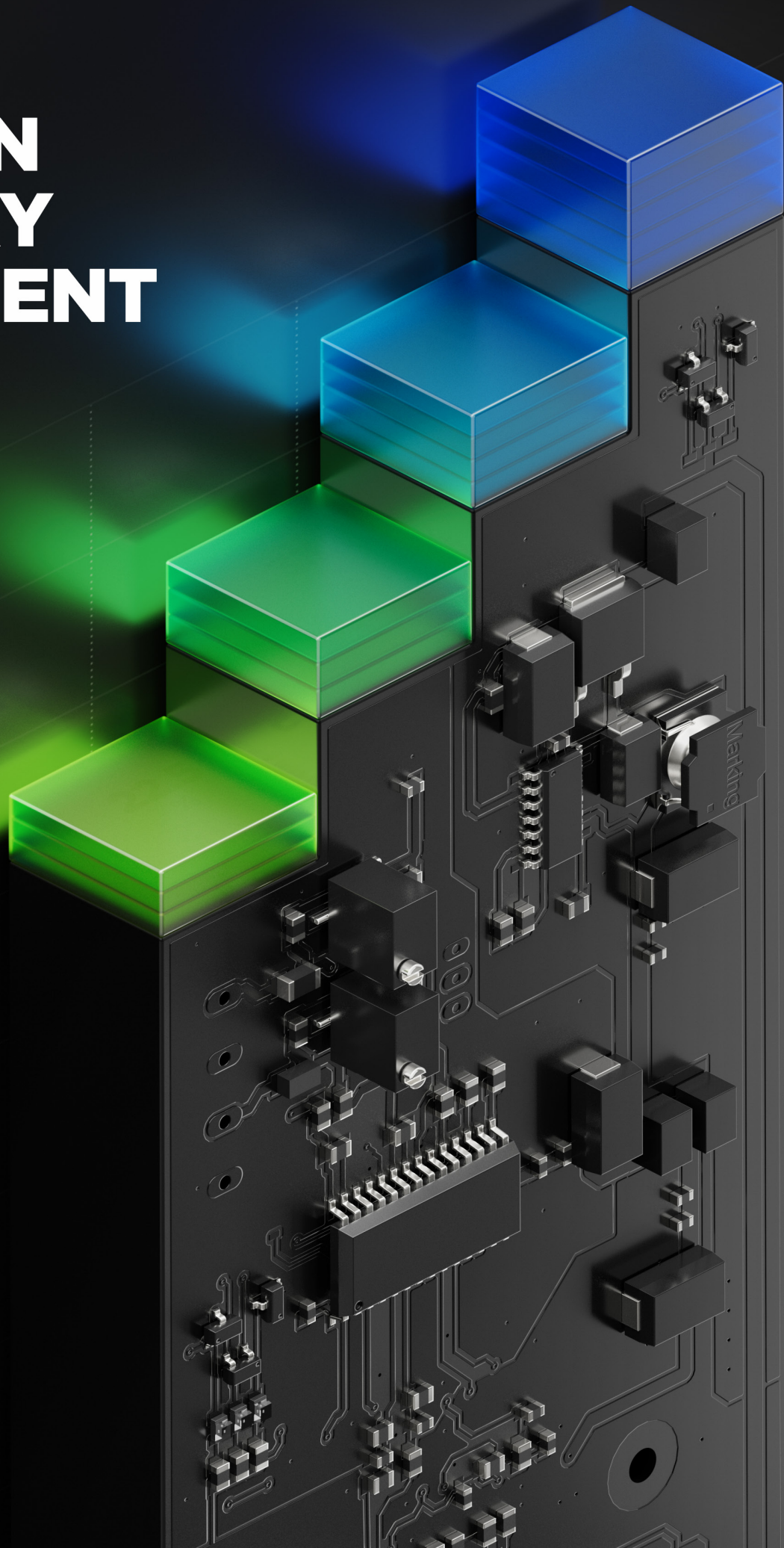


Altium[®]

MODERN SLAVERY STATEMENT 2023

Altium Limited
ACN 009 568 772



Message from the Chair

I am pleased to introduce the Altium Limited (Altium, we, our or Company) Modern Slavery Statement for the 2023 Financial Year. It outlines the steps we have taken to identify and address modern slavery risks within Altium and in our supply chain.

