



Modern Slavery Statement

December 2022

Altus Group Holdings

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Introduction

This document is a Modern Slavery Statement issued by Altus Group Holdings Pty Ltd ABN 79 168 179 691 ("Altus") in accordance with the *Modern Slavery Act 2018* (Cth) (the "MS Act") with the approval of the Board of Altus. It is anticipated that this Statement is registered with the Minister and available on the Modern Slavery Statements Register.

Altus is an Australian Private Company operating throughout Australia and provides a range of temporary traffic management and allied services across multiple industry verticals.

Background

The introduction of the MS Act in Australia in 2018 highlighted the extent and adverse consequences of modern slavery for many Australian businesses and corporations, including Altus Group Holdings Pty Ltd. Notably that an estimated 40m individuals throughout the world were subject to a material deprivation of freedom in the service of supply chains via some combination of exploitation, threats, coercion or deception.

On these numbers, more than 10,000 individuals will need to be freed from the bondage of modern slavery each day if the United Nations target for eradicating the practice by 2030 is to be accomplished. To this end, Altus is supportive of the prescriptions in each of the *UN Guiding Principles on Human Rights* and Australia's *National Action Plan to Combat Modern Slavery*.

Altus is a people and safety focussed business, intuitively committed to the health, well-being and rights of its workforce, as well as those who form part of the supply chain that allows it to get everyone home safely. We acknowledge that supply chains can be complex, diverse and at times opaque and that without diligence the risk of engaging with organisations who may tolerate modern slavery outcomes, however moderate, is possible.

Consequently, Altus is adopting a risk-based approach to the evaluation of its supply chain, along dimensions of complexity, geography and market. Together with an unambiguous communication of expectations regarding modern slavery practices, we are confident of ensuring that our economic endeavours will not negatively impact this important social goal.

Structure and Operations

Altus Group Holdings Pty Ltd is the parent company of Altus Traffic Pty Ltd and Civil Edge Training Pty Ltd.

Altus Traffic is primarily a serviced-based organisation delivering temporary traffic management services to customers in road, rail and building construction, road and rail maintenance, utilities construction and maintenance, event management, municipal, mining and engineering services. Services encompass the planning, permitting, supply and execution of temporary traffic management diversions, effectively facilitating customers to undertake their core business in public locations safely. Services are delivered through an assembly of resources including people, fleet, technological systems and traffic control devices.

Civil Edge is similarly a service-based organisation delivering training packages to both internal and external customers allied to the temporary traffic management industry. Training is executed in a combination of classroom training and in-field assessment by accredited trainers. Civil Edge holds formal status as a Registered Training Organisation with the Australian Skills Quality Authority.

Altus employs approximately 2,300 people among 18 capital city and regional locations throughout Australia with a majority engaged on a casual basis. A small offshore team of 20 people based in Manila, Philippines additionally provides administrative and planning support under a business process outsource arrangement.

Supply Chains

As a primarily service-based organisation, the risk of Altus being directly exposed to modern slavery is low to moderate. Altus does not engage in the production and sale of goods, nor does it directly source raw materials for input. Greater than 99% of the more than 700 members of the Altus supply chain are Australian based businesses where the risks of modern slavery are comparatively low in the context of global markets.

Supply chain categories may be broadly divided among Products and Services as follows:

Products	Services
<ul style="list-style-type: none"> • Vehicles/fleet purchase and hire • Plant purchase and hire • Approved traffic devices purchase • Personal Protective Equipment purchase • Office equipment, furniture and consumables purchase • IT device purchase and hire • Property Leasing 	<ul style="list-style-type: none"> • Fleet Management Services • Labour Hire Services • Facilities maintenance services • Professional services • Telecommunication services • Business process outsourcing • Software subscription and purchasing

Relationships through the Altus supply chain may be characterised primarily as deep and long-term, with Altus extending continued support to many of its major suppliers across more than a decade. The scope of supply will vary according to specialisation, service level and commercial arrangement to be either national or regional. Notwithstanding a history of long-term, trusted supplier relationships, commercial arrangements governing the supply of goods and services have been relatively informal and contemporaneously transactional in nature.

