

Background

The Australian Modern Slavery Act 2018 (Cth) (Act) is government legislation designed to reduce modern slavery in global supply chains and requires entities that meet the reporting requirements to prepare an annual Modern Slavery Statement (MSS) to assess and address modern slavery risks in their operations and supply chains.

In addition, the United Kingdom's Modern Slavery Act 2015 (the UK Act) requires all companies doing business in the United Kingdom with an annual turnover above £36 million to submit an annual MSS.

Altium recognises that modern slavery is an abuse of human rights and a serious crime. Altium is committed to help to reduce modern slavery by maintaining and improving systems and processes to ensure we are not complicit in any human rights violations in our operations and supply chains.

1. The reporting entity covered by this statement

This statement is a Modern Slavery Statement (Statement) for the year ended 30 June 2022 covering Altium Limited, being a reporting entity under the Act. This Statement is prepared for the purposes of, and in accordance with, section 14 of the Act and section 54 of the UK Act.

2. The structure, operations and supply chains of the reporting entity

a) Structure

Altium Limited is the parent company of 25 wholly owned subsidiaries (collectively, Altium, we, our, or us). Altium was founded in Australia in 1985, has its corporate and registered office in Sydney, and is listed on the Australian Securities Exchange. Altium's global headquarters is in San Diego, California, and has regional headquarters in Munich and Shanghai.

See Figure 1 for further information regarding Altium's wholly owned and controlled subsidiaries.

The decision-making, operations, governance and supply chain of Altium are led by Altium Limited. Each subsidiary acts in accordance with the decisions made by Altium Limited.

MODERN SLAVERY STATEMENT

Figure 1 – Altium Limited's Subsidiaries

NAME	PRINCIPAL PLACE OF BUSINESS /COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2022 %	2021 %
Altium BV	Netherlands	100.00%	100.00%
Altium Holdings Canada Limited Inc.	Canada	100.00%	100.00%
Altium Europe GmbH	Germany	100.00%	100.00%
Altium Inc.	USA	100.00%	100.00%
Altium Information Technology (Shanghai) Co. Ltd	China	100.00%	100.00%
Altium Insurance Inc.	USA	100.00%	100.00%
Altium IP Co Pty Ltd	Australia	100.00%	100.00%
Altium IP Hold Co Pty Ltd	Australia	100.00%	100.00%
Altium Japan KK	Japan	100.00%	100.00%
Altium LLC	USA	100.00%	100.00%
Altium Netherlands BV	Netherlands	100.00%	100.00%
Altium Poland Sp.z.o.o	Poland	100.00%	100.00%
Altium Software India Private Limited	India	100.00%	100.00%
Altium Sweden AB	Sweden	100.00%	100.00%
Altium UK Limited	United Kingdom	100.00%	100.00%
Altium Vietnam Company Limited	Vietnam	100.00%	100.00%
Ciiva GmbH	Switzerland	100.00%	100.00%
Gumstix Inc.	USA	100.00%	100.00%
Gumstix Research (Canada) Ltd	Canada	100.00%	100.00%
Morfik Technologies Pty Ltd	Australia	100.00%	100.00%
Octopart Inc.	USA	100.00%	100.00%
PCB:NG Inc.	USA	100.00%	100.00%
Perception Software Inc.	USA	100.00%	100.00%
Protel AG	Switzerland	100.00%	100.00%
Tasking US LLC	USA	100.00%	100.00%

b) Operations

Altium is a multinational software and cloud computing business that creates software for engineers to design printed circuit boards (PCB), collaborate in the cloud, and source electronic components and industrial products.

Altium electronic design tools are used in a variety of industries by engineers including Automotive, Aerospace & Defence, Life Science, Mobile Devices & Communications, Consumer Electronics, Electronics & High-tech, Research & Education, Industrial Controls Automation, Computers and Semiconductors.

MODERN SLAVERY STATEMENT

As at 30 June 2022, Altium has operations in the following jurisdictions: Australia, Canada, China, Finland, Germany, India, Japan, Netherlands, Poland, Russia, Sweden, Switzerland, Ukraine, United Kingdom, United States, and Vietnam.

Altium has a highly skilled and professional workforce, with approximately 41% of our 784 directly employed staff working in technology roles as at 30 June 2022. In addition to our direct workforce, we also have an indirect workforce consisting of 63 contractors, primarily in technology, finance, and legal/compliance roles. Forty-five of these contractors are directly engaged by Altium whilst 16 are engaged through consultancy companies.

More information about our operations can be found in our 2022 Annual Report.

c) Supply Chain

As a software and cloud services supplier and search engine operator, Altium's supply chain has historically included office and administrative support services and technology-related goods and services. Altium also has a limited manufacturing supply chain through our PCB contract manufacturing business units.

In total Altium had 326 suppliers in the 2022 financial year. In aggregate, these suppliers had operations spanning all regions where Altium has operations.

The largest types of goods and services Altium sourced in the 2022 financial year included:

- Information and communications technology services, equipment and components
- Professional services (e.g., accounting, legal, financial, insurance, etc.)
- Marketing (primarily web advertising)
- Facilities (e.g., office rent, capital improvements, furniture and support services such as cleaning)
- Travel and accommodation
- Food and catering
- Postage, freight and couriers
- Office supplies

3. The risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls.

Altium has assessed the inherent risk of modern slavery in our operations and supply chain, having regard to the country of operations, the types of goods and services produced or supplied, and the prevalence of the use of low-skilled and/or migrant labour in the industry. Reputable third-party sources such as the Walk Free Global Slavery Index 2018¹, the U.S. Department of Labor 2020 edition *List of Goods Produced by Child Labor or Forced Labor*², and the Australian Human Rights Commission publication *Property, Construction and Modern Slavery: Practical responses to managing risks to people*³ have informed our views on the inherent risk of these factors.

