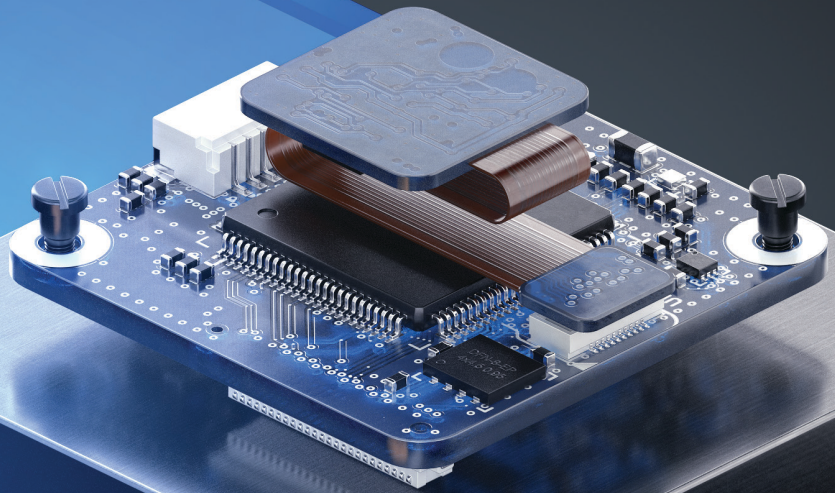


**Altium**<sup>®</sup>



Altium Limited  
ACN 009 568 772

# **ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT**

2022

# Environmental, Social and Governance Report

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# Overview

## Message from the Chair

I am pleased to present our Environmental, Social and Governance (ESG) Statement for the 2022 financial year. Altium has a transformative vision for the electronics industry to change the way Printed Circuit Boards are designed and manufactured. This vision extends to how we think about, and act on, our corporate response to our ESG responsibilities.

Our Board has considered the Altium approach to ESG in the context of our culture, our industry and how we may realise an ESG framework that has an impact beyond ourselves and our strategic objectives.

Subjects that we considered included the following:

- Talent acquisition and retention and Altium as an Employer of Choice;
- The opportunity to enable a more environmentally sustainable electronics component supply chain;
- Reduction of global inventory levels in the electronics supply chain by enhancing data optionality through Nexar;
- Configuring our risk management framework to include ESG;
- Provision of global access to education to support those who wish to become PCB design engineers; and
- Aligning our policies and values with our ESG commitments.

As a result, we identified three ESG themes for our business in which we intend to become thought leaders:

- (Social) Facilitating access to education for women and girls to offer them the opportunity to become PCB design engineers;
- (Environmental) Facilitating environmental sustainability in electronics; and
- (Governance) Creating *Transformational Governance* for our Board and our Company.

Over the next few years these three areas will be institutionalised in our strategic vision and its execution.

We acknowledge the breadth of opportunities within ESG and we have concentrated on those areas through which we believe we can realise the greatest impact for our Company, our stakeholders and beyond. In this report our focus is on our people and human capital management as we return to a 'new normal' in our working lives as well as how we manage cybersecurity and data protection.

Customer satisfaction is crucial to our business, especially as we accelerate our pivot to a cloud-based business model. We will continue to place emphasis on our relationship with our customers who will also play their part in the evolution of our ESG approach.

Whilst our environmental footprint is relatively modest given the nature of our business, we are committed to doing our part to address climate change. This year we began to measure our global carbon footprint with the assistance of Sydney based company, *PathZero*. During the 2021 financial year our gross emissions were 10,557.66 tCO<sub>2</sub>e. We are finalising our baseline for the 2022 financial year which will inform how we may reduce our carbon footprint.

Similarly, whilst the value chains of software producers are generally considered to be low risk in terms of modern slavery, modern slavery is an important social and governance focus for Altium and our stakeholders. Altium does not condone modern slavery in its business operations nor within its supply chains. Altium has published its Supplier Code of Conduct during the reporting period and all suppliers are required to formally acknowledge compliance with its requirements.

We will invest in the next generation of innovators by providing opportunities for students to design their own electronic products. Building on the previous successful launch of Upverter Education, which targeted middle and high school students, we launched Altium Education this year. This university-level curriculum has been quickly adopted by student engineers, with almost 23,000 students enrolling in the first four months since launch.



Over the past 12 months, Altium has reviewed and updated many of our corporate policies and charters to ensure they remain in alignment with the ASX Corporate Governance Recommendations and Principles as well as expectations of our shareholders, employees and customers. We have refreshed our Board Charter and the charters which govern the Audit and Risk Management Committee and the Human Resources Committee. We have also updated our Continuous Disclosure Policy, Anti-Bribery & Corruption Policy, Share Trading Policy, Dividend Policy, Ethical Behaviour Policy, Human Rights Policy, Whistleblower Policy, Diversity & Inclusion Policy, Communications Policy and Code of Conduct.

We welcome your feedback about our approach to ESG matters.

A handwritten signature in black ink, appearing to read 'S. Weiss'.

Sam Weiss  
Chair



# Altium

## Core Values

Altium has identified eight core values to pursue our mission and vision.

<p>▮ <b>Big Thinking (in pursuit of purpose)</b></p> <p>Setting ambitious long-term goals that stakeholders at all levels can appreciate and get behind.</p>	<p>▮ <b>Ingenuity (of AND)</b></p> <p>Showing an ability to work with complexity and polarities. Demonstrating resourcefulness and creative thinking to generate options or solutions. Balancing risks, rewards and conflicting priorities in solving problems.</p>
<p>▮ <b>Diversity (of thought)</b></p> <p>Demonstrates an ability to think “out of the box” and listen to new ideas.</p>	<p>▮ <b>Agility (of action)</b></p> <p>Showing an ability to shift quickly to be more effective based on the situation. Demonstrating an ability to fail fast or win quickly.</p>
<p>▮ <b>Courage (of conviction)</b></p> <p>Living and dying by the sword, a fearless mindset to express one's conviction borne out of relentless desire to succeed.</p>	<p>▮ <b>Adaptability (of approach)</b></p> <p>Thriving on change and flexibility. Demonstrating a global view and understanding not just how, but why.</p>
<p>▮ <b>Transparency (of intent)</b></p> <p>Demonstrating open and honest two-way communication with others in relation to the why, the what and the how.</p>	<p>▮ <b>Grit (in pursuit of mission)</b></p> <p>Load bearing and demonstrating resolve to move through adversity or obstacles. Remains objective and positive through periods of change.</p>

ALTIUM VISION:

To become the dominant provider of electronic design tools for the Printed Circuit Board design industry and to transform how electronics products are made.



