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ASX RELEASE

20 August 2026

SUSTAINABILITY REPORT FOR THE FULL YEAR ENDED 30 JUNE 2026

Please find attached the FY26 Sustainability Report for Codan Limited (ASX:CDA) for the year ended 30 June 2026.

The Sustainability Report has been prepared for the purposes of Chapter 2M of the Corporations Act 2001 (Cth) and AASB S2 Climate-related Disclosures.

On behalf of the Board

Daniel Widera
Company Secretary

This announcement was authorised by the Board of Directors

Codan is a technology company that develops robust technology solutions to solve customers' communications, safety, security and productivity problems in some of the harshest environments around the world.

– ENDS –

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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Sustainability Report 2026

CODAN

Sustainability Report
(Climate-related Disclosures) For the year ended 30 June 2026

Basis of Preparation

Reporting Entity

This Report has been prepared for Codan Limited (ABN 77 007 590 605) (Codan or the Company) and its controlled entities (together referred to as the Group) and should be read in conjunction with Codan's consolidated financial statements.

Statement of Compliance

This Report is in accordance with the Corporations Act 2001 and the Australian Sustainability Reporting Standards AASB S2 Climate-related Disclosures (**AASB S2**), as set by the Australian Accounting Standards Board (**AASB**). This Report aligns with the Company's consolidated financial reporting boundary and period. It encompasses climate-related data and information from the parent entity and its controlled entities. It fully aligns with the Company's selected operational control approach to measuring its Scope 1 and 2 greenhouse gas (**GHG**) emissions. For further detail on the basis of consolidation, refer to note 1(c) in the Company's consolidated financial statements for the year ended 30 June 2026.

Transition Reliefs

In preparing this Report, Codan has applied the following transition reliefs for its first annual reporting period:

- Not to disclose comparative information; and
- Not to disclose Scope 3 GHG emissions.

Connected Information

This Report presents the Group's climate-related financial information for the financial year ended 30 June 2026, aligned with the reporting period of its consolidated financial statements. It links to related disclosures, including the consolidated financial statements, to provide a cohesive view of how climate-related risks and opportunities (**CRROs**) may affect the Group's financial position, performance and cash flows over the short, medium and long term.

Presentation Currency

The currency for dollar values presented in this Report is Australian dollars, which aligns to the currency presented in Codan's consolidated financial statements.

Forward-looking Statements

This Report contains forward-looking statements and forward-looking climate-related information prepared in accordance with AASB S2. Such statements involve known and unknown risks, uncertainties and other factors, many of which are outside Codan's control, and that may cause actual results, performance, outcomes or conditions to differ materially from those expressed or implied. Forward-looking climate-related information, including scenario analysis and the impact of CRROs on Codan's business model and value chain, is based on information available at the reporting date and reflects assumptions considered reasonable at that time.

Except as required by applicable laws or regulations, Codan does not undertake to update any forward-looking statements or climate-related information. Codan cautions against undue reliance on the forward-looking statements or climate-related information in this Report.

Judgements

The preparation and presentation of the climate-related disclosures in this Report involves applying judgement to determine what information is relevant, reliable and useful to disclose.

This includes interpreting reporting requirements and making informed decisions in areas where AASB S2 allows flexibility. Codan applied judgements in the following main areas:

Identification of relevant CRROs and material information

Codan exercised judgement in identifying the CRROs that could reasonably be expected to affect Codan's prospects, and in determining what information about those risks and opportunities is material for disclosure. This involved considering potential impacts and dependencies across Codan's business model and value chain, including whether those matters could reasonably affect Codan's cash flows, access to finance or cost of capital over the short, medium or long term.

For further details, see Climate-Related Risks and Opportunities.

Assessment of Vulnerability to Climate-Related Risks

Codan exercised judgement in determining how to assess vulnerability to climate-related risks. AASB S2 does not prescribe a methodology for determining when assets or business activities are "vulnerable" to climate-related risks. For FY26, Codan assessed vulnerability by reference to its three principal business activities: Minelab, DTC and Zetron. This basis of assessment was selected because Codan's identified climate-related risks arise primarily across its value chain, including upstream component supply, contract manufacturing, distribution channels, product compliance and procurement-related requirements, rather than through material exposure of Codan-owned physical assets.

Codan defined a business activity as vulnerable where it is exposed to an identified climate-related physical or transition risk that, after taking into account existing controls, mitigation measures and response capability, could reasonably be expected to result in material disruption to that business activity or otherwise affect Codan's prospects.

In applying this judgement, Codan distinguished between exposure and vulnerability. Exposure to a climate-related risk was not itself, treated as vulnerability. Codan considered the nature of each risk, the area of the value chain affected, existing and planned controls, and Codan's ability to absorb or respond to potential disruption.

The outcome of this judgement is reflected in the "Other Climate-related Metrics" disclosure. Based on the FY26 assessment, Codan did not identify any principal business activity as vulnerable to climate-related physical or transition risks after considering existing controls and mitigation measures. This conclusion does not mean Codan has no exposure to climate-related risks. It reflects Codan's judgement that, at the reporting date, current exposures to existing risks are mitigated by Codan's existing operating model, supply chain management, business continuity, inventory management, sourcing, compliance and product development capabilities, and are not expected to result in vulnerability of Codan's principal business activities at the reporting date. Codan will review this assessment in future reporting periods as data, methodologies and climate-related risk assessment practices mature. The amount and percentage of Codan's principal business activities assessed as vulnerable are disclosed in Other Climate-related Metrics.

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GHG emissions
Codan exercised judgement in determining the calculation methodologies, data sources and assumptions applied in measuring Scope 1 and Scope 2 GHG emissions, including: (i) selecting appropriate jurisdiction-specific emissions factors (e.g. NGAF 2025, UK Government and US EPA); and (ii) determining the use of primary activity data where available, and estimation techniques where data was incomplete or unavailable (e.g. extrapolation of partial-year data, and spend or equipment-based estimates for fuel and refrigerants). For further details of the boundary for GHG emissions, see Metrics and Targets – GHG Emissions.

Scenario selection
Codan exercised judgement in determining that the use of Network for Greening the Financial System (**NGFS**) scenarios was an appropriate and commensurate basis for its FY26 scenario analysis, having regard to Codan's specific circumstances. In making this judgement, Codan considered its global operations, geographically diversified business model, extended supply chain, multiple market segments, exposure to physical and transition risks, and the skills, capabilities and resources available for scenario analysis. Codan selected NGFS Net Zero 2050 and NGFS Current Policies because they provide global coverage, incorporate physical and transition risk drivers, and represent sufficiently diverse plausible futures: an orderly 1.5°C transition pathway and a high-emissions current-policies pathway. This judgement supported a primarily qualitative scenario analysis approach focused on assessing resilience, rather than quantitative stress testing at asset, business unit or product level. For further details, see Approach to Climate Scenario Analysis.

Uncertainties

The preparation of this Report involves estimates and forward-looking assumptions. The table below summarises the main areas of measurement uncertainty affecting amounts disclosed in this Report, together with other significant uncertainties affecting qualitative disclosures such as scenario analysis and resilience assessment.

Where Codan has disclosed an amount, the table identifies the amount or category of amount affected. Where Codan has not quantified an amount, it is because Codan has determined that the measurement uncertainty is too high for the resulting information to be useful. The table identifies the affected disclosure and the financial statement line items most likely to be affected.

Scope 1 GHG emissions	Uncertainty arises from the use of emissions factors, data availability and estimation methods for fleet fuel, stationary fuel and refrigerants. Codan applied the operational control approach and used primary activity data where available. Where data was incomplete or unavailable, Codan used estimation methods including extrapolation of partial-period data, spend-based fuel estimates and equipment-based refrigerant leakage estimates. The disclosed amount is most sensitive to estimated fuel and refrigerant data and the emissions factors applied. Codan does not expect reasonably possible changes in assumptions to materially alter the reported Scope 1 emissions profile. Uncertainty is expected to reduce as data collection processes mature, including through improved site-level data capture, more complete fleet fuel data and increased availability of refrigerant service records.