¹ https://downloads.globalsslaveryindex.org/ephemeral/GSI-2018_FNL_190828_CO_DIGITAL_P-1663730419.pdf

²

https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/2020_TVPRAList_Online_Final.pdf

³ <https://humanrights.gov.au/our-work/business-and-human-rights/publications/property-construction-and-modern-slavery-2020>

Altium's historical core business activities of software and cloud services design and marketing generally present a low operational modern slavery risk given the highly skilled nature of the workforce. Although electronics manufacturing is considered a high-risk industry in some jurisdictions, the operational risk for Altium is low given that the sites are in Canada and the United States. Regarding our indirect workforce, our contractors are typically highly skilled and fill professional positions, which generally have low modern slavery risk.

Altium has identified the following general risk areas in our supply chain:

- Electronics components sourced for our printed circuit board contract manufacturing business. Electronics components sourced from known high-risk jurisdictions (i.e., China and Malaysia) may increase Altium's modern slavery risks. The most common types of risks associated with the electronics industry include poor or substandard working conditions, underpayments, language barriers, debt bondage, lack of freedom of movement, confiscation of identity or immigration documents, excessive recruitment fees, the absence of employment agreements and entitlements or legal protections.
- Building services (in particular, cleaning and security) at our physical offices around the world. The most common types of risks associated with the building services industry include underpayments, language barriers, debt bondage, confiscation of identity or immigration documents, excessive recruitment fees, the absence of employment agreements and entitlements or legal protections.

The risks described above are exacerbated by the prevalence of a migrant workforce and a reliance on outsourcing, subcontracting and use of labour hire operators.

Whilst not strictly a part of our supply chain, Altium has also identified the risk that electronics components sourced through our Octopart search engine could be manufactured in high-risk jurisdictions for modern slavery.

Similarly, Altium acknowledges the risk that our PCB design software could be used by customers who manufacture PCBs using forced labour, or by customers who outsource the manufacturing of PCBs to firms using forced labour.

4. The actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes

Altium has taken the following actions to assess and address the modern slavery risks in our operations and supply chain:

Our operations

Altium has established measures regarding fair labour practices and guidelines that create a respectful and safe work environment for our employees globally. We are committed to treating all our employees with respect and we strictly prohibit the use of slavery, forced labour, child labour and human trafficking. To prevent the occurrence of forced, compulsory or child labour, we have implemented local labour policies and practices. Any person who applies for employment at Altium does so on a voluntary basis and all employees are legally entitled to leave upon reasonable notice without penalty. In accordance with Altium's global recruiting guidelines, offers of employment must be conditional upon successful completion of required background checks. Background checks are required to protect the safety of the employees and to ensure that employees meet the standards required by Altium. Employment Contracts are written in both English and local languages, and we ensure there are no detrimental working conditions. We do not hold any employee's original identification documents. All employees have freedom of movement.

MODERN SLAVERY STATEMENT

All Altium Employees are required to abide by the company's Code of Conduct which details the importance of acting honestly, ethically and responsibly whilst maintaining a high standard of personal integrity and complying with the legislative, industrial and administrative requirements of each jurisdiction in which the company operates. Employees are required to treat fellow employees with respect and not engage in bullying, harassment or discrimination, treating everyone with courtesy, respect and sensitivity to their rights.

Our supply chain

All material suppliers are subject to legal agreements with Altium. In the 2022 financial year, we published a Supplier Code of Conduct which sets out the behaviours and business practices we expect of our suppliers. We have asked our suppliers to sign an acknowledgement of our Supplier Code of Conduct and an agreement to adhere to its expectations.

5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

Altium has a Whistleblower Policy in place, to encourage the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving Altium businesses, and will ensure that those persons who make a report shall do so without fear of intimidation, disadvantage or reprisal. The Whistleblower Policy includes processes to deal with disclosures made by employees and stakeholders of suspected improper conduct within Altium in a confidential and secure manner and is intended to apply to whistle-blowers in all countries in which Altium operates.

To date, we have not been made aware of any allegations of human trafficking/slavery activities against any of our suppliers. If we were, we would act immediately to take appropriate action and report it to the relevant authorities.

As of 30 June 2022, approximately 27% of our suppliers have acknowledged and signed the Supplier Code of Conduct. We are disappointed in the response rate by our suppliers and will review our engagement process in the 2023 financial year.

6. Describe the process of consultation with any entities the reporting entity owns or controls

Altium policies are implemented uniformly throughout Altium, inclusive of each corporate entity and its respective subsidiaries. It is an expectation that every Altium employee observes and adheres to these standards, save for instances where the local law enforces a higher and more stringent standard of conduct upon them – in which case that individual will be expected to apply both sets of standards in conjunction with each other.

As detailed above, the Altium Ltd Board is responsible for compliance for all Altium codes and policies within Altium.

7. Any other relevant information

Not applicable.

This statement has been approved by the Board of Altium Limited on 16 November 2022.

Signed



Samuel Weiss
Chairman