## Material ESG Reporting Topics

The table below sets out Altium's material ESG reporting topics and will underpin our ESG planning in the coming years.

STRATEGIC PILLAR

TOPIC

### Responsible business

- Governance
- Ethical Labour Practices

### People

- Talent Attraction, Development and Retention
- Workplace Culture and Engagement
- Employee Health and Wellbeing
- Diversity and Inclusion

### Customers

- Customer Engagement and Satisfaction
- Cyber Security and Data Protection

### Environment

- Climate Change Mitigation

### Community

- Education
- Industry Associations

# Stakeholders

The following table sets out how Altium engages with our material stakeholder groups: Stakeholder Description Engagement activities

STAKEHOLDER	DESCRIPTION	ENGAGEMENT ACTIVITIES
<b>Employees</b>	We have approximately 800 employees across 16 different countries.	<ul style="list-style-type: none"> <li>• Employee meetings, intranet, newsletters</li> <li>• One-on-one meetings between managers and employees</li> <li>• Employee new starter and exit surveys</li> <li>• Training sessions</li> </ul>
<b>Customers</b>	We have tens of thousands of customers across our different business lines.	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Focus groups</li> <li>• Feedback and support requests</li> <li>• Information requests</li> </ul>
<b>Investors</b>	Our shareholders include Australian and international institutional and retail investors and our employees.	<ul style="list-style-type: none"> <li>• Direct engagement with shareholders and analysts</li> <li>• Direct engagement with proxy advisors and other advisors</li> <li>• Interim and full year result reporting and presentations</li> <li>• Investor roadshows</li> <li>• Participation in investor conferences</li> <li>• ASX announcements</li> <li>• AGM</li> </ul>
<b>Suppliers</b>	We have a wide range of suppliers, including providers of critical technology infrastructure.	<ul style="list-style-type: none"> <li>• Direct engagement throughout the supply contract lifecycle</li> <li>• Requests for suppliers to attest to Supplier Code of Conduct</li> </ul>
<b>Communities</b>	We are committed to supporting technology innovators and engineering communities across the globe.	<ul style="list-style-type: none"> <li>• Education programs</li> <li>• Volunteering programs</li> <li>• Participation in R U OK? Day</li> </ul>
<b>Governments and Regulators</b>	National and supranational laws and regulations relating to customer privacy, modern slavery, trade sanctions, and ethical business practices affect our business operations.	<ul style="list-style-type: none"> <li>• Membership of and participation in industry associations</li> </ul>



# Responsible Business

## Governance

Altium supports and generally follows the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. More information on Altium's corporate governance policies and practices can be found in our 2022 Corporate Governance Statement.

We review our governance practices in light of current and emerging corporate governance developments of relevance to Altium, and to reflect regulatory changes as appropriate.



## Ethical Labour Practices

Modern slavery is an increasingly important issue for our stakeholders, and multiple jurisdictions in which we have operations have passed legislation to try to eliminate this practice globally. Altium does not condone modern slavery in its business operations nor within or along its supply chains.

For our direct workforce, we have established measures to support fair labour practices and guidelines to ensure that we operate respectful and safe work environments for our employees globally. We are committed to treating all employees with respect and we strictly prohibit the use of slavery, forced labour and human trafficking. Our hiring practices are in accordance with local labour and employment laws in all countries and 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. In


accordance with Altium's global recruiting guidelines, offers of employment are conditional upon successful completion of background checks, if required. Background checks vary according to country and role and protect the safety of the employees and ensure that employees meet the standards required by Altium.

For our indirect workforce (i.e. our suppliers), we adopted a new Supplier Code of Conduct during the 2022 financial year. Among other provisions, the Supplier Code of Conduct outlines Altium's expectations for suppliers with regard to modern slavery and labour practices more generally. We expect suppliers to comply with the criteria set out in the Supplier Code of Conduct. We reserve the right to cease business or choose not to work with suppliers who do not comply with the Supplier Code of Conduct.

# People

As stated in our Diversity & Inclusion Policy, at Altium we are committed to our people. We recognize them as the source of our competitive advantage and place great importance on selecting the right people for the right positions and ensuring that individuals are provided with opportunities to develop and grow. Our ultimate aim is to enable our people to reach their full potential so that they can not only contribute to the future success of the company, but also achieve their own personal career goals and aspirations.

## Talent Attraction, Development and Retention



US\$4K  
FINANCIAL  
ASSISTANCE GRANTS

Opportunities are made available for employees to expand the scope of their roles and to upskill their individual capabilities, which improves retention and productivity. Employees and Directors are encouraged, and given the opportunity, to acquire and maintain professional memberships and to attend industry training programs, forums and seminars to enable them to maintain and improve their knowledge and skills whilst accruing Continuing Professional Development (CPD) hours.

In recognition of the value that continuing education may bring to an employee's development and contribution to company performance, Altium provides its workforce with the Education Assistance Program. The program is designed to assist employees in their professional development by encouraging voluntary academic studies that contribute to meeting Altium's business requirements. To incentivise employees to undertake voluntary continuing education, Altium offers financial assistance grants for programs that result in a formal qualification, of up to US\$4,000 per annum for eligible employees. The decision to grant educational assistance is at the discretion of senior management and subject to approval by the local human resources manager.