Scope 2 location-based GHG emissions	Uncertainty arises from incomplete electricity consumption data and the use of jurisdiction-specific grid emissions factors. Codan used invoice data where available and otherwise estimated consumption using extrapolation, floor area or other activity data. The disclosed amount is most sensitive to estimated electricity consumption at landlord-managed sites and changes in location-based grid emissions factors. Codan does not expect reasonably possible changes in assumptions to materially alter the reported Scope 2 location-based emissions profile. Uncertainty is expected to reduce as Codan improves access to electricity consumption data, including through direct utility data, landlord engagement and improved data collection controls.
Current financial effects of identified climate-related risks	Codan has disclosed that identified climate-related risks did not have a material effect on Codan's financial position, financial performance or cash flows in FY26. This assessment is subject to uncertainty because climate-related impacts may not always be separately identifiable from other operational, supply chain, logistics or regulatory cost drivers. Codan assessed current financial effects through enquiries with the finance function and business units and considered whether any identified impacts were material to Codan's financial position, performance or cash flows. Reasonably possible outcomes for FY26 are assessed as ranging from no separately identifiable financial effect to immaterial financial effects absorbed within ordinary operating results. Codan does not expect a material adjustment in FY27 based on current information. Uncertainty is expected to reduce as Codan further develops processes to identify and track climate-related costs, including costs associated with compliance, supply chain disruption and emissions management.
Anticipated financial effects of physical climate-related risk	Codan could not quantify the anticipated financial effects of increasing severity and frequency of acute weather events and longer-term shifts in climatic patterns. Historically, Codan has not identified material financial impacts directly attributable to climate-related physical hazards. Future impacts remain uncertain because outcomes depend on the timing, location, severity and duration of physical hazards, the supplier, product or freight route affected, and the effectiveness of mitigation measures. Codan assumed that its existing supply chain, inventory, sourcing, business continuity and insurance arrangements continue to operate. Codan also assumed that future mitigation measures may address broader supply chain and operational resilience risks and may not be separately attributable to climate-related physical risk. Reasonably possible outcomes range from no material financial effect, where no significant disruption occurs or disruption is mitigated, to increased cost of sales, revenue deferral or timing impacts on operating cash flows if component supply, contract manufacturing or freight is disrupted. Codan has not disclosed a quantified range because the number and variability of assumptions mean the resulting range would not be useful. Uncertainty is expected to reduce as Codan develops more granular supplier and logistics data, performs location-specific physical risk analysis, and improves its ability to model the financial effects of disruption scenarios.

Anticipated financial effects of emerging regulation	Codan has not quantified the anticipated financial effects of carbon pricing, reporting obligations or sustainable product regulation. Measurement uncertainty is high because outcomes depend on future policy settings, jurisdictional application, carbon prices, supplier pass-through, product scope and the nature of any resulting compliance or redesign requirements. Codan assumed near-term compliance and procurement-related costs could generally be absorbed within ordinary operating expenditure unless more material product or supply chain impacts arise. Reasonably possible outcomes vary by exposure: • For direct Scope 1 and 2 emissions, impacts are not expected to materially affect financial position, financial performance or cash flows. • For supply chain exposure, outcomes range from no material effect to increased cost of sales where suppliers or logistics providers pass through carbon pricing or compliance costs. • For sustainable products, outcomes range from no material effect to increased compliance, product development, engineering or cost of sales impacts where requirements apply to specific products or markets. Codan has not disclosed any quantified range(s) where data is insufficient, particularly for supply chain emissions, supplier cost pass-through and product-level impacts. Uncertainty is expected to reduce as regulatory frameworks develop and as Codan enhances its Scope 3, supplier emissions and product lifecycle data, and develops more quantitative approaches to assessing carbon pricing exposure.
Scenario analysis and resilience assessment	These disclosures are subject to outcome uncertainty rather than uncertainty in a quantified amount. Uncertainty arises from the use of forward-looking scenarios, qualitative methods and assumptions about global and regional climate, policy, market and technology pathways. Codan used NGFS Net Zero 2050 and Current Policies scenarios, supplemented by additional regional and jurisdictional inputs where relevant. Codan did not assign probabilities to scenarios and did not use scenario analysis as a forecast. The resilience assessment is sensitive to the timing, severity and location of physical hazards, the development of climate-related regulation, supplier responses and customer requirements. Codan's qualitative conclusion may change if future conditions differ materially from the assumptions used in FY26. Uncertainty is expected to reduce as Codan's scenario analysis capability matures, including through more granular location-specific risk assessment, supplier-level analysis and quantitative stress testing where useful and proportionate.

Governance

Oversight by the Board

Codan's Board is responsible for demonstrating leadership, providing strategic oversight and guidance, and overseeing the effective management and delivery of Codan's business objectives and shareholder value. The Board also sets the risk appetite within which management operates. As part of these responsibilities, the Board has oversight of CRROs that could reasonably be expected to affect Codan's prospects.

The Board is supported by the Audit and Risk Committee (**ARC**) which oversees the effectiveness of Codan's financial reporting, audit processes, risk management and compliance processes. The ARC Charter authorises ARC to assist the Board in relation to, among other things, climate-related risks. This includes oversight of the identification, assessment and monitoring of CRROs, as well as the review of climate-related disclosures prior to their approval by the Board.

The Board and the ARC are supported in their oversight of climate-related matters by the General Counsel and Company Secretary (**GC**), the Sustainability Manager and the Sustainability Council. The Board receives quarterly updates from the GC on climate-related matters. In FY26, these updates have kept the Board informed of Codan's preparation of climate-related risk and opportunity disclosures in accordance with AASB S2.

The ARC receives updates on CRROs through its oversight of the Group Risk Register, at least annually as part of the June review, and when there are changes to Codan's risk profile. Where a CRRO that could reasonably be expected to affect Codan's prospects is identified outside normal reporting cycles, it is escalated to the ARC or the Board by the GC or the CEO as an urgent matter. In FY26, the ARC reviewed papers relating to climate-related matters on four occasions and:

- Received updates on the alignment with AASB S2, identification and assessment of CRROs and preparation of this Report.
- Reviewed the significant areas of judgement involved in preparing climate-related disclosures.
- Reviewed this Report and recommended it for approval by the Board.

The Chair of the ARC reports to the Board following each ARC meeting, and the Board receives copies of ARC meeting minutes. Matters relating to Codan's CRROs, including the FY26 assessment, significant judgements and this Report, were reported to the Board through this process. No urgent or out-of-cycle climate-related matter requiring immediate Board action was identified throughout FY26.

Codan assesses CRROs through its existing governance, risk management, strategy and business planning processes, rather than through a separate stand-alone climate governance process. Climate-related risks are considered as part of the Group Risk Register, while climate-related opportunities, where identified, are assessed by Codan management (including the Sustainability Manager) through the same processes used for other strategic and commercial opportunities. Where such risks or opportunities could reasonably be expected to affect Codan's prospects, or otherwise require Board consideration, they are escalated to the Board through standard management reporting channels. No climate-related opportunity of this nature has been identified to date.

Codan does not currently operate a separate stand-alone Board process for assessing CRROs in strategy or major transactions. Instead, Sustainability Manager and the Sustainability Council considers whether identified CRROs are relevant to Board decisions through Codan's existing strategy, budgeting, capital allocation, acquisition, procurement and risk review processes. Where a Board paper relates to a matter that may be affected by an identified CRRO, including a relevant business unit, geography, supply chain exposure, regulatory jurisdiction, product category or material operating cost, that climate-related consideration is included in the relevant strategic, financial, operational or risk analysis provided to the Board.

Codan will assess the effectiveness of this approach annually and, if its exposure to CRROs changes or the existing processes are no longer considered appropriate, will implement a standalone CRRO reporting process.

Board Skills and Competencies

The Board assesses its collective skills, experience and competencies annually as part of Codan's Board and Committees evaluation process and Board skills matrix review. This process is used to assess whether the Board and its Committees have the collective skills required to oversee Codan's strategy, business model, risk profile, governance obligations and business operations, including emerging and evolving risks.

The Board skills matrix is reviewed having regard to Codan's strategic priorities, business activities, operating environment, key risks and governance responsibilities. The outcomes of this assessment are considered by the Board and, where relevant, inform Board composition, succession planning, Committee membership, director induction, ongoing director education and the use of external advisers.

In FY26, the Board evaluation process included specific consideration of ESG oversight and reporting. This included consideration of the Board's oversight of ESG risks and opportunities through ARC, the integration of ESG factors into Codan's strategy, the quality and frequency of ESG information provided to the Board, management's skills and access to expertise to oversee ESG matters, and the Board's oversight of climate-related disclosures.

The Board skills matrix includes broad skills and experience, including general management, strategy, operational management, compliance, financial literacy, risk management and ESG oversight. The skills matrix does not include a separate standalone climate-specific skills category. The Board considers that climate-related oversight is currently most appropriately assessed through these broader skills and competencies, having regard to the nature of Codan's CRROs and the way those matters are managed through Codan's existing governance, strategy and enterprise risk management processes.

Board and ARC capability in relation to climate-related matters is developed through management reporting, Board and Committee papers, regulatory updates, briefings from external advisers, director training and the review of climate-related disclosures and supporting analysis. In FY26, this included reporting on AASB S2 implementation, the identification and assessment of CRROs, GHG emissions reporting, scenario analysis, climate resilience and judgements applied in preparing this Report.

The Board will continue to assess annually whether its collective skills and access to expertise remain appropriate to oversee CRROs. This assessment will consider changes in Codan's risk profile, regulatory obligations, investor expectations, reporting maturity and the nature of climate-related matters affecting Codan's business model and value chain. Where the Board identifies a need for additional capability, Codan will address this through targeted director training, management and external adviser briefings, changes to Board or Committee composition, or the inclusion of more specific climate-related competencies in future Board skills matrix reviews.

Role of Management

The Board delegates the overall management and performance of the Group to the CEO through the Board Charter. The CEO reports to the Board and is responsible for implementing the strategic objectives, plan and policies approved by the Board and providing the Board with accurate, timely and clear information on the Group's operations. The CEO has authority to sub-delegate to the senior executive team.