At Altium, our purpose is to transform the electronics manufacturing industry. Printed Circuit Board (PCB) design and manufacturing are at the very heart of the global software engineering and electronics production ecosystem. Altium is uniquely positioned within that ecosystem as an independent and increasingly important software design platform with a cloud-first strategy that is open and accessible to all engineers, executives and other parties.

Given the global reach of our business within an increasingly connected world, we recognise our responsibilities and opportunities to make a difference. We are committed to addressing modern slavery risks that may exist within our Company and our supply chain.

During the year, Altium undertook its first comprehensive modern slavery risk assessment and gap analysis with the assistance of recognised experts in such analyses. The assessment provides us with a baseline from which to design initiatives to address modern slavery should that be required and to ensure that we have appropriate oversight by our Management Team and Board.

We review our Supplier Code of Conduct (Supplier Code) annually to ensure that it aligns with our legal obligations as well as contractual arrangements that Altium applies to our vendors worldwide.

We recognise that our approach to modern slavery is not just to follow the law, or conduct business in an ethical or moral way, but is part of the trust our people, shareholders, customers, suppliers and other stakeholders have in Altium.



A handwritten signature in blue ink that reads "S. Weiss".

Samuel Weiss
Non-Executive Chairman

Introduction

About this Statement

This Modern Slavery Statement 2023 (Statement) is made by Altium in accordance with our legislative obligation to annually disclose those modern slavery risks that exist within our operations and supply chains as well as the actions adopted to identify, prevent, mitigate and remediate those risks.¹

This Statement:

- Refers to activities in the period of 1 July 2022 to 30 June 2023 (FY23 or FY23 Reporting Period) and our plans for further improvements during the next financial year ending 30 June 2024 (FY24).
- Contains some forward-looking statements based on assumptions and expectations at the time of publication that are by nature subject to change. As such, the actions contemplated by these statements cannot be guaranteed nor relied on.



About us

Altium Limited ACN 009 568 772 is a public company listed on the Australian Securities Exchange (ASX:ALU). Our registered office is located in Chatswood, NSW, Australia and our global headquarters in San Diego, California, USA. This Statement is made on behalf of Altium as well as its subsidiaries. Please see our [FY23 Annual Report](#) for a list of our subsidiaries.

Altium creates innovative electronic design tools for our customers. Our tools are used in numerous industries including automotive, aerospace, defence, life-science, mobile devices, communications, consumer electronics, high-tech electronics, research, education, industrial controls automation, computers and semiconductors.

Our vision is to become the dominant provider of electronic design tools for the PCB design industry and to transform how electronics products are designed.

As at 30 June 2023, Altium had operations in 18 countries: Australia, Canada, China, Finland, Germany, India, Japan, Netherlands, Poland, Russia, Serbia, South Korea, Sweden, Switzerland, Ukraine, United Kingdom, United States and Vietnam. Altium has since closed our Russian operations.

Governance and decision making in relation to our operations and related supply chain management is undertaken across our business in accordance with a single set of policies and procedures.

¹Our obligation under the Australian *Modern Slavery Act 2018*

Values

Altium has eight core values that continue to drive us toward our vision:

▸ **Big Thinking (in pursuit of purpose)**

We set ambitious long-term goals that stakeholders at all levels can appreciate and get behind.

▸ **Diversity (of thought)**

We think outside of the box and listen to new ideas.

▸ **Courage (of conviction)**

We fearlessly express our convictions, born out of a relentless desire to succeed.

▸ **Grit (in pursuit of mission)**

We are individually load bearing and move through adversity and obstacles collectively. We remain objective and positive through periods of change.

▸ **Ingenuity (of AND)**

We welcome complexity and polarities, utilizing resourcefulness and creative thinking to generate options or solutions, while balancing risks, rewards, and conflicting priorities in solving problems.