For the 2022 financial year, the types of programs and seminars that Altium has provided to its employees include:

- English language courses to employees located across Europe for whom English is not their first language;
- Professional in Human Resources Certification for qualified HR team members;
- AWS Cloud Practitioner Certification for members of the R&D team;
- Weekly mentoring and coaching for members of our Sales team; and
- Salesforce training and certification for members our Sales Operations team.

## Employee Health and Wellbeing

Altium offers its employees a range of benefits and situationally provides additional items that make the workplace more attractive. A home office internet access allowance is provided to all staff members working remotely. In some locations we offer gym access and transportation support to enable better commuting options. Altium offers part-time working options in a variety of roles and supports employees who choose to work part-time.



The Australian, North American and EMEA workforce is supported by Altium's Employee Assistance Program, which offers employees counsellors and support for their mental health which can be accessed through the Human Resources team or the company intranet.

Some of the activities undertaken during the 2022 financial year in support of promoting employee health and wellness at Altium include:

- Providing resources for mental health awareness and support, including virtual meeting events (e.g. lunches) for Altium staff;
- Supporting physical activity programs, including through gym access and complimentary healthy snacks for staff across the regions;
- Snack boxes and gift boxes sent to employee homes to support mental health and engagement; and
- Participation in R U OK? Day to raise awareness of mental health in the workplace.

### COVID-19 update

This past year, as employees have returned to the office in a full time or hybrid capacity, our COVID-19 Task Force has continuously stayed abreast of regional and local COVID-19 regulations. Altium has encouraged employees and visitors to follow public health guidance, such as appropriate social distancing, wearing of masks and hand washing.

## Case study – Employee Response to Invasion of Ukraine

The solidarity, resilience and comradery of Altium's employees were exemplified in their response to the invasion of Ukraine on 24 February 2022. Responding quickly to the crisis, Altium's payroll and accounting specialists were able to expedite the monthly payroll for employees in Ukraine so that they could access their February salary. Altium's HR team in Poland began searching for apartments to house any employee refugees who made their way to the country, which has the nearest office to Altium's operations in

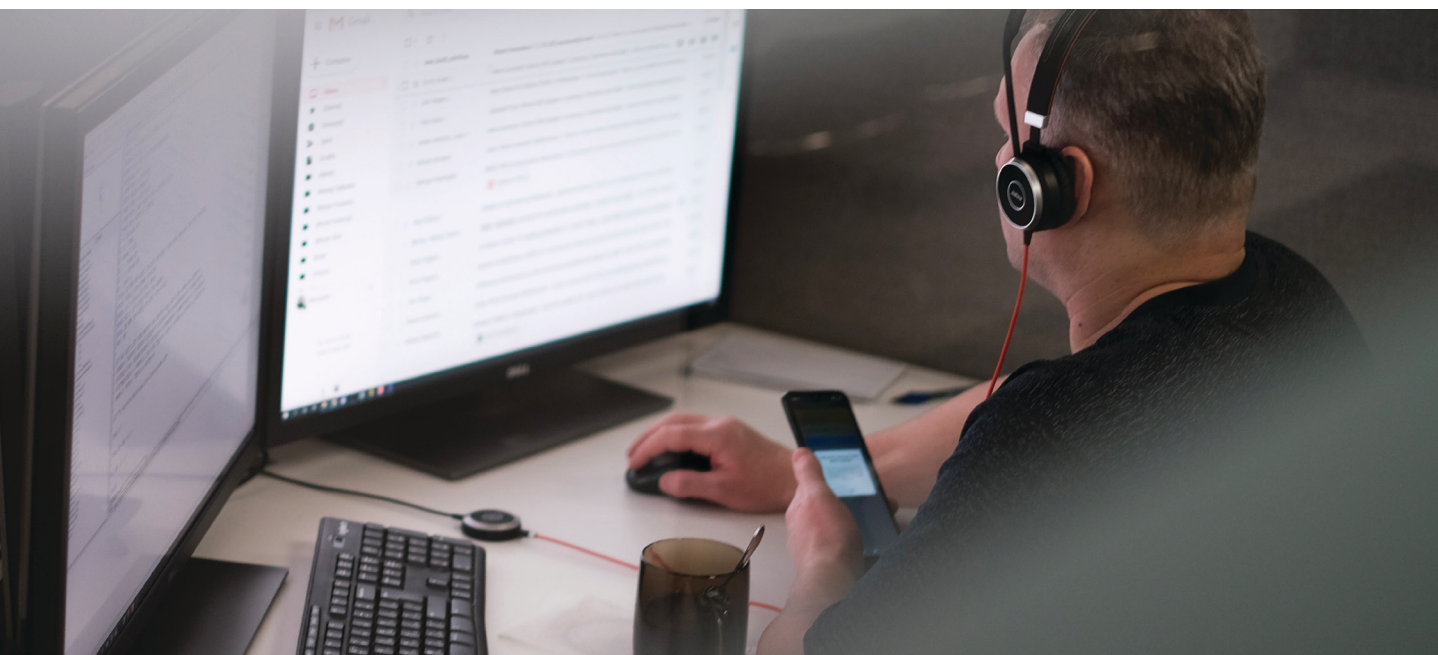
Ukraine. A crisis response team collected information on the whereabouts of Altium's employees in Ukraine and identified approximately 100 employees and family who were en route to Poland. The team in Poland secured temporary accommodation and accumulated basic supplies in the office for those families. As there were pregnant women in the refugee group, we organised a doctor to provide medical examinations upon their arrival in country.



The first family arrived in Poland on 27 February 2022. After Ukrainian authorities announced a general mobilisation, we also admitted some families of Altium's male employees who were required to stay in Ukraine. On 28 February 2022, Altium's senior management decided to advance three months' salary to Ukraine-based employees and to provide each employee a one-time financial aid payment of US\$5,000, to help individuals and their families during this extremely difficult situation.

As employees and their families began settling in, the team in Poland kept them informed on organisational and legal developments and provided support to them in their formal applications for refugee status. In total, 19 Altium employees and 55 family members of Altium employees relocated to Poland—the youngest refugee was two months old at the time.