Codan has established a Sustainability Council to maintain and implement Codan's ESG Framework. The Sustainability Council operates under defined Terms of Reference, which include the responsibilities related to CRROs. Additionally, the Sustainability Council is committed to achieving a high standard of environmental performance and has oversight of the policies and operational controls of environmental, health and safety, and social risks.

Members of the Sustainability Council include Codan's GC, its Chief Human Resources Officer (**CHRO**) and its Sustainability Manager. The Council is represented from all parts of the global business, with members from Codan's facilities and supply chain function along with management representatives from DTC, Zetron and Minelab.

The CHRO is the executive representative on the Sustainability Council. The CHRO reports any material information relating to ESG and climate-related issues to the executive team. The General Counsel is the chair of the Sustainability Council and reports directly to the CEO and CFO on all ESG matters, including CRROs.

The Sustainability Council met four times in FY26.

Controls and Procedures

Management has implemented controls and procedures to support the preparation and review of Codan's climate-related disclosures. Controls over GHG emissions data include defined data owners and data validators, standardised data collection templates, completeness and consistency checks, review by subject matter experts, investigation of outliers, sign-off by the Sustainability Manager, and consolidation through Codan's carbon management software platform. CRRO disclosures are subject to management, executive and ARC reviews before approval by the Board. From FY26, Codan's Scope 1 and Scope 2 GHG emissions disclosures are subject to external assurance. For further details, see Risk Management, Monitoring and Management.

Codan has implemented a carbon management software platform and engaged external consultants to provide subject matter expertise on data quality and appropriate measurement.

Performance Metrics

The only climate-related targets set within Codan are the emissions reduction targets adopted by Domo Tactical Communications (DTC) Limited (**DTC UK**) under its Carbon Reduction Plan. These targets apply only to DTC UK and do not apply to Codan Limited, the Codan Group, or any other Codan controlled entity, business unit or segment. The targets are reviewed and reported publicly in DTC's annual "Carbon Reduction Plan", with progress monitored by the DTC Group Chief Operating Officer. Codan has not established any group-wide transition plan or climate-related targets.

Strategy

Codan's Climate Strategy

Codan addresses CRROs as part of its broader strategy to support sustainable, profitable growth and maintain the performance and resilience of the business. This approach is supported by the characteristics of Codan's business model, including geographic diversification, a portfolio of products and customer segments, and demand that is driven by performance requirements in specialised operating environments.

Codan manages a range of business risks, including geopolitical, supply chain and operational risks, through its enterprise risk management framework. This framework provides a basis for identifying and assessing climate-related risks alongside other risk factors that may affect Codan's operations and value chain.

These business model characteristics and risk management practices support Codan's ability to respond to changes in market conditions, including those arising from climate-related developments. This is reinforced by ongoing investment in product development and engineering capability to sustain product performance and reliability across its segments.

Codan's assessment of CRROs informs its approach to managing potential exposures across its operations and value chain, including consideration of physical and transition risks and their implications for emissions management over time. These considerations support the integration of climate-related factors into Codan's broader strategy and risk management processes, taking into account commercial and operational factors.

Codan considers the potential impacts of climate change across the following time horizons:

Short term	Medium term	Long term
0-2 years	3-5 years	Beyond 5 years

The short-term and medium-term horizons align with Codan's budgets, business cycles, product cycles and strategy horizons at a business unit level and group level. The long-term horizon is considered sufficient to capture the period over which climate-related impacts are expected to emerge and may become relevant for decision-making.

Business Model and Value Chain

Codan is a global technology company that designs, develops, manufactures and markets electronic solutions for government, commercial and consumer markets. Codan operates through three business segments: metal detection (**Minelab**), mission critical communications (**Zetron**) and tactical communications and broadcast (**DTC**).

Codan's business model is based on applying engineering and manufacturing capability to transform key inputs into specialised products. Key inputs include electronic components and raw materials, skilled employees, proprietary technology, and relationships with suppliers, contract manufacturers, distributors and customers.

Codan's operations are geographically diversified, with activities spanning multiple jurisdictions, supply chains and end markets. Its business model is characterised by a portfolio of products and customer segments, with no single reliance on a particular location, market or product line. This diversification contributes to the resilience of Codan's business model and informs its assessment of CRROs.

Codan's principal activities comprise the design, development, manufacture and marketing of electronic equipment:

- **Minelab** – metal detection technologies for recreational, artisanal and professional users.
- **Zetron** – communications systems supporting public safety, emergency response and infrastructure operations.
- **DTC** – communications technologies for defence, law enforcement, security and broadcast applications.

Demand for Codan's products is primarily driven by performance requirements in specific operating environments and end markets, including the need for durable and reliable equipment in harsh or remote conditions and for mission-critical applications such as defence, security and emergency response.

These activities generate revenue through the sale of products and related services to a global customer base, supported by distributor networks, system integrators and direct sales channels.

Codan operates within a global value chain, with upstream dependencies on component suppliers and contract manufacturing, and downstream relationships with distributors, government and commercial customers, and individual consumers. This value chain structure underpins Codan's assessment of CRROs across its operations and broader value chain.

Codan assessed the current and anticipated effects of its identified climate-related risks on its business model and value chain. In FY26, the identified climate-related risks did not materially affect the structure of Codan's business model or the operation of its value chain. Over the short, medium and long term, Codan does not anticipate that these risks will require a material change to its business model. The anticipated effects are expected to arise primarily through Codan's value chain, including the supply of materials and components, contract manufacturing, logistics and distribution channels, product development and regulatory compliance activities, rather than through material direct exposure of Codan-owned assets.

The areas of concentration and the current and anticipated effects of each identified climate-related risk are described in Climate-Related Risks and Opportunities and Impacts of Identified Risks.

Climate-Related Risks and Opportunities

Codan conducted an assessment in FY26 to identify the CRROs that could reasonably be expected to affect its prospects, i.e. its cash flows, access to finance or cost of capital over the short, medium or long term. The assessment built on work undertaken by Codan in FY25 to develop a provisional list of risks and opportunities and was informed by findings from scenario analysis conducted in FY26. The materiality assessment considered the potential impact and likelihood of CRROs and their potential financial impact, together with relevant qualitative factors, applying Codan's defined time horizons.

This assessment resulted in the identification of three climate-related risks that could reasonably be expected to affect Codan's prospects, summarised in the table below. No climate-related opportunities that could reasonably be expected to affect Codan's prospects were identified.

Type	Driver	Area of value chain	Timeframe
Physical risk	*Increasing severity and frequency of acute weather events and longer-term shifts in climatic patterns*	Supply of materials and components, distribution channels	Short, medium and long term
Transition risk	*Emerging regulation on carbon pricing and reporting*	Supply of materials and components, distribution channels, Codan's administration and compliance activities	Medium and long term
Transition risk	*Emerging regulation on sustainable products*	Codan's administration and compliance activities, product development and sales	Medium and long term

Impacts of Identified Risks

For each of the identified climate-related risks, Codan assessed the potential effects on its business model and value chain, its strategic and operational decision-making including current and planned mitigation, and financial effects. Codan also considered the vulnerability of its business activities to these risks.

This assessment draws on the assessment described above and is informed, where relevant, by scenario analysis outputs that illustrate how key risk drivers may evolve under different climate futures.

Physical risk: Increasing severity and frequency of acute weather events and longer-term shifts in climatic patterns

Nature of risk

Increasing severity and frequency of acute weather events (severe weather, extreme heat, extreme rain/flood) and longer-term shifts in climatic patterns (sea level rise, increasing temperatures, drought/water stress) – which exacerbate risks related to supply chain, business continuity and freight.

Business model and value chain impact

There were no effects of this risk on Codan's business model and value chain in FY26.

Codan does not currently anticipate that physical climate-related risks will materially alter its business model, given the diversity of its business activities and the geographic dispersion of their locations, which reduces reliance on individual sites and limits direct exposure to physical risks.

Physical climate-related risks are concentrated in Codan's supply chain and distribution channels:

- The supply of components and products may be interrupted or delayed e.g. product manufacturing impacted by flooding or availability of components impacted by extended dry period.
- Operating costs of suppliers (contract manufacturers, component manufacturers) may increase, e.g. with increasing requirements for cooling facilities and decline in productivity.
- Distribution channels may be interrupted e.g. freight delays caused by storm surge at port or damage to infrastructure.

Mitigation and response

Codan engages with its key contract manufacturers through ordinary supplier management processes to understand matters relevant to continuity of supply, including facility resilience, production capacity, component availability and lead times, and potential disruption to manufacturing or logistics. Information obtained through these discussions is considered alongside Codan's inventory management, alternate sourcing, logistics and business continuity arrangements when assessing supply chain resilience to physical climate-related risks.

Codan has not implemented a standalone climate-specific mitigation program for this risk. However, existing enterprise risk responses implemented to manage supplier concentration, contract manufacturing continuity, component availability, geopolitical disruption and other business continuity risks also mitigate Codan's exposure to acute weather events and longer-term physical climate hazards.