Altus examined the dynamics of its supply chain when developing its initial Modern Slavery Statement, assigning its supply chain partners to one of three tiers based upon considerations of spend, geographic/market orientation and the characteristics of downstream supply chains. The Supply Chain profile established during this initial mapping exercise has remained largely consistent across reporting periods.

Supply Chain Designation	Criteria	# Suppliers (approx.)
Tier 1	<ul style="list-style-type: none"> • \$250K+ spend in reporting period and/or • Operates in a designated modern slavery high risk geography or market and/or • Downstream supply chain inputs known to extend to high-risk geography or market 	31
Tier 2	<ul style="list-style-type: none"> • \$100K-\$250K spend in reporting period and/or • Operates in a designated modern slavery moderate risk geography or market and/or • Downstream supply chain inputs known to extend to moderate risk geography or market 	37
Tier 3	<ul style="list-style-type: none"> • Less than \$100K spend in reporting period and/or • Service-based supplier and/or • Operates in a designated modern slavery low risk geography or market 	627

Identifying and Assessing Modern Slavery Risks

This is the Altus Groups third Modern Slavery Statement and, pursuant to the guidance for reporting entities under the MS Act, Altus has again assessed the potential that its direct operations and its broader supply chain partnerships may be supporting modern slavery. The low likelihood of direct links to modern slavery have been re-affirmed during this most recent review and the organisation is continuing to refine its scrutiny of supply chain risks.

Causing Modern Slavery

An initial review of the sourcing activities of Altus demonstrates a *low risk* of directly contributing to modern slavery. Altus does not engage in the production of goods, does not directly source raw input materials, and does not operate at any material scale outside of Australia.

Recruitment and management of staff is governed by processes that are both articulated and formalised under a third-party certified business management system, and which are aligned to relevant industrial relations and immigration legislative frameworks. Staff recruitment and commencement activities ensure compliance with statutorily compelled age and foreign eligibility requirements. New employees are additionally inducted into the Altus system of policies, procedures and employment conditions.

Enterprise Agreements ratified by the Fair Work Commission and that satisfy the Better Off Overall Test (Boot) against the applicable Modern Award exist in all States of operation and govern the remuneration and conditions of field-based staff. Office based personnel are engaged under compliant Employee Service Agreements. A dedicated Staff Engagement function oversees processing responsibilities for wages, superannuation and other entitlements, as well as facilitating potential payment queries for expedited resolution.

The use of external labour hire services is minimal, remaining a last resort for the temporary fulfillment of peak and unexpected demand and is subject to a formal Contractor Management process. Additionally, a cohort of approximately 20 staff are sourced out of the Philippines to assist with administrative and planning tasks, with Altus maintaining oversight of compliance with local employment and labour laws as well as general working conditions.

As outlined in previous Statements, Altus has launched a Whistle-blower program, overseen by an independent third-party, which provides an added layer of reporting capability for both internal and external stakeholders in relation to any form of alleged corporate or human rights breaches.

Direct Links and Contribution to Modern Slavery

Altus Groups previous Modern Slavery Statements have noted that sourcing decisions tend to be underpinned by a combination of quality, price, supply capability and servicing levels. Historically, the potential for downstream suppliers to contribute to modern slavery has not featured prominently in supplier selection. However, for essentially commoditised items such as signage, traffic control devices and personal protective equipment, it is recognised that supply chains have the potential to extend into higher risk jurisdictions.

A survey of Tier 1 and Tier 2 suppliers conducted in the prior reporting period reflected a number of initial findings, namely:

- There are minimal confirmed **direct** supply chain links to modern slavery practices within Altus Groups immediate supplier network.
- Those entities who are not required to report under the existing modern slavery framework are highly likely to have a substantially reduced visibility of modern slavery risk compared to entities with formal reporting obligations.
- The number of survey respondents was moderate (57%). Of those entities who did respond, survey data trends indicated the following:

- An inconsistent approach to the existence of policies and procedures in relation to modern slavery.
- Low levels of supplier screening and supply chain risk assessments to assess downstream modern slavery risk.
- Some evidence of supply chains extending into higher risk jurisdictions
- Ad hoc arrangements relating to training and awareness initiatives.