Altium has continued to support our employees and their families who have been impacted by the ongoing war, including providing legal assistance, logistical support, and mental health support services through the Employee Assistance Program.



## Diversity and Inclusion

Our Diversity & Inclusion Policy was refreshed in the 2022 financial year to reflect our diversity and inclusion principles and to codify oversight, responsibility and accountability for promoting a diverse and inclusive workplace.

Some of the activities undertaken during the 2022 financial year in support of promoting a culture of diversity and inclusion at Altium include:

- Employees completed diversity and inclusion training to promote and support fair hiring and promotion practices;
- Altium's Social Responsibility intranet page was maintained as a resource for employees. On this page, employees and management are free to post comments on issues on diversity, inclusion, or any social issue, such as the war in Ukraine; and
- North American open roles are posted on [www.DiversityJobs.com](http://www.DiversityJobs.com).

Altium follows the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> ed.) with respect to setting measurable objectives for achieving gender diversity. For the 2022 financial year, Altium's measurable objectives and progress towards achieving those objectives are described in the table below.

## FY22 Diversity Measurable Objectives

INITIATIVE / OBJECTIVE	STATUS
Continue our association with those talent acquisition agencies who champion diversity	Completed
Benchmark Altium's position and progress on gender diversity against industry peers and Australian listed companies	Completed
Conduct both conscious and unconscious bias training for all our people managers by 2022	Approximately 87% complete as of 30 June 2022
Embedding diversity and inclusion awareness into the onboarding experience for all new starters	Commenced for new starters from 1 July 2022
Progress toward a gender diversity target for C-suite executives of 30% by 2024	27% as at 30 June 2022

## Discrimination and harassment

We have zero tolerance for discrimination and train all our employees globally on discrimination and harassment in the workplace. If an employee feels they are the victim of discrimination or harassment, we have a clearly outlined procedure to follow so that the issue is brought to light and can be dealt with in accordance with our discrimination and harassment policy. This process includes a defined escalation process for reporting incidents and includes corrective or disciplinary action to be taken when discriminatory behaviour or harassment is identified.

Leaders and managers are expected to engage in non-discriminatory practices in hiring, promotion, and performance management.

Altium acknowledges our employees' right to freedom of association, to include the right to form and join trade unions and the right to participate in lawful activities of association. All employees were engaged on individual employment agreements in the 2022 financial year (FY21: 100%).

# Customers

Altium has a diverse customer base, with customers ranging from large multinational corporations and governments to startups and individual consultants. We employ a multifaceted approach to understand and accommodate our customers' needs and to measure and improve the customer experience.



## Customer Engagement and Satisfaction

Altium interacts with customers across multiple touch points to facilitate engagement and gauge satisfaction with our products and services. As part of the onboarding and deployment process, Altium conducts Altium 365 onboarding sessions and webinars several times a week in all major regions. In addition, the NEXUS Customer Success Team guides NEXUS customers through their deployment process.

Altium employs both quantitative (surveys conducted at different touchpoints and within our products via analysis of the product usage data and UX research) and qualitative (user interviews and focus groups) methods to gather and process customer feedback. User feedback is analysed and has a significant impact on our product strategy and development plans.

There is an instant satisfaction check after customer interactions (e.g. a chat Support on our website). This is done for personal interactions as well as bot-only interactions. The Support team measures CSAT Scores and Net Promoter Scores on a weekly basis to gauge performance. We also collect feedback on how helpful our documentation is for the reader. This is done by thumbs up/down and a comments function for knowledge articles and through a comments function for other documentation.

Altium actively engages with our user community via our customer portal (AltiumLive), with users who participating in online discussions, our annual user conferences (AltiumLive PCB Design Summit), and by participating in and sponsoring user groups around the world.

Following the launch of Altium 365 in 2020, Altium formed a dedicated Customer Success team with representatives located in all major markets (Americas, EMEA, APAC) to work directly with Altium 365 users who can reach us through email, personal calendar bookings and via a link to Altium's support chat.

Users share their experiences, tips and tricks through the customer forums on AltiumLive, and we have invested in the development of training materials to provide users with the information they need on a self-service basis.

In addition to the Altium 365 Customer Success team, we also have an Enterprise Deployment Team which is guiding new NEXUS customers through their solution on-boarding process. The objective of this team is to ensure successful deployment, productive use of, and expanded use of the Altium Enterprise tools and solutions. Feedback from customers regarding new functionality as well as identification of bugs is directly fed into the product team for fix, consideration or implementation.



# Cyber Security and Data Protection

## Governance and oversight

Data privacy and security are top priorities for Altium. We are committed to adhering to global data protection laws and standards in order to ensure that we remain responsible stewards of the data that is under our control.

The Audit and Risk Management Committee has primary oversight responsibility of cyber security and data protection and regularly briefs the Board on the state of cyber security risk. Managing security across technology systems, infrastructure and processes remains a key priority of Altium's Risk Management Framework and is managed by the Cyber Security Committee that includes representatives from the Information Technology (IT), Research and Development, and Business Operations teams.

Altium's General Counsel is responsible for advice on legal compliance relating to data privacy and protection. Where required, Altium consults with external legal counsel and other relevant experts to ensure that our compliance programs, security and privacy processes are consistent with meeting industry specifications across all jurisdictions in which we transact.

Altium has an Information Security Policy which provides a security framework to ensure the protection, confidentiality, integrity, and availability of Altium's information assets, physical assets, company information, and customer information. In addition, there are several supporting policies that govern the implementation of the Information Security Policy and Altium's information security activities.

Violations of internal policies relating to security and data protection may lead to the suspension or revocation of system privileges and/or disciplinary action up to and including termination of employment.