▸ **Adaptability (of approach)**

We thrive on change and flexibility, utilizing a global view and understanding not just how, but why.

▸ **Agility (of action)**

We shift rapidly to be more effective based on the situation. We fail fast or win quickly.

▸ **Transparency (of intent)**

We facilitate open and honest two-way communication in relation to the why, the what, and the how.



Governance framework

Altium's codes and policies that underpin our anti-modern slavery program are described below. All Altium subsidiaries are required to abide by these codes and policies. These codes and policies are publicly available from the [corporate governance](#) section of Altium's website.

Corporate governance

Altium supports the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Altium's [Corporate Governance Statement 2023](#) describes our corporate governance policies and practices. We continue to review our practices, considering current and emerging corporate governance and regulatory developments relevant to Altium and adopt changes as appropriate and recommended.

Acting lawfully, ethically and responsibly

Altium encourages a culture of acting lawfully, ethically and responsibly across the organisation. Our [Code of Conduct](#) (Code) outlines the ethical standards expected of Altium directors, employees and representatives. It provides a framework to address any ethical issues that may arise in our business. Our [Anti-Bribery and Corruption Policy](#) prohibits Altium directors, employees and representatives from giving or receiving gifts that may compromise their integrity and objectivity or may create a conflict of interest.

Observing human rights

For our direct workforce, we continue to use measures to support fair labour practices and ensure that we operate respectfully and provide a safe work environment for our employees globally. We are committed to treating all employees with respect and in compliance with our [Human Rights Policy](#). The policy mandates fair and adequate working conditions for our people, including wages and hours, and encourages our people to report actual or suspected violations of human rights to our Human Resources team. We strictly prohibit the use of slavery, forced labour and human trafficking. Our hiring practices are aligned with local labour and employment laws in all jurisdictions where we conduct our business. 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.

Whistleblower Protection

Altium's values and Code are designed to promote and support a culture of honest and ethical behaviour including encouraging a "Speak Up" culture. Our [Whistleblower Policy](#) encourages the reporting of any actual or suspected conduct within the Altium Group which may be unethical, illegal, fraudulent or undesirable. This includes conduct by an Altium director, officer, employee, contractor, supplier or other person who has dealings with Altium.

The Whistleblower Policy provides protections and measures to ensure any person making a report may do so confidentially (or anonymously) without fear of intimidation, disadvantage or reprisal. Appropriate internal and external channels have been put in place with the objective that any reports of wrongdoing are handled fairly, sensitively and confidentially. This includes the provision of the Altium Whistleblower Service, an independent and external whistleblower service managed by Deloitte.

The Altium Whistleblower Service includes a dedicated website, email address, fax number, postal address and confidential phone line.

Supplier standards

Altium's [Supplier Code](#) sets out the behaviours and business practices expected of any entities or individuals supplying goods or services to Altium. Where suppliers operate in countries that have requirements and standards less stringent than Altium's Supplier Code, suppliers are expected to adhere to our Supplier Code.

We expect our suppliers to comply with local, national and international applicable laws including but not limited to anti-bribery and corruption, competition, business licensing, data protection and privacy, environment, export control, health and safety and labour laws. The Supplier Code was introduced in 2022 and continues to be annually reviewed.

We promote responsible procurement and are seeking to facilitate the creation of a secure, efficient, and ethical electronic fabrication and assembly value chain that is both less vulnerable and more resilient to disruption.

Certain products and services that Altium procures, such as software, are unique in nature. This may mean that we have limited leverage or opportunity for influence on those suppliers, and limited ability to source alternative essential supplies.

Where a supplier does not acknowledge the terms of our Supplier Code, we request a copy of the supplier's Code of Conduct or equivalent disclosures to confirm that the supplier upholds or is committed to anti-modern slavery protections that are as stringent as those set out in Altium's Supplier Code. We reserve the right not to mandate a supplier or to conduct further diligence where we are not satisfied that anti-modern slavery protections are sufficiently evident.