Codan has expanded its global footprint of contract manufacturers and is reducing reliance on geographically concentrated contract manufacturing capability. This diversification was undertaken to improve operational resilience to a range of supply chain and business continuity risks, rather than specifically in response to climate-related physical risk. However, it also reduces Codan's exposure to an acute weather event affecting a single contract manufacturing location by increasing the number of available manufacturing pathways, improving redundancy and supporting greater flexibility in production and logistics.

Mitigation and response *continued*

Codan therefore considers these existing supply chain resilience measures relevant to its assessment of climate-related physical risk. Acute weather events and longer-term shifts in climatic patterns may affect Codan through the same operational pathways as other supply chain disruptions, including interruption to contract manufacturing, component availability, freight routes and distribution channels. The controls described below support Codan's ability to absorb or respond to those disruptions, even where the controls were originally implemented for broader enterprise risk management purposes.

These controls include:

- maintaining supply agreements with buffer stock holding, committed supply volumes and pricing arrangements for key components and finished goods;
- maintaining approximately three months' buffer stock to mitigate against significant interruption in supply;
- implementing or progressing dual or alternate sourcing strategies for key components across DTC, Minelab and Zetron;
- monitoring component discontinuations and keeping redesign options under review;
- maintaining flexibility to accelerate product development work where manufacturing disruption affects particular products or components;
- diversifying distribution models, including multiple distribution channels and a wider selection of freight forwarders;
- maintaining adequate levels of finished goods stock in locations close to key markets;
- maintaining insurance coverage for business interruption and property damage; and
- maintaining plans to address disruptions in supply and distribution, including loss of premises or connectivity due to natural disasters and the capability for remote working.

Current financial effects

Acute weather events and longer-term shifts in climatic patterns, as well as the cost of mitigation measures, did not have a material effect on Codan's financial position, financial performance or cash flows in FY26.

Codan does not anticipate material adjustment in FY27 based on current information.

Anticipated financial effects

Disruption to contract manufacturing, supply of components or freight may reduce Codan's revenue and increase costs associated with impacted products and reduce cash inflow from operating activities.

Codan is currently unable to quantify potential financial effects across all time horizons. Significant uncertainty exists due to variables such as the severity and geographic extent of the hazards, the affected parts of the value chain and the duration and extent of any interruption to Codan's business activities. It is not possible to separately identify or quantify the costs of future mitigation or controls, as Codan anticipates that future measures will be taken to support resilience to geopolitical and other business risks as well as climate resilience.

It is assumed that existing insurance coverage will be maintained over the short, medium and long term. It could reasonably be expected that insurance premiums will increase, but increases may be driven by a range of factors that include physical climate-related risks.

Vulnerability

Physical risks are concentrated in Codan's upstream supply chain due to the location of component manufacturers' facilities in Taiwan and South Korea and the location of Codan's contract manufacturers' facilities in Penang, Malaysia. Codan's business activities (Minelab, DTC and Zetron) are indirectly exposed to these risks as a result.

This assessment distinguishes exposure from vulnerability. Codan remains exposed to this risk through the value chain areas described above; however, after considering existing controls, mitigation measures and response capability, Codan has not assessed any of its principal business activities as vulnerable to this risk at the reporting date.

This assessment reflects the capacity of Codan's business model to absorb and respond to disruptions rather than an absence of exposure. Codan will review this assessment in the next reporting year.

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Transition risk: Emerging regulation on carbon pricing and reporting

Nature of risk

Emerging regulation on carbon pricing, climate-related disclosure and procurement-based emissions requirements increases compliance obligations and increases costs.

Business model and value chain impact

Emerging regulation could take the form of explicit carbon pricing (carbon taxes and emissions trading schemes), implicit carbon pricing (e.g. efficiency standards), climate-related disclosure and reporting requirements, and procurement-based requirements in certain jurisdictions, where participation in government tenders is contingent on maintaining emissions reduction plans.

Codan's exposure to the risk of explicit and implicit carbon pricing is limited by its relatively low Scope 1 and 2 GHG emissions. This risk is concentrated in Codan's supply chain and distribution channels where there are more significant sources of emissions. Anticipated effects on Codan's supply chain include:

- Suppliers of components, products and transport services may face increasing costs arising from investment in emissions reduction technologies and purchase of carbon offsets.
- Suppliers of components, products and transport services may face increasing compliance obligations for collection, analysis and reporting of GHG emissions data and climate-related disclosures.

Increasing costs may be passed through the supply chain to Codan.

In the event that Codan becomes subject to the application of carbon pricing regulations in the future, Codan may incur additional costs for investing in emissions reduction technologies and purchasing carbon offsets.

Procurement-based emissions requirements, such as requirements for participation in government tenders, may require Codan to disclose and implement emissions reduction plans in respect of the relevant business activity. For example, in relation to DTC's UK operations, a Carbon Reduction Plan was established in FY23 to meet UK government tendering requirements. For further details, see Climate-related targets. Such requirements may result in incremental compliance costs and result in further development of emissions management practices.

Mitigation and response

Codan is mitigating its supply chain carbon pricing exposure through measures such as:

- Working with external consultants to evaluate the materials and components used in Codan's products and identify opportunities to reduce associated GHG emissions.
- Working with key suppliers to enhance the quality of data on the GHG emissions associated with the manufacture of Codan's products.
- Engaging with key suppliers on their strategies to reduce emissions and monitoring their progress.

Codan has enacted or is pursuing a range of measures to improve energy efficiency and manage exposure to emissions across its operations and supply chain including:

- Travel and fleet management – measures to reduce emissions from business travel, including a preference for electric and low-emission transport options and a commitment to transition fleet vehicles to lower-emission alternatives over time.
- Distribution – prioritisation of lower-emission freight options, such as sea freight over air freight where operationally feasible, to reduce emissions associated with transport and distribution.
- Facilities – installation of rooftop solar and EV charging infrastructure.
- Supply chain engagement and lifecycle emissions assessment – ongoing engagement with contract manufacturers on efficiency initiatives for Codan's products.
- Lifecycle emissions assessment – ongoing work to assess embodied carbon in Codan's products and identify opportunities to reduce lifecycle emissions.

Mitigation and response *continued*

Codan has implemented controls to support the Company's climate reporting readiness. These include continued enhancement of GHG emissions data quality and engaging external consultants to co-ordinate cross-functional input from Codan's business units and supply chain, facilities and logistics functions as part of the implementation of AASB S2.

Monitoring of the DTC Carbon Reduction Plan is undertaken annually at a business unit level and informs Codan's ongoing development of emissions management practices across the group. For further details, see Climate-related Targets.

Current financial effects

Emerging regulation on carbon pricing, reporting and procurement-based requirements, along with existing controls, did not have a material effect on Codan's financial position, financial performance or cash flows in FY26.

Codan does not anticipate material adjustment in FY27 based on current information.

Anticipated financial effects

Codan does not consider that carbon pricing is likely to materially affect Codan's financial position, performance or cash flows over the short, medium or long term. This is due to Codan's relatively low Scope 1 and 2 emissions and mitigation strategies that can be employed. Codan has used the carbon price projections in the NGFS Net Zero scenario to inform this assessment.

Codan is unable to quantify the potential financial effects arising in relation to increasing carbon pricing costs in its supply chain. The timing and extent of the impacts depend on the evolution of policy settings in the locations where Codan's suppliers operate. There is significant uncertainty regarding future carbon pricing and regulatory mechanisms in the medium and long term. Codan's cost of sales is the line item most likely to be impacted.

Codan does not consider that increasing reporting and procurement-based requirements are likely to materially affect Codan's financial position, performance or cash flows over the short, medium or long term. Codan expects incremental compliance and control costs to be absorbed within normal operating expenditure.

Vulnerability

Codan's direct exposure is limited due to its relatively low Scope 1 and 2 emissions. However, it is indirectly exposed through its supply chain, where suppliers and distribution channels may face increased costs and compliance obligations.

Taking into account Codan's limited exposure and the mitigation activities being undertaken, Codan does not consider that its business activities are vulnerable to this risk. Codan will review this assessment in the next reporting year.

Transition risk: Emerging regulation on sustainable products

Nature of risk

Emerging regulation on sustainable products may introduce additional reporting, materials and design requirements which may increase compliance obligations and costs.

Business model and value chain impact

Codan's products may become subject to regulatory requirements on matters including durability, reparability, disassembly, content of recycled materials and data on lifecycle emissions.

The effects on Codan's operations may include:

- Increasing compliance and administrative obligations for collection, analysis, certification, reporting and documentation in respect of Codan's products.
- Enhanced supplier due diligence and potential constraints on materials and component selection.
- Product design and engineering changes.
- Potential trade-offs between performance, durability and compliance.

The impacts on Codan's defence, security and emergency response customer segments may be limited where jurisdictions narrow the scope of regulation, for example by prioritising product performance over sustainability requirements in these sectors.

Mitigation and response

Codan already responds to existing and emerging compliance requirements and standards that apply to products in Codan's operating and sales jurisdictions, including requirements related to e-waste, battery recycling, disassembly and packaging. Codan considers that emerging regulation on sustainable products can be managed within its established systems.

As part of Codan's response to transition-related risks, Codan is working with external consultants to evaluate the materials and components used in Codan's products and identify opportunities to reduce associated GHG emissions. This will support the development of data on the lifecycle emissions of Codan's products and inform Codan's response to emerging product sustainability requirements.