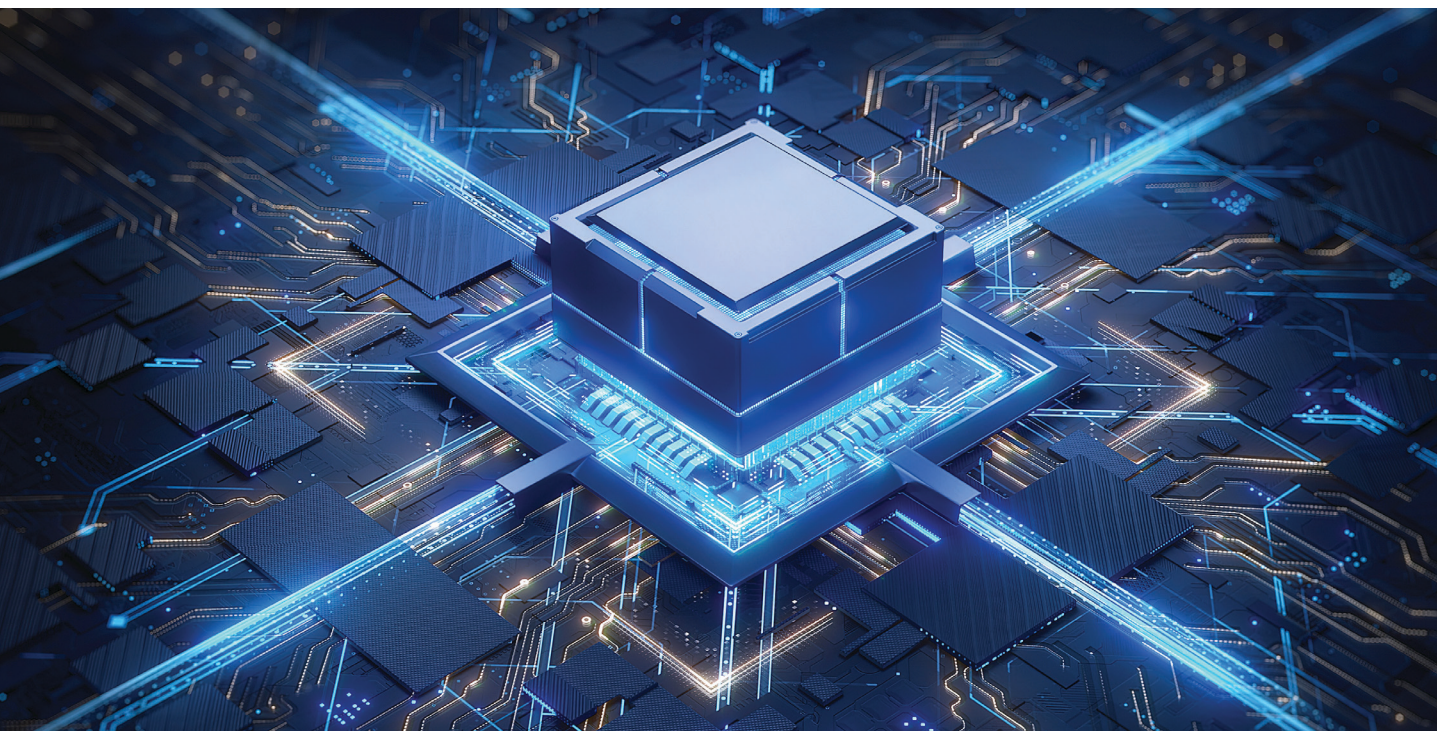
## Security program

The Altium security program applies a risk-based approach to tackling current and emerging cyber security threats and vulnerabilities. Our cyber security team regularly assesses protections and procedures based upon identifying changes to the broader threat landscape and reported breaches affecting other organisations. There is an escalation process for employees to follow, up to and including Altium's whistleblower policy and procedure, if they identify potential security breaches or suspicious activity.

To improve and refine Altium data security protocols we collaborate with other organisations throughout the global technology industry where possible, which help us understand the current threat landscape that our business, employees, and customers face. These organisations include ISACA (formerly known as Information Systems Audit and Control Association), the International Information System Security Certification Consortium ((ISC)<sup>2</sup>), the US Cybersecurity and Infrastructure Security Agency (US CISA), the Australian Cyber Security Centre within the Australian Signals Directorate (ASD-ACSC), and the UK National Cyber Security Centre (UK-NCSC).

Altium closely follows regulatory developments on information security and data protection to ensure our approach remains appropriate and compliant. For example, Altium is closely following the progress on a new US-EU data transfer agreement (Privacy Shield 2.0).

Internal policies and procedures have been developed following the US NIST 800 series of policies and procedures to ensure compliance with global data protection regulations, including the General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and the Australian Privacy Act (1988). In addition, SOC 2 Type I compliance for Altium 365 was achieved in the 2022 financial year.



## Approach to handling data / data governance

The Altium corporate operations team is responsible for managing Altium's approach to data and customer privacy, and Altium has a dedicated Data Protection Officer who is responsible, among other things, for responding to questions or issues customers may have concerning the collection and/or processing of personal data. The data that Altium collects, processes or stores is subject to our Privacy Policy and Terms of Service, which detail the processes and internal procedures in place to ensure the confidentiality, integrity and availability of information held by Altium, including information entrusted to us by our business partners.

Altium processes personal data required to provide various services in alignment with customer preferences, to deal with customer requests, to contact customers regarding tailored products and services which may be of interest to them, or to carry out relevant administrative services.

Altium also collects data and other information to enhance our understanding of how our customers use our products and services. This information is a direct input into our research and development activities and enables us to further refine our existing offerings or develop new products and services that better meet the needs of both current and prospective customers.

For customers that participate in Altium's Customer Experience Improvement Program, Altium may collect additional information on the features and functionality customers use while interacting with Altium's products and services, subject to the customer's voluntary consent.

Customers can request that their data be removed from our systems at any time by contacting us at [data.compliance@altium.com](mailto:data.compliance@altium.com).