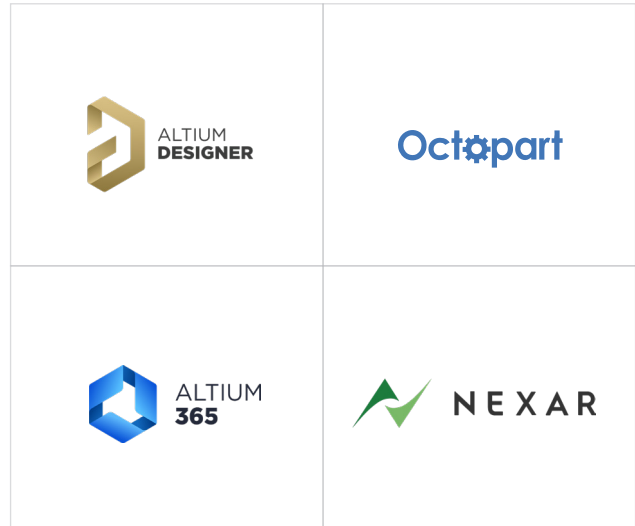
Further information on actions we have taken to assess and address modern slavery risks in our supply chain and how our Supplier Code operates in practice can be found below.

Altium’s operations and supply chain

Our operations

Altium operates two unique business units, which are complementary and synergistic: Design Software and Cloud Platform. These are our two growth engines for dominance and transformation with four associated flywheels to increase the rate of growth: design tool adoption, design platform adoption, cloud adoption and ecosystem adoption.

1. Our Design Software unit centers around our flagship product, Altium Designer, and Enterprise, which provides PCB design solutions and indirectly enhances the value of Altium 365 through the subscriptions associated with the PCB design tools.
2. Our Cloud Platform unit, including Altium 365, Nexar and Octopart, provides professionals and industry partners access to a vast ecosystem of electronic design and manufacturing users and customers. Nexar includes Octopart and manufacturing.



More information about Altium’s operations can be found in our [Annual Report FY23](#).

Our people

Altium has a highly skilled and professional workforce. At 30 June 2023, approximately 41% of our 859 directly employed staff worked in technology roles. In addition to our direct workforce, we also have an indirect workforce consisting of 132 contractors, primarily in technology, research and development, finance and compliance roles.

Direct employment of workers	Altium employs people in our offices around the world
The provision and delivery of products or services	<ul style="list-style-type: none"> • Development and testing of PCB design software • Development of cloud platforms • Octopart search engine for sourcing electronic parts • Selling PCB design software and cloud platforms • Providing Altium Education and Training Programs • Manufacturing customised computer hardware through Gumstix
Distribution, purchasing, marketing and sales	<p>Marketing Altium products and programs</p> <p>Network of channel partners, including authorised value-added resellers who have been trained and certified in Altium products</p>

Figure 1. Overview of Altium’s operations

Our supply chain

The supply of goods and services to Altium centers around supporting the creation and enhancement of our design software and operating and continually innovating our cloud platform. To support this, Altium's supply chain has historically focused on office and administrative support services and technology-related goods and services.

Altium also has a limited manufacturing supply chain through Gumstix, our PCB contract manufacturing business unit.

In simplest terms, our supply chain includes:

<p>▾</p> <p>Products</p> <p>Products purchased by Altium to support our operations and activities</p>	<p>▾</p> <p>Services</p> <p>Services purchased by Altium to support our operations and activities</p>	<p>▾</p> <p>Indirect supply chain</p> <p>Products and services purchased by Altium's suppliers, and their suppliers</p>
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Figure 2. Altium's supply chain

Procurement at Altium

Altium has introduced a centralised software and service procurement and sourcing system which is managed by Altium's Operations team. That team is responsible for software and services and its lifecycle management which represents a significant proportion of Altium's spend on suppliers. The team collaborates with stakeholders throughout Altium and vendors to provide the latter with a copy of our Supplier Code of Conduct with which we expect our vendors to comply. More formalised diligence will form part of the Roadmap described in our Case Study on page 12 below. While some location specific sourcing and procurement occurs at a regional operational level, Altium has implemented a formalised compliance and contract review process and recruited a dedicated Procurement Lead to advise, recommend and oversee the implementation of resilient procurement practices throughout our business worldwide. Our Procurement Lead is based at our Head Office in California.