Codan's products are designed for durability, with a focus on rugged, long-life performance, which may reduce the extent of redesign required to meet emerging sustainability requirements. In addition, relatively short development timeframes support Codan's ability to adapt to new regulations.

Current financial effects

Emerging regulation on sustainable products did not have a material effect on Codan's financial position, financial performance or cash flows in FY26.

Codan does not anticipate material adjustment in FY27 based on current information.

Anticipated financial effects

Codan is unable to quantify the potential financial effects of emerging regulation on sustainable products. There is significant variability in the timing, scope and jurisdictional application of regulatory requirements, and any estimates would involve such extent of uncertainty that quantified information would not be useful. Codan's cost of sales is the line item most likely to be impacted.

Codan will update its assessment as more reliable data becomes available, and its understanding of the potential impacts evolves.

Vulnerability

Codan is exposed to potential future sustainable product regulation in markets in which it sells products. However, no current sustainable product regulation has been identified that is expected to require material changes to Codan's products or business activities. After considering Codan's existing product compliance processes, product durability and engineering capability, Codan has not assessed any of its principal business activities as vulnerable to this risk at the reporting date.

Codan will review this assessment in the next reporting year.

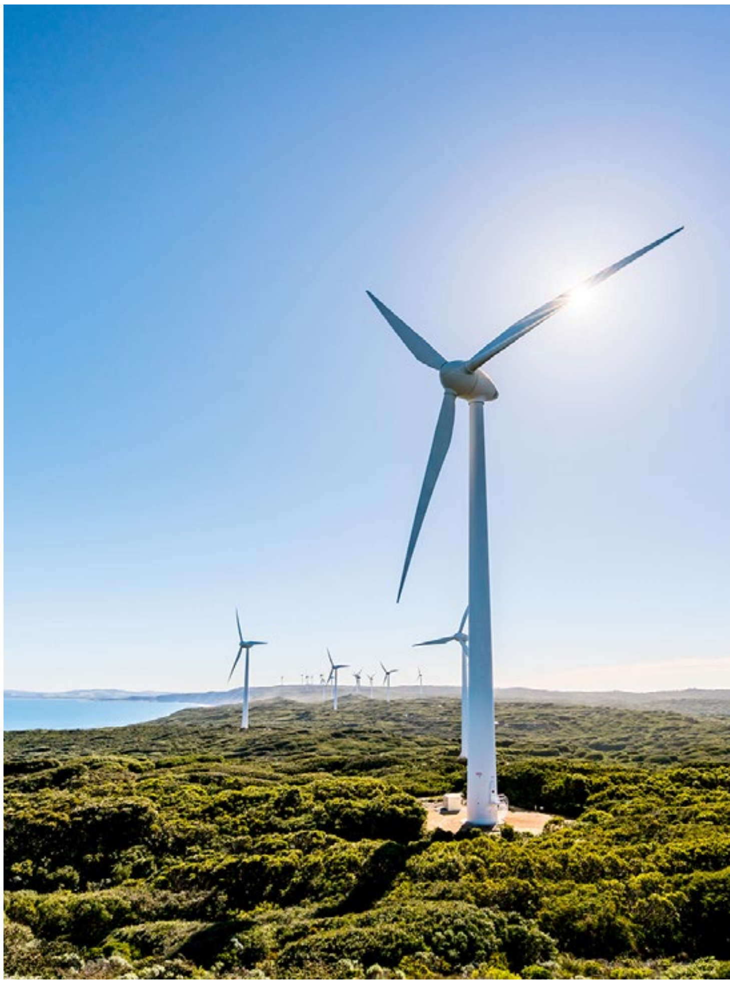
Capital Allocation and Resourcing

Codan has not allocated specific capital to CRROs and has not approved any material capital expenditure specifically for climate-related mitigation or adaptation as at the reporting date. Codan manages identified climate-related risks through its existing business model, operating disciplines and enterprise risk management processes, including supply chain management, business continuity planning, supplier engagement, product compliance, product development and emissions reporting processes.

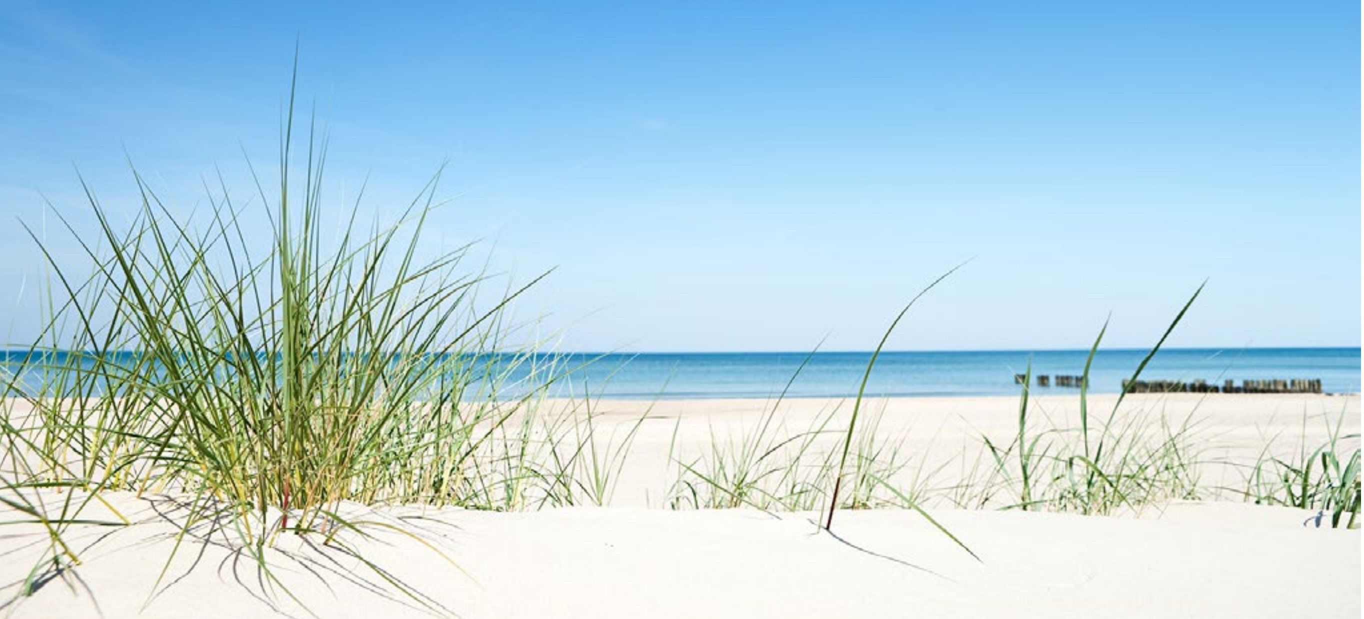
The costs associated with these activities are expected to be absorbed within ordinary operating expenditure and existing business unit budgets. Where initiatives may also support climate-related risk management, emissions management or operational resilience, they are assessed and approved through Codan's ordinary budgeting, capital allocation and procurement processes having regard to broader commercial, operational and strategic considerations.

Based on Codan's FY26 assessment, the identified climate-related risks are not expected to require material changes to Codan's business model, asset base or capital allocation plans. Codan will continue to review potential capital and operating expenditure requirements as part of its annual strategy, budgeting and risk management processes.

The anticipated financial effects of the climate-related risks identified in this Report have been assessed as subject to a high degree of measurement uncertainty. Codan also considered the combined effects of these climate-related risks in aggregate and determined that the resulting information would not be useful to users of the Report. Codan will continue to assess the availability of relevant data and the exposure to these risks in future reporting periods.



SUSTAINABILITY REPORT



Climate Resilience

Approach to Climate Scenario Analysis

In FY26, Codan conducted scenario analysis. The analysis was primarily qualitative, supported by quantitative inputs where appropriate. Codan determined that this approach was commensurate with its circumstances, based on Codan's exposure to CRROs and its skills, capability and resources available. In future reporting years, Codan intends to progressively mature its approach to testing resilience using more technically sophisticated scenario analysis including location-specific risk assessments and quantitative stress testing.

Codan used the following scenarios to assess resilience in two diverse plausible futures, recognising that different types of risk are best analysed using different underlying assumptions:

1.5°C

Orderly transition

NGFS Net Zero 2050

A low emissions scenario driven by immediate and stringent policy action.

Used to assess resilience to transition risks:

- Emerging regulation on emissions reduction and carbon pricing
- Emerging regulation on sustainable products
- Renewable energy sources and resource efficiency

3°C

Hot house world

NGFS Current Policies

A high emissions scenario driven by no further strengthening of current climate policy.

Used to assess resilience to physical risks:

- Increasing severity and frequency of acute weather events and longer-term shifts in climatic patters

Codan chose NGFS scenarios because they have global coverage and an integrated assessment of physical and transition risks. They were developed to provide a common starting point for analysing climate-related risks to the economy and the financial system. Results from NGFS scenarios represent aggregate sectors and markets and are appropriate for Codan's global, geographically diversified business model and supply chain and multiple market segments. The key drivers in the NGFS scenarios are the evolution of emissions and carbon prices, serving as a strong foundation for Codan to begin its analysis of the strategic implications of physical and transition risks.