Protecting customer data is the responsibility of all our employees and we ensure that they remain informed of their responsibilities in preventing threats of various kinds, including error, loss, fraud and espionage. Access to personal data is controlled and only accessible to authorised employees. We monitor system interactions to ensure that there is no unauthorized access.

Data is passed to our servers by way of a secure connection and is stored and processed in accordance with relevant industry standards and regulations. Our data collection and analytics practices are built with a privacy-first mindset whereby data is anonymised whenever possible so that it cannot be interpreted or otherwise used by anyone outside of Altium.

Altium has in place a detection and response approach to monitoring potential data and access breach threats and takes action to proactively mitigate all threat incidences.

## Business continuity and resilience

Altium maintains a disaster recovery plan that is designed to ensure that we can maintain business operations, including critical IT workloads, through a crisis. As a starting point, Altium's decentralised operational structure—offices are located around the globe with leadership and main operating centres spread across Australia, USA, China and Germany—enables the execution of the business continuity regardless of where an incident may occur.

A key element of Altium's Business Continuity Plan (BCP) is Altium's product data infrastructure, which relies upon a combination of cloud services built upon Amazon Web Services (AWS) infrastructure. An important milestone in the 2022 financial year was the completion of the migration of on-premise workload to AWS infrastructure. This allows Altium to focus on its core competency of transforming the electronics industry rather than building and maintaining infrastructure to support our products.

In addition to AWS, Altium has taken significant steps to improve the resilience of its infrastructure through several key initiatives to enable a remote workforce. This has included migrating from an on-premise Active Directory to Microsoft Azure and an on-premise phone system to a cloud-based SaaS telecommunications system. We have also enabled Microsoft Intune and Autopilot which allows for remote deployment and management of IT assets.

The Altium 365 disaster recovery program, which relies on a robust technical environment and reliable restoration capability, ensures that services are appropriately backed up, recoverable and remain available. Altium tests backup and recovery mechanisms for critical systems on a regular basis to ensure adequate Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) are met. Altium follows AWS Well Architected guidelines to achieve high availability and disaster recovery to improve cyber resilience. Altium's critical systems are regularly tested to ensure the company can meet and respond to disasters within our target RTO/RPO objectives.

Altium's BCP includes provisions to protect the safety and wellbeing of our people whilst responding to an incident. For example, our emergency response protocols were activated following Russia's invasion of Ukraine, pursuant to which teams in various locations coordinated logistics and support for our employees and their families (see case study above).

## Training

Altium continues to build capacity and expertise in this field by training and growing existing staff in methods of secure software development life cycle (SDLC), DevOps and hiring security-specific roles. Altium employees participate in security awareness training through ongoing internal phishing campaigns and training sessions that educate participants on the cyber threat landscape, how to report suspicious activity, best practices for staying secure and the responsibility that each employee assumes in keeping Altium's data and systems

secure. Multiple methods of communication are used to keep our employees aware of cyber security including our online training platform, IT helpdesk, posters, Slack, and an intranet blog, which are also regularly updated with information regarding emerging cyber threats and how these are to be managed. Security and privacy training is provided as part of the onboarding process for all employees.



# Environment and Climate

Although Altium's environmental footprint is relatively small, we believe in doing our part to reduce climate change. Altium supports the goal of the Paris Agreement to limit global warming to well below 2 degrees Celsius, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. Altium also supports the Task Force on Climate-related Financial Disclosures (TCFD), and we are evaluating how we might implement its recommendations.

Altium has commenced the journey to develop our climate strategy to understand, mitigate, and manage the financial and reputational risks that impact our business and our ability to serve our customers. We completed the first step in our emissions reduction journey in the 2022 financial year by conducting an inventory of our greenhouse gas emissions from the 2021 financial year and are in the process of doing the same for our 2022 financial year emissions. Our emissions were validated by an independent specialist climate consultancy in accordance with the GHG Protocol's Corporate Accounting and Reporting Standard and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The largest sources of emissions in Altium's value chain in the 2021 financial year were the direct purchase of electricity, base buildings, ICT services and equipment, and professional services. Altium's FY21 emissions can be found in the Appendix.

In the 2023 financial year, we intend to conduct a scenario analysis with multiple scenarios to further understand the impact that climate change could have on our business, including physical and transition risks. In addition to assessing risks, we will look to consider climate-related opportunities, especially with regard to supporting our customers in the development of green electronics.



## Case Study: Greening PCBs

As the world becomes increasingly concerned with environmental stewardship, multiple industries have embraced greener, more eco-friendly technologies. SODAQ, based in the Netherlands, has been focusing on ways to make PCBs greener for over seven years, designing hardware and software for everything from smart desks to bikes that measure air quality on the go. What makes SODAQ's designs truly different is their inherently green

design. Most of SODAQ's PCBs feature integrated solar panels, allowing devices that use their hardware to enjoy unlimited charging capabilities. As SODAQ's designs have become increasingly more powerful and complex, they've turned to Altium to help design some of their most essential and ambitious projects to date.

”

**With our old ECAD software, managing components and design libraries was very challenging. Now, we can move from schematics to prototypes much easier**

Gregory Knauff

SODAQ's Lead Hardware Engineer



Collaboration between mechanical engineers and PCB designers also became easier.

”

**With hardware and mechanical components, we needed a way to design special servers requiring multiple parts. With Altium Design and Concord Pro on the cloud-based Altium 365 platform, our mechanical engineers can comment, view projects and the Bill of Materials in real-time with our electrical engineers**

adds Knauff

SODAQ's Lead Hardware Engineer

Two recent projects harnessing SODAQ's hardware and servers include sensor technology for sniffer bikes—smart bikes that measure air quality along the rider's travel route—and solar-powered ear tags used by farmers in Australia to track cattle migration across thousand-plus mile open spaces.





# Community

Altium believes that a sustainable future begins with empowering the next generation of technology innovators and making them part of a vital engineering community ecosystem. For this reason, we maintain multiple initiatives that make professional design tools accessible to student engineers and early-stage startup companies. Through our Altium Academic Program and Altium Launchpad, our startup program, we have eliminated barriers to entry for resource-constrained students and startups with low or no-cost Altium Designer and Altium 365 licenses.