The main types of goods sourced from our suppliers are:

<p>Information technology</p>	<p>Information technology software, hardware (e.g. computers, mobile phones), software, systems and network infrastructure and IT related services</p>
<p>Office location goods</p>	<p>Office supplies, furniture, capital improvements, marketing collateral and other equipment</p>
<p>Small scale manufacturing goods</p>	<p>Small scale contract manufacturing of customised computer hardware for Altium's Gumstix operations</p>

The main types of services procured from our suppliers are:

Information technology

- Information and communications technology services and utilities
- Cloud and web-hosting services
- Marketing (primarily web advertising), trade shows and field services

Office location services

- Facilities and property management services, including office rent, printing and office services, car-parking, utilities, cleaning and security
- Office moving and relocation services
- Repairs and maintenance
- Transportation, postage, freight and couriers

Professional services

- Compliance, sustainability, accounting, legal, financial, insurance, training, payroll, recruitment and tax services

Travel and hospitality

- Travel and accommodation
 - Hospitality and catering services
-

Modern slavery risks in our operations and supply chain

In FY23, Altium engaged a recognised sustainability advisory firm to conduct a detailed risk assessment across both our operations and supply chain as defined by the Australian Modern Slavery Act Guidance for Reporting Entities. The key findings of the Modern Slavery Risk Assessment are set out below.

▸ CASE STUDY

Examining our modern slavery risk - assessment approach and methodology

In our risk assessment, “risk” referred to the statutory definition of risk, which considers modern slavery risk in terms of risk to people experiencing harm, as opposed to risk to the business.

Altium’s comprehensive review of our approach to modern slavery risk included analysis of spend data, qualitative review of documentation with suppliers and extensive stakeholder engagement.

The risk assessment methodology drew on reputable data sources, such as the Global Slavery Index (Walk Free Foundation), Global Rights Index (International Trade Union Confederation), Trafficking in Persons Report (US Department of Labor) and commodity research by Verite. It considered inherent risk factors, which are evidenced by modern slavery prevalence in a particular industry, product, country, or region. These factors were mapped against key features of our operations and supply chains. The three key risk factors that contributed to our assessment were:

1. Product or service risk
2. Industry risk
3. Geographic risk

The risk assessment identified the potential for high-risk modern slavery practices, however it did not identify that specific modern slavery risks exist in our operations or value chain, nor that there had been breaches of statutory requirements relating to modern slavery.

The risk assessment was intended to inform and is informing our ongoing design and risk-based approach to combating modern slavery.

Risks in our operations

The Modern Slavery Risk Assessment involved an analysis of our operations in those jurisdictions in which we operate or have operated.

Analysis found that modern slavery risks prevalent in software businesses often occur in software development, contracted site services for repair and maintenance as well as cleaning, hospitality, logistics, transport services. Modern slavery risks prevalent in software businesses may also be attributable to the inherent risk of a geographic location.

Again, no actual or suspected breaches of modern slavery laws within our business were identified as part of the Modern Slavery Risk Assessment. However, a comprehensive understanding of potential risk areas enables us to more comprehensively address potential modern slavery risk in our operations and supply chain and identify higher risk geographies and sectors. We recognise that addressing modern slavery requires ongoing vigilance whereby the processes and procedures we utilise to protect against it are continually examined and revised.

Risks in our supply chain

86% of Altium's FY23 supplier spend occurred with businesses in 3 developed economies: United States (64%), Germany (12%) and Australia (10%). These nations exhibit a low prevalence of modern slavery, and their governments take robust actions against it. Considered another way, less than 10% of Altium's sourcing originates in countries with a medium to high risk of modern slavery.