Key assumptions in the scenarios and their relevance for assessing Codan's climate resilience are summarised below.

Hot house world **NGFS Current Policies** **~3°C**	
Overview	Only currently implemented policies are preserved. Existing climate policies remain in place but there is no strengthening of ambition level of these policies. Physical risks dominate.
Key assumptions	• Lack of global coordination on tackling climate change. • Emissions continue to rise until mid-century and then gradually decline. • Climate policies reflect those currently implemented or legislated. • Transition is slow and uneven, with ongoing reliance on fossil fuels and gradual, regionally variable uptake of low-emissions technologies. • Improvements in energy intensity are modest and the energy mix evolves incrementally. • Carbon pricing remains limited, uneven and generally low across jurisdictions. • These conditions result in weaker and less consistent investment signals, limited structural change in the energy system, and a progressive increase in chronic and acute physical climate risks over the medium to long term.
Reasons for selection	• Enables assessment of resilience under conditions of severe physical risk. • Legislative requirement for Codan to use a scenario in which global warming well exceeds 2°C (2.5°C or higher).

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Orderly transition **NGFS Net Zero 2050** **~1.5°C**	
Overview	Global warming is limited to 1.5°C (with a 50% chance) through stringent climate policies and innovation, reaching global net zero CO_2 emissions around 2050. Some jurisdictions such as the US, EU, UK, Canada, Australia, and Japan reach net zero for all GHGs by 2050. Transition risks and opportunities dominate.
Key assumptions	• Immediate, coordinated and ambitious global climate action to reduce emissions to net zero by 2050 in advanced economies and around 2070 globally. • Transition is orderly and immediate, with early policy action, rapid deployment of low-emissions technologies and declining energy intensity, driving a progressive shift to predominantly renewable energy system. • Carbon pricing is introduced early and increases substantially, resulting in near-term increases in energy prices driven by investment requirements and carbon costs, which stabilise over time as the energy system transitions. • These conditions support relatively stable investment signals and a smooth reallocation of capital.
Reasons for selection	• Enables assessment of resilience under orderly transition pathway to a low carbon economy. • Legislative requirement for Codan to use a scenario in which global warming is limited to 1.5°C. • Aligned with latest international agreement on climate change.

Codan incorporated additional inputs to contextualise these scenarios and support an analysis of impacts to Codan's business activities and value chain. Additional inputs included:

- Current and announced policy and regulation in the EU, to reflect plausible policy settings in key markets where Codan operates or sells into.
- National climate risk assessments and regional physical hazards projections from government and institutional sources, to contextualise exposure to physical risks.

The scope of the scenario analysis covered Codan's three business activities (Minelab, Zetron and DTC), their global supply chains, customer segments and key sales regions.

Codan used 2030 and 2050 as climate scenario reference points, while using its own short, medium and long-term horizons for business planning and CRRO assessment.

The scenario dates were used to understand the direction and potential severity of climate drivers, such as physical hazards and regulatory change, not as direct substitutes for Codan's planning periods.

The two timing frameworks serve different purposes: scenario analysis uses longer-dated reference points suited to climate modelling, while Codan's time horizons reflect the periods used for business planning, strategy and decision-making. Codan therefore interpreted the 2030 outputs qualitatively for medium assessment, the 2050 outputs for long-term assessment, and assessed short-term implications using current conditions, observed trends and existing risk management processes. Scenarios are analytical tools and should not be regarded as predictions or forecast. Codan does not assign a likelihood to either of these scenarios occurring.

Scenario analysis findings

Hot house world

Heatwaves become more frequent and intense. Heavier and more erratic rainfall events raise risk of flooding. Droughts become more widespread and prolonged. Sea levels continue to rise with heightened risks for coastal and riverine cities.

Physical risk: Increasing severity and frequency of acute weather events and longer-term shifts in climatic patterns

Scenario implications

The exposure of Codan's supply chain and distribution channels to physical risks is expected to increase, which may result in:

- Disruption to contract manufacturing and component supply, leading to delays in production and potential revenue deferral.
- Reduced supplier productivity and higher operating costs, including costs associated with cooling, water management and facility resilience.
- Increased cost and variability of logistics and distribution, including freight delays and infrastructure disruption.
- Greater volatility in lead times and inventory management.

Codan's customers will be exposed to worsening climate impacts, which may place greater demands on defence, security and emergency response capabilities. Existing customer requirements for durable and rugged products will be reinforced.

Potential responses

Codan could respond to this scenario in the following ways:

- Continue to diversify supply chain locations and manufacturing pathways to reduce concentration risk.
- Increase buffer stock holding and revise inventory strategies to manage short-term disruptions.
- Adjust pricing, sourcing and inventory decisions to manage cost increases and supply variability.
- Review warehouse locations and freight options and optimise distribution channels.
- Develop additional engineering capability to adapt product design and component selection where supply constraints arise.
- Collate in-country data on customer responses to worsening climate impacts and monitor implications for sales.

Resilience assessment

Findings indicate that Codan has the capacity to respond and adapt to climate-related physical risks. The scenario primarily affects Codan's upstream supply chain and distribution channels through increased disruption, cost pressures and variability. These impacts do not fundamentally alter the demand drivers for Codan's products or the structure of its business model.

Codan's resilience is supported by the following characteristics:

Supply chain management capability
Codan's existing focus on supplier diversification, dual sourcing and inventory management supports its ability to respond to disruption and variability in supply.

Operational flexibility
Codan maintains flexibility in production, logistics and inventory decisions, enabling it to adjust to short-term disruptions and changing conditions.

Diversified markets and channels
Codan's exposure across multiple geographies and customer segments reduces reliance on any single location or product type.

While physical risks may increase costs and introduce operational variability, these impacts are expected to be manageable within Codan's existing operating model and mitigation strategies.

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Significant areas of uncertainty

The assessment of resilience under this scenario is subject to uncertainty in the timing, severity and geographic distribution of physical climate hazards. Although the scenario assumes an increase in frequency and intensity of events, the localised impacts on Codan's suppliers and logistics networks cannot be determined with precision.

Outcomes may also be influenced by non-climate factors, including geopolitical conditions, infrastructure investment and supplier-specific resilience measures.

Orderly transition

Stringent climate policies and innovation achieve strong mitigation of climate change. Carbon pricing rises early and sharply. Other drivers are increasing electrification, deployment of renewables and energy efficiency. Global net zero CO2 emissions are reached by mid-century.

Transition risks:

- **Emerging regulation on emissions reduction and carbon pricing.**
- **Emerging regulation on sustainable products.**

Scenario implications

The orderly transition scenario may affect Codan through regulatory and cost-related changes:

- Expansion of climate-related disclosure requirements and product-level regulation across key jurisdictions (including the EU) may increase administrative and reporting requirements across Codan's operations and value chain.
- Suppliers of components, contract manufacturers and logistics providers may face increasing costs associated with decarbonisation, including investment in lower-emissions technologies and exposure to carbon pricing mechanisms. These costs may be passed through to Codan.
- Emerging sustainable product regulations may require changes to product design, materials selection, documentation and lifecycle data, including requirements relating to durability, reparability and embodied emissions.
- Customers may incorporate emissions performance, lifecycle impacts and compliance with sustainability standards into procurement decisions.

In this scenario, Codan may realise incremental operational benefits from renewable energy and resource efficiency initiatives; however, these matters were not identified in FY26 as climate-related opportunities that could reasonably be expected to affect Codan's prospects.

Potential responses

Codan could respond to this scenario in the following ways:

- Expand internal capability for climate-related reporting and product compliance in key jurisdictions.
- Incorporate emissions-related considerations into procurement, logistics and distribution decisions where commercially appropriate.
- Continue to engage with key suppliers on emissions reduction initiatives and monitor cost pass-through risks.
- Maintain flexibility in pricing and margin management in response to input cost increases.
- Integrate climate-related regulatory requirements into future product development and compliance processes.
- Continue to prioritise product design approaches that support durability and introduce repairability and efficient use of materials where performance is not compromised.
- Progressively adopt renewable energy sources where commercially viable opportunities arise.
- Continue to focus on efficiency and process optimisation.

Resilience assessment

Findings indicate that Codan has the capacity to respond and adapt to climate-related transition risks. The scenario is characterised by increasing regulatory requirements and rising input costs. These factors primarily affect Codan's supply chain, product standards, compliance and administrative functions, rather than fundamentally impacting demand for its products.

Codan's resilience is supported by the following characteristics of its business model and strategy:

Low direct emissions exposure
Codan's relatively low Scope 1 and 2 emissions limit its direct exposure to carbon pricing mechanisms.

Established compliance capabilities
Codan already operates in regulated markets and manages compliance with product standards across multiple jurisdictions. This provides a foundation for responding to emerging sustainability-related regulation.

Product positioning
Codan's products are designed for durability and performance in demanding environments. These characteristics are broadly aligned with emerging sustainability requirements, reducing the extent of redesign required.