The supplier survey responses suggest that the modern slavery risks with direct trading partners remains low to moderate. However, the tendency for a lack of oversight of extended supply chains in nations identified as at higher risk of modern slavery suggests a residual potential for indirect exposure.

Altus Traffic did not perform an additional survey in the current reporting process but will do so in the forthcoming reporting period.

Addressing Risks

To date, Altus Group has focussed equally on internal and external stakeholders in its efforts to fully understand and mitigate against the risks of modern slavery.

Internally there has been an emphasis on creating awareness and attention as to the dimensions and complexities of modern slavery to encourage broader understanding and to ensure more informed and accountable decision-making, particularly across the management cohort. Additionally, our commitment to issue resolution and equal opportunity has been evidenced by a dedicated Staff Engagement function and, more recently, the formation of an independent Whistle-blower program.

Externally there have been efforts to consolidate modern slavery considerations into our supplier arrangements by way of enhanced supplier engagement processes and encouraging suppliers to develop deeper understandings of their supply chain dynamics and potential for indirect links to modern slavery practices.

Experience suggests these are slow moving initiatives requiring continued attention.

Addressing Risks – a changing risk profile

Expansion opportunities for the Altus Group includes the potential for new ownership and the likelihood of significant growth as a result of merge and acquisition activities in addition to forecasts of significant organic volume increases. This will have potential to change the modern slavery risk profile as the existing workforce and supplier networks grow.

Consequently, much of the focus for the upcoming reporting period will be to build upon the ongoing actions emanating from previous Modern Slavery Statements. Specifically, Altus Group will maintain a focus on its core modern slavery initiatives:

- Deployment of a new Learning Management System to automate refresher training for personnel including awareness sessions in relation to modern slavery.
- Re-launch of Altus Groups Whistle-blower framework to management and field-based personnel
- Full onboarding of workers absorbed into Altus Group operations via merge and acquisition including Modern Slavery and Whistle-blower training.
- A review of the supply network of any entities joining the Altus Group via merge and acquisition including the mandatory completion of a Supplier Questionnaire prior to a determination relating to ongoing engagement

Effectiveness of Actions

There has been progress as a result of the implementation of initiatives since Altus Group first commenced formal reporting on modern slavery. Much of that progress has been to raise awareness around the modern slavery paradigm and to achieve a broader understanding of supply chain complexities. These have been important first steps in the risk management process and will continue to feature in future action plans. Additionally, the focus on compliant industrial relations instruments and the successful implementation of a Code of Conduct and issue resolution framework have effectively reduced exposure to direct modern slavery risk.

However, there is acknowledgement that progress must be more than symbolic and deeper dives into extended supply chains is required in unison with our trading partners to gain a greater sense of comfort that modern slavery risks are being properly understood and effectively overseen.

Accordingly, in order to be able to measure and demonstrate continuous improvement, a number of goals have been set for the next reporting period:

ACTION	MEASURE
Deployment of a new Learning Management System with automated triggers for annual refresher training – completion by F/T personnel by EOFY 23	95%
Modern Slavery Supplier Questionnaire – second iteration to include primary suppliers of any merge and acquisition activities	70% response rate
Re-launch of Whistle-blower program to include all personnel, including workers transitioning to Altus Group following potential merge and acquisitions	100%
Review of supplier on-boarding M/S due diligence processes – Modern Slavery acknowledgement fully embedded into supplier onboarding	100%
Development of a formal Modern Slavery Policy document – rolled out across the organisation and embedded into internal training materials	100%

Consultation

Whilst the modern slavery risk for Civil Edge has been assessed as negligible in comparison with Altus Traffic, the development of this Statement included consultation and opportunity for input across both divisions.

Additionally, this Statement has been duly reviewed and approved by the Altus Board.



Ben Marsonet – CEO



David Lundberg – Chairman