## Altium Education and Training Programs

### Upverter Education

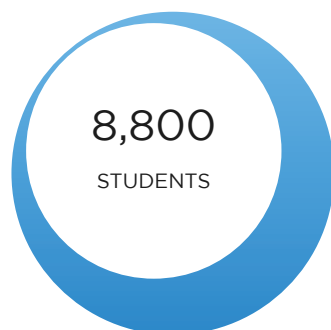
- ▀ Middle/High schools

### Altium Education

- ▀ Colleges/Universities



## Upverter Education



STEM education is critical for the future of our economy and society. Altium believes all students should have access to quality STEM education, regardless of their background or circumstances. The Altium Upverter Education Initiative, which provides opportunities for students to design their own electronic products, has enrolled over 8,800 students from 50 countries.

In August 2021, Upverter Education partnered with the IPC Education Foundation and Arduino to launch a global student electronics design competition for environmental change. This STEM challenge encouraged student teams to address common environmental concerns using Altium's educational tools

with Arduino hardware. We received entries from over 17 countries, including the US, Afghanistan, India, Australia, Greece, France and Guatemala. All the student teams submitted creative projects detailing viable solutions to environmental concerns in their communities. One of the winning entries was submitted by the Afghan Dreamer's team, an all-girl robotics team between the ages of 12 and 18 from Afghanistan. The team was founded by the Digital Citizen Fund in 2017. Their journey to complete their PCB design as they relocated from Afghanistan to Qatar is an inspirational story of their dedication to making an environmental change for their community.



Upverter Education has been recognized for its ability to equip high school STEM teachers with an innovative virtual electronic design curriculum and engineering learning solution. Building on the program's success, this unique approach to education has been celebrated for its ability to empower educators and students alike.

Upverter Education has received multiple awards since launch including the following:

- 2022 Gold Stevie American Business Award. Altium Empowers the Next Generation of Engineers won Best Science & Education video;
- 2022 EdTech Cool Tool Award. Upverter Education won for its Coding, Computer Science, and Engineering solutions;
- 2021 Gold Stevie American Business Award. Upverter Education was named a Double Gold Winner for its Virtual Electronic Design High School STEM Curriculum; and
- 2021 EdTech Breakthrough Award. Upverter Education won Best Engineering Learning Solution.



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**We sincerely hope that our concept for early fire detection, originally inspired by the forest fires that Greece has recently suffered, will contribute to preventing further catastrophes.**

University of Patras Robotics Club



## Altium Education

In March 2022, Altium launched Altium Education, expanding its commitment to making professional design tools available for free to student engineers and emerging designers. The program is growing rapidly, with almost 23,000 students enrolled in the first four months after launch.

With a focus on higher learning institutions, the Altium Education Program prepares students to advance to industry-level printed circuit board design and manufacturing careers.

Altium Education offers a free online curriculum and certification program for college and university students interested in engineering and electronics design. Our courses take students step-by-step from learning the basics of electronics to designing their first printed circuit boards.



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**Understanding prototyping skills is a necessary step for Electronics and Communications Engineering (ECE) students. Altium Education’s course provides the perfect introduction to PCB design that I need to help prepare my students for advanced engineering courses. All of our engineering students should take this web-based curriculum.**

Siddharth Deliwala

Director, ESE Lab Programs,

School of Engineering and Applied Science at the University of Pennsylvania



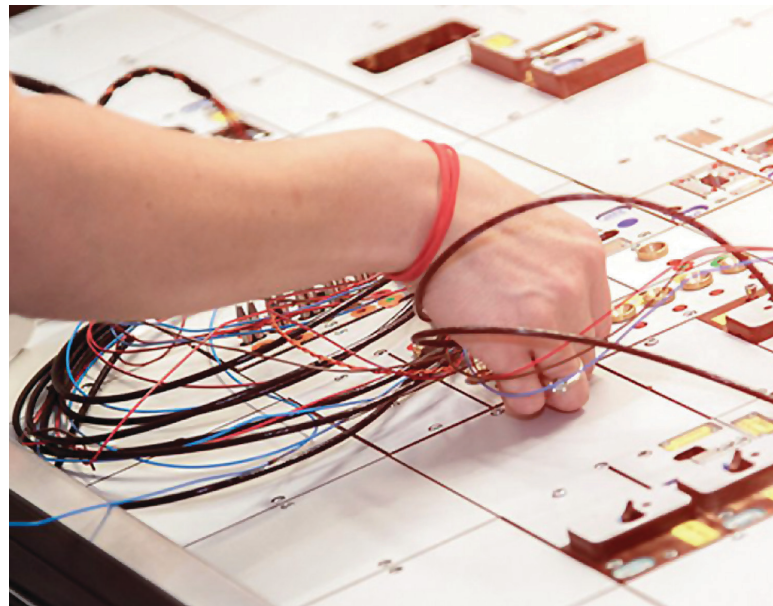


## Industry Associations

We are dedicated to helping universities prepare their engineering students for the workforce. Altium is a corporate member of ECEDHA (Electrical and Computer Engineering Department Heads Association), an organization of over 300 University Engineering Department Head Chairpersons in the United States and Canada. Altium also serves on ECEDHA's Corporate Advisory Council to help address the needs of universities and students engaging in distance learning and education.

Altium is also a contributing member of the following associations and industry groups:

- The Software Alliance (BSA), which pioneers compliance programs that promote legal software use and advocates for public policies that foster technology innovation and drive growth in the digital economy; and
- Open Design Alliance, a non-profit technology consortium whereby members share in the cost of development for complex projects.