Supply chain management capability
Codan's existing focus on supplier engagement and diversification supports its ability to respond to cost pressures and evolving supplier requirements.

Flexible operating model
Codan's geographically diversified operations and multiple end markets support its ability to adjust to regional differences in policy settings and customer requirements.

Based on Codan's relatively low direct emissions exposure, established compliance capability, product durability, supply chain management capability and flexible operating model, Codan expects these impacts to be manageable within its existing operating model and pricing structures. Codan will continue to monitor the timing and extent of regulation, customer requirements and supplier cost pass-through as these transition risks develop.

Significant areas of uncertainty

Several areas of uncertainty were considered in Codan's assessment of resilience in this scenario. Although the scenario assumes an ambitious and globally co-ordinated policy response, the timing and extent of climate policy will vary across Codan's operating locations and markets and there is significant uncertainty in the impacts of these policies on Codan's value chain. Outcomes may also be influenced by other factors that do not relate to climate change.

Capacity to Adjust or Adapt to Climate Change

Codan maintains strong cash generation and balance sheet capacity. It has the flexibility to adjust and adapt to emerging risks and changing operating conditions including those driven by climate change.

Consistent with the findings of the scenario analysis, Codan expects that climate-related impacts can be managed within its existing business model through ongoing investment in product engineering, supply chain management and operational efficiency. These capabilities support the reliability and performance of Codan's products and enable adaptation to evolving environmental conditions and regulatory requirements.

Codan does not currently anticipate the need for material changes to its asset base or significant incremental capital investment specifically for climate-related mitigation or adaptation in the short to medium term. However, Codan will continue to assess CRROs as part of its broader capital allocation and strategic planning processes.

Codan will review its assessment of adaptive capacity in future reporting periods as more extensive data becomes available and as expectations and methodologies for climate-related scenario analysis evolve.

Risk Management

Codan manages CRROs through its existing Risk Management Policy and Framework, which is aligned with the principles of ISO 31000.

Risk Identification

In FY26, Codan undertook a structured process to identify and assess CRROs for the purposes of AASB S2 reporting. This process was conducted alongside Codan's existing enterprise risk management processes, with partial integration achieved through alignment to the Group Risk Register.

The identification process incorporated a range of inputs, including:

- review of peer disclosures and regulatory developments
- analysis of historical impacts and operational experience
- input from internal stakeholders across facilities, supply chain and Codan's three business units.

This process resulted in an initial identification of potentially relevant CRROs. These were further analysed using scenario analysis to assess exposure to key physical and transition risk drivers under different climate futures. The outputs of this analysis, together with the broader inputs above, were used to refine and consolidate the climate-related risks that could reasonably be expected to impact its prospects as disclosed in the Strategy section.

As part of this process, Codan also considered the extent to which identified climate-related risks were already captured within the Group Risk Register under existing enterprise risks, including supply chain, business continuity and freight/logistics risks. Where relevant, climate-related factors were considered as drivers that may influence the likelihood or severity of these risks.

Assessment and Prioritisation

Identified CRROs were assessed using a structured process that considered their potential impact, likelihood and potential financial effects across Codan's defined time horizons, together with relevant qualitative factors.

Assessment area	How Codan applied the assessment
Nature of risk or opportunity	Considered whether the matter was a physical risk, transition risk or potential opportunity, and the relevant driver, value chain location, business activity and time horizon.
Magnitude of potential effect	Considered the potential effect on Codan's cash flows, access to finance or cost of capital, including the scale and reach of the impact across business activities and value chain dependencies.
Likelihood	Considered past events, current conditions, scenario analysis outputs and plausible future developments across Codan's defined time horizons.
Value chain concentration	Considered whether the matter was concentrated in particular suppliers, contract manufacturing locations, distribution channels, products, customer segments or regulatory jurisdictions.
Existing enterprise risk alignment	Considered whether the matter was already reflected in the Group Risk Register, including supply chain, business continuity, logistics or regulatory risks, and whether climate-related drivers could affect likelihood or severity.
Investor relevance	Considered whether information about the matter could reasonably influence users' decisions about providing resources to Codan.

Where climate-related risks were linked to existing enterprise risks, Codan reviewed existing risk ratings and considered whether climate-related drivers could affect the severity or likelihood of those risks over time.

This approach enabled Codan to prioritise climate-related risks on a basis broadly aligned with its enterprise risk management processes, while recognising that existing risk assessment criteria and thresholds may not fully capture the characteristics and longer-term nature of climate-related risks. The outcomes of this process informed the determination of the climate-related risks that could reasonably be expected to affect Codan's prospects and are disclosed in the Strategy section.

Codan does not have specific processes for the prioritisation and monitoring of climate-related opportunities. Having assessed potentially relevant opportunities as described above and in the Strategy section, Codan determined that there were no climate-related opportunities that could reasonably be expected to affect the Company's prospects. Appropriate processes may be developed in response to future CRRO assessments.

Integration

Climate-related risks are incorporated into Codan's Group Risk Register through a combination of:

- a specific transition risk, which captures risks associated with emerging climate-related regulation, including carbon pricing, reporting obligations and sustainable product requirements; and
- existing enterprise risks including supply chain, business continuity and freight/logistics risks, through which physical climate-related risks are managed.

This approach reflects the nature of Codan's exposure, where physical climate-related risks primarily affect upstream supply and distribution activities rather than Codan's business activities and assets.

Monitoring and Management

Climate-related risks are monitored and managed through existing risk management processes, including:

- Review of the Group Risk Register by management and the ARC.
- Ongoing supply chain monitoring and supplier engagement.
- Ongoing uplift in availability and quality of data on GHG emissions associated with Codan's activities.
- Management of environmental and sustainability risks through the Sustainability Council.

These processes support the ongoing identification of changes in risk exposure and the effectiveness of mitigation measures.

Management is responsible for the identification, assessment and day-to-day management of CRROs. The Sustainability Council supports coordination across the business and oversight of environmental and sustainability-related risk management activities.

CRROs are reported to the ARC and the Board through quarterly updates from the GC, including inputs from the Sustainability Council.

In future reporting years, Codan intends to enhance its approach to managing CRROs through:

- Further integration of scenario analysis outputs into risk assessment and decision-making.
- Development of more quantitative approaches to assessing financial effects over time.

These enhancements will be implemented progressively and in a manner proportionate to Codan's exposure to CRROs.

Metrics and Targets

GHG Emissions

For the inaugural year of reporting, Codan has reported its absolute gross GHG emissions, expressed as metric tonnes of CO2 equivalent and shown in the table below:

Emissions Scope	FY26
Scope 1	487.08 tCO2-e
Scope 2 (location based)	1,116.06 tCO2-e
Total emissions (location based)	**1,603.14 tCO2-e**

The emissions reported by Codan in this FY26 Sustainability Report are measured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004). The GHG Protocol (2004) ensures relevance, completeness, consistency, transparency and accuracy by outlining how a company should:

- Establish an organisational and operational boundary (determine which businesses and assets within the organisation are to be included in the scope)
- Set an emissions boundary (determine which emissions sources from within the organisational boundary are relevant to the emissions profile)
- Calculate emissions (by selecting appropriate and available activity data, calculation methods, and emissions factors).

Operational Boundary

Codan's FY26 GHG emissions inventory has been prepared applying the operational control approach as per the GHG Protocol (2004). Under the operational control approach, Codan accounts for 100% of the emissions from operations over which it or one of its subsidiaries has 'the full authority to introduce and implement its operating policies'. This approach was selected to best represent Codan's business model.

Calculation Methodologies

Scope 1 GHG emissions represent direct emissions from sources owned or controlled by the Company, comprising fleet fuel combustion, stationary fuel combustion and fugitive emissions (i.e., refrigerants).

Scope 2 GHG emissions refer to the indirect GHG emissions from the electricity purchased from the grid by the Company.

The table below outlines the emission sources included within Codan's Scope 1 and Scope 2 emissions boundary.

Scope	Emission Source	Boundary Level
1	Combustion of fuels by fleet	Included and quantified
1	Combustion of stationary fuels	Included and quantified
1	Fugitive Emissions (Refrigerants)	Included and quantified
2	Purchased electricity	Included and quantified

Fleet fuel emissions were calculated using fuel consumption or distance data, depending on data availability. A fuel-based method was applied for Australia and the United States, and a distance-based method for the United Kingdom, using jurisdiction-specific factors (NGAF 2025, US EPA 2025 and UK Government 2025). Where consumption data was unavailable, estimates were derived from spend and average fuel prices.

Stationary fuel (LPG and natural gas) emissions were calculated using a site-consumption method based on fuel quantities from invoices, applying jurisdiction-specific emission factors (NGAF 2025, UK Government 2025, US EPA 2025). Where full year data was unavailable, consumption was extrapolated using a daily average; where consumption data was unavailable (e.g. certain LPG invoices), estimates were derived from spend and average fuel prices.

Fugitive emissions (refrigerants) were calculated using a refrigerant-specific method, with GWP values sourced from IPCC AR6 (2020). Where top-up data was unavailable, emissions were estimated using equipment-based leakage rates applied to total refrigerant volumes (NGAF 2025).

