



# Modern Slavery Statement

December 2021

Altus Group Holdings

ABN: 76 168 179 691

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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 Altus 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.

**Altus Training** 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. Altus Training holds formal status as a Registered Training Organisation with the Australian Skills Quality Authority.

Altus employs approximately 1,800 people among 18 capital city and regional locations throughout Australia with a majority engaged on a casual basis. A small off-shore 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 approximately 715 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"> <li>• Vehicles/fleet purchase and hire</li> <li>• Plant purchase and hire</li> <li>• Approved traffic devices purchase</li> <li>• Personal Protective Equipment purchase</li> <li>• Office equipment, furniture and consumables purchase</li> <li>• IT device purchase and hire</li> <li>• Property Leasing</li> </ul>	<ul style="list-style-type: none"> <li>• Fleet Management Services</li> <li>• Labour Hire Services</li> <li>• Facilities maintenance services</li> <li>• Professional services</li> <li>• Telecommunication services</li> <li>• Business process outsourcing</li> <li>• Software subscription and purchasing</li> </ul>

Relationships through the Altus supply chain may be characterised primarily as deep and long-term, with Altus extending continued support of many businesses through COVID19. 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"> <li>• \$250K+ spend in reporting period and/or</li> <li>• Operates in a designated modern slavery high risk geography or market and/or</li> <li>• Downstream supply chain inputs known to extend to high-risk geography or market</li> </ul>	20
Tier 2	<ul style="list-style-type: none"> <li>• \$100K-\$250K spend in reporting period and/or</li> <li>• Operates in a designated modern slavery moderate risk geography or market and/or</li> <li>• Downstream supply chain inputs known to extend to moderate risk geography or market</li> </ul>	20
Tier 3	<ul style="list-style-type: none"> <li>• Less than \$100K spend in reporting period and/or</li> <li>• Service-based supplier and/or</li> <li>• Operates in a designated modern slavery low risk geography or market</li> </ul>	675

## Identifying and Assessing Modern Slavery Risks

This is the Altus Groups second 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 Services 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.

Since the submission of its last Statement, 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 Statement 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.

Following an initial supply chain mapping process to identify the potential for modern slavery-related risks according to geography and market, a select group of nominated suppliers were encouraged to participate in a supplier survey during the most recent reporting period.

Of 50 surveys distributed to predominantly Tier 1 and Tier 2 suppliers, only 57% responded – this in itself is a potentially telling statistic in terms of the understanding and visibility of modern slavery to many entities not required to report under the MS Act. 25% of respondents acknowledged they were currently reporting annually with 54% confirming the existence of policies and/or procedures in place in relation to Modern Slavery. The survey results confirmed low levels of internal training (38%) and supplier engagement screening (38%) to enhance the capability to identify, assess and respond to modern slavery risks. China and India – who collectively are thought to represent over 25% of modern slaves globally - featured as primary countries for extended supply chain relationships in 33%

of survey responses. 60% of respondents confirmed they had either no or low-level visibility of their extended supply chains.

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

## **Addressing Risks**

A number of initiatives were identified in Altus Groups previous Modern Slavery Statement as opportunities to enhance its effective management of modern slavery risk. A number of these have been completed and embedded within the organisations operating platforms, whilst others continue to be actioned as a priority.

Some of the notable achievements in the reporting period include:

- Completion and roll-out of a comprehensive Modern Slavery Supplier Survey, taking in the majority of Tier 1 and Tier 2 suppliers
- Creation and roll-out of a Modern Slavery E-Learning module. This was supported by an internal webinar. Approximately 80% of specified staff have completed the training and awareness module, which will become a mandatory component of the management on-boarding process for future hires
- Implementation of an internal Whistle-blower program – this is overseen by an independent third-party and will provide a transparent platform for reviewing and remediating complaints relating to corporate governance and human rights (including alleged instances of modern slavery)
- Annual publication of the Altus Groups Modern Slavery Statements to meet legislative obligations and to highlight the organisations position on modern slavery to its customers, suppliers and other stakeholders
- Embedding the scrutiny of supplier screening into the internal audit program

Work is continuing in the current reporting period on updating internal supplier and account creation processes to ensure all suppliers are acknowledging their responsibilities in relation to mitigating modern slavery risk. A Modern Slavery Declaration is proposed for distribution to all existing suppliers to formally encompass modern slavery mitigation expectations for adoption as a condition of continued supply to Altus.

Additionally, internal policy documents are undergoing review to ensure that the organisation's stance on modern slavery is accurately and appropriately enunciated and can stand as a robust framework for monitoring supplier relationships and for implementing remediation processes.

Remediation of any identified modern slavery matters will continue under the organisations existing Whistle-blower, Issue Resolution and Equal Opportunity processes.

## **Effectiveness of Actions**

The emphasis across this reporting period has been to increase internal and external awareness of the nature and extent of modern slavery and to develop a more informed understanding of the ways in which our major suppliers are exercising their own due diligence. Our internal training program and supplier survey initiative have combined to effectively meet these goals.

Having established a low likelihood of contributing directly to modern slavery, our focus turns to better understanding the intricacies of the broader supply chain and the initiatives undertaken to date indicate to us that this will be an ongoing and evolving process.

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

ACTION	MEASURE
Completion of Modern Slavery Awareness Training by F/T staff	95%
Modern Slavery Supplier Declarations signed and returned as a % of distribution	75%
Supplier completion of on-boarding documentation with M/S acknowledgement	100% (post distribution)
Whistle-blower or other M/S-related complaints raised and closed out as per procedure	100%

### Consultation

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

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

Ben Marsonet – CEO



David Lundberg – Chairman