# Appendix

## Performance Indicators

### Governance

INDICATOR	FY22	FY21
Investigations relating to anti-competitive practices	Nil	Nil
Fines or settlements relating to anti-competitive practices	Nil	Nil
Involvement in any ongoing corruption or bribery cases	Nil	Nil
Political contributions and lobbying	Nil	Nil

### Ethical Business Practices

INDICATOR	FY22	FY21
Number of reported issues concerning Modern Slavery	Nil	Nil

### Inclusion

INDICATOR	FY22	FY21
Reported incidents of discrimination	Nil	Nil

## Employees by employment type and region\*

EMPLOYMENT TYPE JURISDICTION	PERMANENT FULL TIME	PART-TIME	CASUAL	FIXED TERM	TOTAL
Australia	18	0	2	0	20
Canada	10	1	0	1	12
China	147	0	0	2	149
Finland	1	0	0	0	1
Germany	86	9	0	2	97
India	10	0	0	0	10
Japan	7	0	0	0	7
Netherlands	8	0	0	0	8
Poland	34	0	0	0	34
Russia**	87	5	0	0	92
Sweden	1	0	0	0	1
Switzerland	2	0	0	0	2
Ukraine**	61	1	0	0	62
United Kingdom	41	3	0	0	44
United States	234	0	0	1	235
Vietnam	10	0	0	0	10
<b>Total</b>	<b>757</b>	<b>19</b>	<b>2</b>	<b>6</b>	<b>784</b>

\* Based on number of active employees as at 30 June 2022. Excludes contractors and consultants. Interns and temporary employees are designated as fixed term.

\*\* Physical offices in these locations were closed during FY22, but employees continued to work remotely.

## New employees and employee turnover\*

GENDER	FY22 # NEW HIRES	FY22 # TURNOVER	FY22 % TURNOVER	FY21 # NEW HIRES	FY21 # TURNOVER	FY21 % TURNOVER
Male	130	124	25%	75	141	25%
Female	66	89	30%	81	78	27%
Other	3	1	50%	5	4	nm
<b>Total</b>	<b>199</b>	<b>214</b>	<b>27%</b>	<b>161</b>	<b>223</b>	<b>26%</b>
% Female	33%	42%	-	50%	35%	-

\* New Hires are any employees that started in the relevant financial year. Turnover includes any employee who separated during the relevant financial year. Turnover rate is calculated on the basis of number of employees at the beginning of the period, includes all types of separation categories, and excludes contractors and consultants.

### Age breakdown\*

AGE CATEGORY	FY22	FY21
24 and under	29	23
25-34 years	343	351
35-44 years	248	263
45-54 years	104	97
55-64 years	51	53
65 and greater	9	11

\*Based on number of active employees as at 30 June 2022. Excludes contractors and consultants.

### Gender breakdown by employment type\*

EMPLOYMENT TYPE	PERMANENT FULL TIME	PART-TIME	CASUAL	FIXED TERM	TOTAL
Male	501	5	1	2	509
Female	253	14	1	3	271
Other	3	0	0	1	4
<b>Total</b>	<b>757</b>	<b>19</b>	<b>2</b>	<b>6</b>	<b>784</b>
% Female	33%	74%	50%	50%	35%

\*Based on number of active employees as at 30 June 2022. Excludes contractors and consultants.

Employees declare their gender as part of the onboarding process for new hires.

### Gender breakdown by occupational category\*

EMPLOYMENT TYPE GENDER	EXECUTIVE AND SENIOR MANAGEMENT	TECHNOLOGY POSITIONS	TOTAL WORKFORCE
Male	11	284	509
Female	4	40	271
Other	0	0	4
<b>Total</b>	<b>15</b>	<b>322</b>	<b>784</b>
% Female	27%	12%	35%

\*Based on number of active employees as at 30 June 2022. Excludes contractors and consultants.



## U.S. racial/ethnic breakdown by occupational category\*

EMPLOYMENT TYPE RACIAL/ETHNIC SELF-IDENTIFICATION	EXECUTIVE AND SENIOR MANAGEMENT	TECHNOLOGY POSITIONS	TOTAL WORKFORCE
White	14	30	173
Two or more races	0	3	9
Hispanic or Latino	0	5	23
Asian	0	9	20
Black or African Americas	0	1	8
Native Hawaiian or Other Pacific Islander	0	1	2
<b>Total</b>	<b>14</b>	<b>49</b>	<b>235</b>

\*Based on number of active employees in the United States as at 30 June 2022. Excludes contractors and consultants.

## Parental leave\*

LEAVE STATUS	FEMALE	MALE	OTHER
Employees who took parental leave	15	10	0
Employees who returned to work after parental leave	13	10	0
% employees who returned to work after parental leave who were due to return	86%	100%	0

\*Excludes contractors and consultants.

## Cyber Security and Data Protection

INDICATOR	FY22	FY21
Substantiated complaints by regulatory bodies	Nil	Nil
Notifiable data breaches of Altium's privacy obligations*	Nil	Nil
Identified leaks, thefts or losses of customer or supplier data	Nil	Nil
Other material cyber security breaches	Nil	Nil

\*As defined by the Australian Privacy Act 1988.

### GHG Emissions

SOURCE*	FY21
Scope 1	3.31 tCO <sub>2</sub> e
Scope 2	1,782.57 tCO <sub>2</sub> e
Scope 3	8,771.78 tCO <sub>2</sub> e
<b>Total</b>	<b>10,557.66 tCO<sub>2</sub>e</b>

\* The GHG Protocol classifies GHG emissions into three "scopes":

- Scope 1: Direct GHG emissions from sources that are owned or controlled by Altium (e.g. emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.).
- Scope 2: Indirect GHG emissions from the generation of purchased energy consumed by Altium (e.g. emissions from electricity or gas bought from the grid by Altium).
- Scope 3: All other indirect emissions that occur as a consequence of the activities of Altium, but occur from sources not owned or controlled by Altium (e.g. emissions Altium's suppliers produce in providing goods and services to Altium).

Our FY21 emissions were validated by an independent specialist climate consultancy in accordance with the GHG Protocol's Corporate Accounting and Reporting Standard and Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Altium is in the process of conducting an inventory of our FY22 emissions.