Location-based electricity emissions were calculated using consumption data (kWh) from retailer invoices and jurisdiction-specific emission factors (NGAF 2025, UK Government 2025, US EPA 2025, Dubai Electricity & Water 2024, Environment and Climate Change Canada 2025, Brazil Energy Research Office, 2024, SEFR 2026, Government of India Ministry of Power Central Electricity Authority 2025, MY Energy Stats 2024, Taiwan Energy Administration Ministry of Economic Affairs 2022, RENE 2024). Where full-year data was unavailable, consumption was extrapolated to the reporting period.

For FY26, Codan purchased renewable energy for two facilities, one in the UK and one in Denmark, as part of its broader efforts to reduce greenhouse gas emissions.

Other Climate-related Metrics

Assessment of Vulnerability to Climate-related Risks

The table below discloses the amount and percentage of Codan's principal business activities assessed as vulnerable to climate-related physical and transition risks. Codan assessed vulnerability by reference to its three principal business activities: Minelab, DTC and Zetron. The percentage disclosed is calculated by reference to the number of those principal business activities assessed.

Metric Category	Basis of Assessment	Amount	Commentary
Business activities vulnerable to climate-related physical risks	Principal business activities: Minelab, DTC and Zetron	Nil — 0 of 3 business activities	Physical risk exposure exists primarily through upstream supply chains, contract manufacturing and distribution channels, including component manufacturing and contract manufacturing locations. Codan has existing controls and mitigation measures to address the identified vulnerability.
Business activities vulnerable to climate-related transition risks	Principal business activities: Minelab, DTC and Zetron	Nil — 0 of 3 business activities	Codan has direct and indirect exposure to transition risks, including emerging carbon pricing, reporting, procurement and sustainable product regulation. Existing compliance capability, product development capability and supply chain management processes mitigate this vulnerability.
Business activities aligned with climate-related opportunities	Principal business activities: Minelab, DTC and Zetron	Nil — 0 of 3 business activities	Codan identified potential incremental opportunities, but none were assessed as climate-related opportunities that could reasonably be expected to affect Codan's prospects in FY26.

Remuneration

No climate-related considerations were factored in for Codan. For further details, see 'Performance Metrics' in the Governance section of this Report.

Capital Deployment and Internal Carbon Prices

At this stage, Codan has not incorporated an internal carbon price into its scenario analysis or decision-making processes and has not allocated capital specifically to manage CRROs.

Climate-related Targets

At this stage, Codan has not established a group-wide transition plan or emissions reduction targets. Codan will continue to monitor its exposure to CRROs and will keep the appropriateness of a group-wide transition plan and targets under review, including as regulatory expectations, data quality and commercial considerations evolve.

At a business unit level, DTC UK has implemented a Carbon Reduction Plan (**CRP**) to meet applicable stakeholder and regulatory expectations. Information about the climate-related targets in the CRP is set out below.

DTC UK Carbon Reduction Plan (CRP) Published September 2025		
Part of entity to which the targets apply	Domo Tactical Communications (DTC) Ltd (Company registration number 01456922), a controlled entity of Codan	
Applicable jurisdiction	UK	
Overall target	• Achieve net zero emissions by 2040.	This is a net target.
Near-term targets	• Reduce Scope 1 and 2 emissions to zero by 2030.	This is a gross target.
	• Reduce Scope 3 emissions by at least 42% by 2030.	This is a gross target.
Long-term targets	• Neutralise any residual emissions using verified carbon offsets.	
Baseline year	DTC UK's baseline year (1 July 2022–30 June 2023) recorded total GHG emissions of 3,727.2 tCO_2-e and a carbon intensity of 86.44 tCO_2-e per million USD of revenue (market-based).	
Metric used to set targets	The quantitative targets are absolute i.e. targets are defined as a change in the total amount of emissions, measured in tonnes CO_2e in accordance with Science Based Targets Initiative for Scope 1, 2 & 3 emissions.	
Objective of targets	The CRP aims to reduce emissions in line with science-based targets, i.e. targets aligned with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures.	
Relevant jurisdictional commitments	The targets are informed by the UK commitment to achieve net zero emissions by 2050, as legislated in the UK Climate Change Act 2008. This legislation aligns with the goals of the Paris Agreement. Suppliers bidding for major UK government contracts must submit a CRP detailing emissions reduction measures that align with the UK's legislated target.	

The DTC UK CRP is reviewed and updated annually at business unit level to reflect any changes in organisational structure and to take account of progress to reduce emissions. DTC resources, and plans to continue resourcing, implementation and monitoring of the CRP through business-unit management oversight, ordinary business-unit operating expenditure and support from an external consultant engaged to assist with the annual carbon footprint analysis and review of progress against the targets. Progress is monitored annually using total GHG emissions measured in tCO2e, with performance assessed by reference to the percentage change in emissions against the baseline year of 1 July 2022 to 30 June 2023. No remuneration or incentives are linked to the CRP. The targets and the methodology for setting the targets has not been validated by a third party.

DTC UK will reduce emissions in line with the latest science-based targets (**SBTs**). SBTs are greenhouse gas reduction goals set by organisations. They are defined as "science-based" when they align with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures. To comply with the SBTs, DTC UK will need to reduce its absolute emissions by 90% from the baseline year. The remaining 10% may be offset with carbon credits. DTC UK will assess if the use of carbon credits at such time as it may be required. Currently DTC UK does not use carbon credits.

DTC also monitors carbon intensity, measured as tCO2e per million USD of revenue using market-based emissions, as a supplementary metric because the rapid growth of the business may make absolute emissions reductions less decision-useful in the near term. As set out above, the baseline footprint was 3,727.2 tCO2e, with a carbon intensity of 86.44 tCO2e per million USD of revenue. For FY24–25, DTC's carbon footprint was 5,030.7 tCO2e and its carbon intensity was 51.3 tCO2e per million USD of revenue. Although DTC's absolute footprint increased due to significant business growth, carbon intensity decreased by 40.6% against the baseline. The CRP targets are reviewed annually when the prior-year carbon footprint analysis is completed. Any revisions to the targets, together with the relevant metrics and an explanation of the revisions, are published in the updated CRP for the relevant financial year. FY26 data was not available at the date of this Report and will be included in future reports.

Directors' declaration

The directors of Codan Limited (**Company**) declare that, in the Directors' opinion, the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its controlled entities for the year ended 30 June 2026 as presented at pages 1 to 30 are in accordance with the Corporations Act 2001, including:

a. complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the Corporations Act 2001; and
b. containing the climate statement disclosures required by section 296D of the Corporations Act 2001.

Made on this 19 August 2026 in accordance with a resolution of the Board of Directors pursuant to section 296A(6) of the Corporations Act 2001, as modified by section 1707C(2) of the Corporations Act 2001.

G R C Barclay
Director

Alf Ianniello
Managing Director &
Chief Executive Officer

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Codan Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report and the review of specified sustainability disclosures in the sustainability report of Codan Limited for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and review; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit and review.

KPMG

KPMG

Julie Cleary
Partner
Sydney
19 August 2026

Independent Auditor's Review Report

To the shareholders of Codan Limited

Report on specified Sustainability Disclosures of Codan Limited presented in the Sustainability Report titled "Sustainability Report (Climate Related Disclosures)" prepared in accordance with the Corporations Act 2001

Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of Codan Limited titled "Sustainability Report" for the year ended 30 June 2026 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

Specified Sustainability Disclosures	***Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)***	***Locations in Sustainability Report***
Governance disclosures	*Paragraph 6*	*Section "Governance", pages 8* to *10*
Strategy (risk and opportunities) disclosures	*Subparagraphs 9(a), 10(a) and 10(b)*	*Section "Strategy", subsection "Climate-related risks and opportunities", pages 11 – 24*
Scope 1 greenhouse gas emissions	*Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)*	*Section "Metrics and Targets" subsection GHG emissions" including the emissions calculation methodology described in the accompanying notes to the table on pages 27 - 29*
Scope 2 greenhouse gas emissions (location-based)		*Section "Metrics and Targets" subsection GHG emissions" including the emissions calculation methodology described in the accompanying notes to the table on pages 27 - 29*

The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Auditor's Responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Information

The Directors of *Codan Limited* are responsible for the other information. The other information comprises the financial and non-financial information included in Codan Limited's Annual Report including the Financial Report, Remuneration Report and Sustainability Report for the year ended 30 June 2026, but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report and Remuneration Report and our respective audit reports.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the specified Sustainability Disclosures

The Directors of Codan Limited are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquired with management to understand the governance structure and reporting process;
- Enquired with management to understand the process for developing the climate governance, strategy and metrics disclosures;
- Obtained an understanding of relevant processes, information flow and related systems for key data sets;
- Reviewed internal documentation including policies, charters, minutes of meetings, risk management frameworks and basis of preparation documents;
- Reviewed Codan Limited's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the specified Sustainability Disclosures;
- For Scope 1 and 2 greenhouse gas emissions, tested underlying data to source documentation on a sample basis; and
- Reconciled specified Sustainability Disclosures to underlying information.

KPMG

KPMG

Julie Cleary

Partner

Sydney

19 August 2026