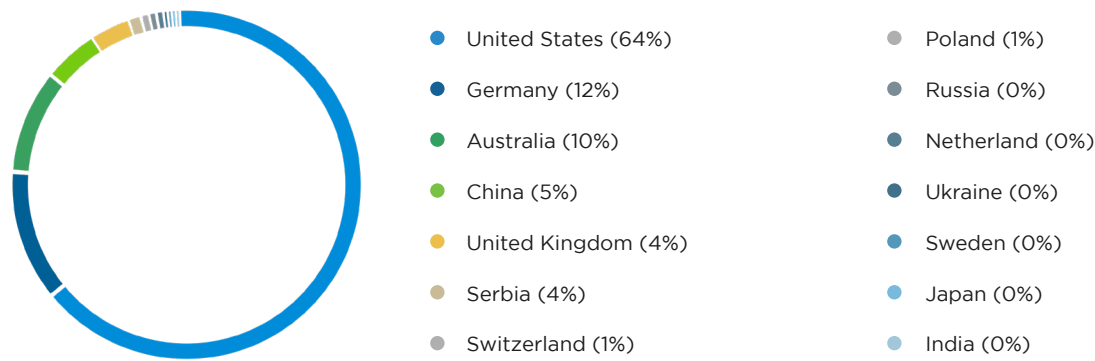


Figure 3. Geographic spend across Altium's supply chain (as a percentage of total FY23 spend)*

*Note that this data refers to the country of transaction rather than the country of origin of the goods and services.

The analysis found that modern slavery risks prevalent in software business supply chains often occur in software development, cleaning services, web services and electronic goods, hardware and IT equipment. However, from the evidence available, it concluded that no actual or suspected breaches of the law were identified in our procurement of these goods and services from our suppliers.

Initiatives to understand and manage our modern slavery risks

This section describes those initiatives we have adopted in FY23 to assess and address modern slavery risks.

Comprehensive risk assessment

As previously noted, in FY23 Altium engaged an expert advisor to conduct a Modern Slavery Risk Assessment of our operations and supply chains. This involved an analysis of our supplier spend data by spend category and geography as well as an assessment of our operational footprint in high-risk geographies and industries. The methodology applied is described in the Case Study on page 9 above.

Key internal stakeholders have met to consider the key findings of the Modern Slavery Risk Assessment and formalise our future Modern Slavery Roadmap (Roadmap).

Gap analysis

In FY23, the same expert advisor conducted a Modern Slavery Gap Analysis. This involved assessing Altium's current processes and systems to address modern slavery risk and meet the requirements of modern slavery laws which apply to us.

The review considered Altium current practices against five key criteria (depicted in Figure 4 below) and was based on Australian Government Guidance for Reporting Entities, United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles), the Ethical Trade Initiative, International Labour Organisation outputs, as well as relevant industry reports and market practice examples.



Figure 4. The five criteria assessed to address modern slavery risk

Roadmap of priorities

Following the issue of the Modern Slavery Risk Assessment and the Modern Slavery Gap Analysis, our Roadmap was developed.

CASE STUDY

Developing our Modern Slavery Roadmap

Arising out of the analysis work we completed with the assistance of our expert advisor, the Roadmap is forward looking and lays the foundations for implementation of a practical action plan to identify and mitigate the risks associated with modern slavery. It describes our objectives to combat modern slavery risk and also outlines remediation plans to be adopted where we identify risks within our supply chain in accordance with the UN Guiding Principles. During development of the Roadmap, a core team of Altium representatives attended Modern Slavery 101 training to raise internal awareness of Altium's anti-modern slavery obligations and to communicate our future commitments and approach. Further education for our people has been recommended and is a key initiative to help us address modern slavery risk.

We are committed to managing human rights and modern slavery risks and impacts across our operations and supply chain to avoid, mitigate or remedy instances of modern slavery or breaches of human rights.

In FY24 we will commence implementation of our Roadmap and its related, multi-year action plan.



FY23 Actions

Supplier due diligence and procurement process enhancement

Altium has reviewed its software service procurement and associated sourcing processes with the aim of increasing centralisation of relevant processes and procurement to our Operations team (described in 'Procurement at Altium' above), as well as monitoring adoption of our Supplier Code by our suppliers. Recognising that we inherently lack complete visibility into the extended supply chains of our suppliers we believe that risk-based centralisation of our processes will help enhance transparency in our supply chain and workforce.

