern Slavery.

8.2 Review of Key Suppliers - Case Study

In undertaking its risk assessment with respect to Modern Slavery, Codan has identified that its main risk lies with its major third-party contract manufacturers. Presently, this is Venture and Plexus. 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.

In FY22, Codan's compliance team has reviewed the Modern Slavery programs of the two Malaysian contract manufacturers, and these were in line with Codan's expectations. Importantly, both Venture and Plexus conduct appropriate internal training and have awareness programs regarding Modern Slavery and conduct ongoing internal audits across their sites.

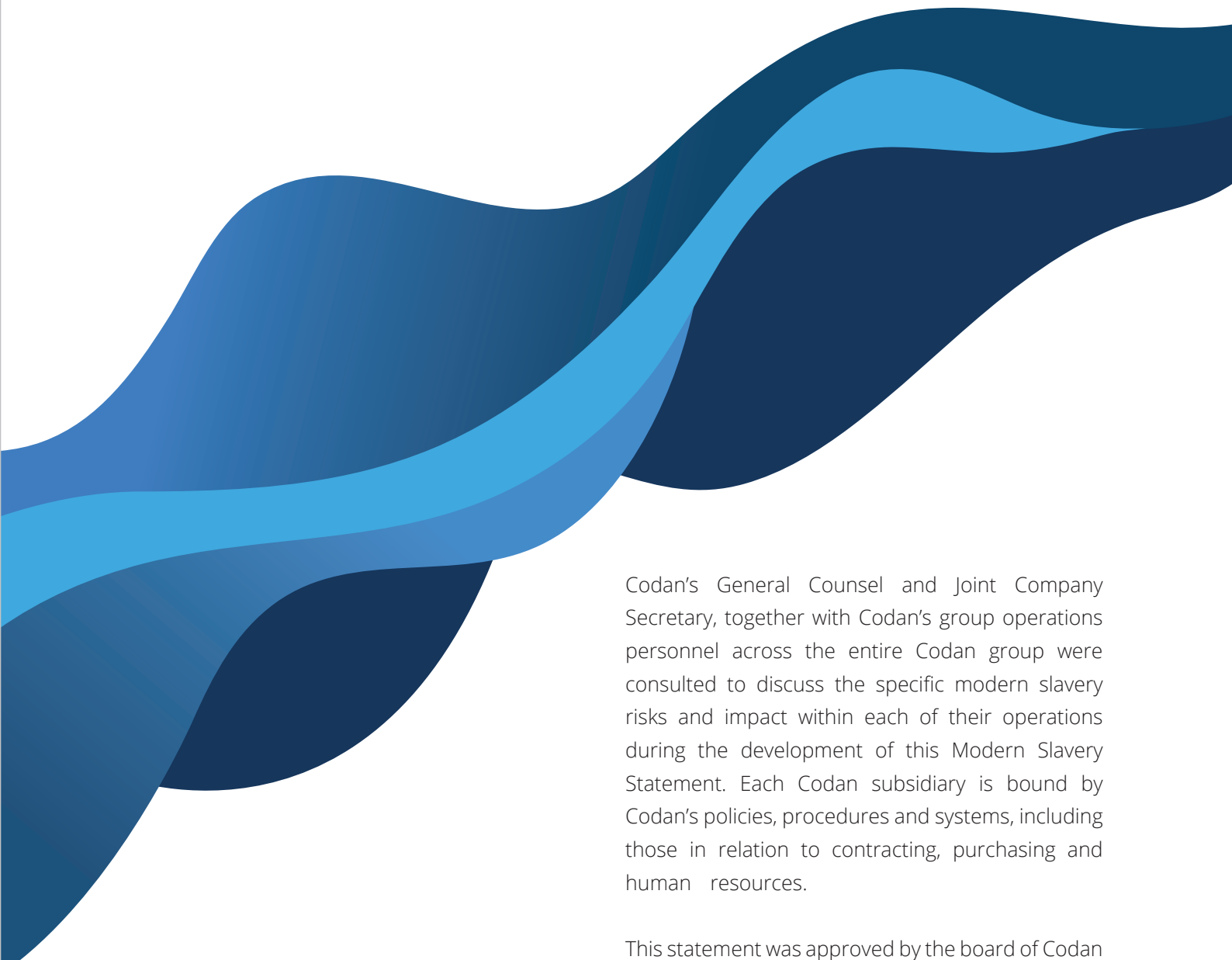
Plexus is in full compliance with the UK Modern Slavery Act and is a member of the Responsible Business Alliance (**RBA**), being the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. In the future, we will continue to work with both organisations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

8.3 Collaborating with Third Parties

Codan is a participant in the United Nations Global Compact and we have declared our commitment to the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption.



United Nations
Global Compact



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.

This statement was approved by the board of Codan Limited at its meeting on the 21st December 2022.

Alf Ianniello



Managing Director
Codan Limited



CODAN