CASE STUDY

Deep dive into software services

In FY23, Altium's Operations team rolled out our Supplier Code across software services vendors. The team established a Software Vendor Management process and related asset lifecycle management system, which streamlines and embeds contractual and regulatory controls in the software asset lifecycle. This includes an expectation that software suppliers meet contractual, regulatory and governance requirements as specified in Altium's Supplier Code.

Altium uses a software services compliance dashboard to track compliance status across these vendors.



Governance and planning

During the FY23 Reporting Period, Altium established a Modern Slavery Working Group (Working Group). The Working Group has been chaired by a member of our Management Team and includes representatives from our Legal, Finance, Operations, Procurement and Human Resources teams across multiple countries. We recognise that our ability to manage modern slavery risk will be shared across our business globally and representation of a true cross-section of Altium's world-wide workforce on the Working Group reflects this.

The Working Group will be responsible for driving the implementation of the Roadmap. It will report to the Risk and Governance Committee to be established in FY24 chaired by Mr Michael Hawker. The Risk and Governance Committee will oversee modern slavery as part of its Charter.

Raising expertise in and awareness of modern slavery risks

Members of our Working Group intend to be active in both promoting and managing implementation of the many anti-modern slavery initiatives addressed in the Roadmap. They have variously participated in external training on a range of modern slavery related topics during the FY23 Reporting Period, including:

- understanding modern slavery risks;
- defining modern slavery along the spectrum of human rights violations and separating it from business or enterprise risk;
- understanding the prevalence of modern slavery globally;
- understanding key legislative and regulatory requirements that apply to Altium and its business globally;
- acknowledging future trends for legislative and regulatory requirements on identifying modern slavery risk and required reporting; and
- identifying key components of an appropriate business approach to modern slavery risk mitigation and reporting.

In addition to the Working Group, Altium is committed to the broader education of our entire workforce on issues of modern slavery and human rights. In FY23 we ensured the “Protecting Human Rights” training module in Skillssoft (Altium’s online training resource) was available to our entire workforce.²

Assessing the effectiveness of our actions

In FY23 we:

- engaged an expert consultant to conduct a Modern Slavery Risk Assessment and Modern Slavery Gap Analysis;
- developed a Modern Slavery Roadmap informed by key recommendations and findings of the Modern Slavery Risk Assessment and Modern Slavery Gap Analysis;
- established a Modern Slavery Working Group to prosecute our Modern Slavery Roadmap and report to our Board;
- centralised the software services vendor procurement and sourcing services within our Operations Team;
- appointed a Procurement Lead to partner with our Operations Team and strengthen our procurement approach and associated processes; and
- formalised training for our people to understand human rights issues and why we seek to protect them.

²At 30 June, 86% of Altium employees had completed our “Protecting Human Rights” training module

Our future

Altium's Roadmap provides a comprehensive basis for us to continue to address modern slavery risks. We will:

1. strengthen modern slavery governance by constituting and adopting a formal charter for the Working Group;
2. embed modern slavery risks in Altium's risk management framework and establish a regular reporting program to the Risk and Governance Committee, to be established in FY24 and our Board;
3. understand and manage third party risk by further centralising global procurement activity within Altium's Operations team, to better oversee a wider breadth of global suppliers and explore automation opportunities to monitor compliance;
4. increase adoption of Altium's Supplier Code across our supply chain and, particularly with the onboarding of new suppliers, conduct enhanced supplier due diligence where any red flag non-compliance is identified or suspected; and
5. formalise training programs for our people, to continually raise awareness about modern slavery and how it is relevant to Altium.

We look forward to providing progress reports on the implementation and results of our actions and anti-modern slavery objectives in future reporting periods.



Approval

This Statement was approved by the Board of Altium Limited on 14 December 2023.

A handwritten signature in blue ink that reads "S. Weiss". The signature is written in a cursive style.

Sam Weiss

Non-Executive Director Chair