



# AVEVA

Advancing a  
Sustainable Future

AVEVA Group plc  
Sustainability Report 2021

At AVEVA we are advancing a sustainable future, driving digital transformation through our software and putting sustainability at the center of our business.

In this report, we set out our Environmental, Social and Governance (ESG) priorities and highlight key activities in 2021 across our operational footprint, our technology handprint and our inclusive culture.

2	<a href="#">Message from CEO</a>	24	<a href="#">Technology Handprint</a>
5	<a href="#">Annual Highlights</a>	25	<a href="#">Sustainability Solutions</a>
6	<a href="#">Our Global Business</a>	28	<a href="#">Responsible Design and Use</a>
7	<a href="#">Our Commitment</a>	29	<a href="#">Security and Privacy</a>
8	<a href="#">Our Materiality Process</a>		
10	<a href="#">Our Governance Model</a>	32	<a href="#">Inclusive Culture</a>
13	<a href="#">Advancing the SDGs</a>	33	<a href="#">Diversity, Equity and Inclusion</a>
		37	<a href="#">Workforce Development</a>
14	<a href="#">Operational Footprint</a>	38	<a href="#">Wellbeing</a>
15	<a href="#">Greenhouse Gas (GHG) Footprint</a>		
21	<a href="#">Climate Risk &amp; Resilience</a>	40	<a href="#">Indices to Reporting Standards</a>
22	<a href="#">Business Ethics</a>		





## Sustainability at AVEVA: Defining the scope and scale of our ambition

We are living through a time of huge disruption and incredible innovation. With the clock ticking on delivering the 2030 Agenda for Sustainable Development, AVEVA is committed to being part of the solution to a more socially just and environmentally sustainable world.

We fully recognize the significance of the Environmental, Social and Governance (ESG) aspects of business performance, including their impact on long term, sustainable value creation. We believe in building trust through transparency and dialogue with all of our stakeholders, from our workforce to our customers, partners, investors and local communities.

As CEO, I hope this first standalone sustainability report will continue to advance that dialogue by providing more insight into the steps we have taken this past year to more deeply embed sustainability and ESG into our culture and corporate strategy.

*“We have invested significantly in our sustainability strategy and programs, distilling our approach into our Environmental, Social and Governance framework.”*

### AVEVA's 2030 Agenda



#### Net-Zero Operations and Value Chain

In this crucial year of climate action, we are pleased to affirm our commitment to exemplifying environmental stewardship across our value chain through the setting of ambitious climate mitigation targets.

Specifically, we commit to:

- Achieve net-zero emissions across our operations (Scopes 1 and 2) by 2030
- Achieve net-zero emissions across our value chain (Scopes 1, 2 and 3) no later than 2050
- Set reduction targets across all scopes in line with 1.5°C emissions scenarios and the criteria and recommendations of the [Science Based Targets initiative](#)

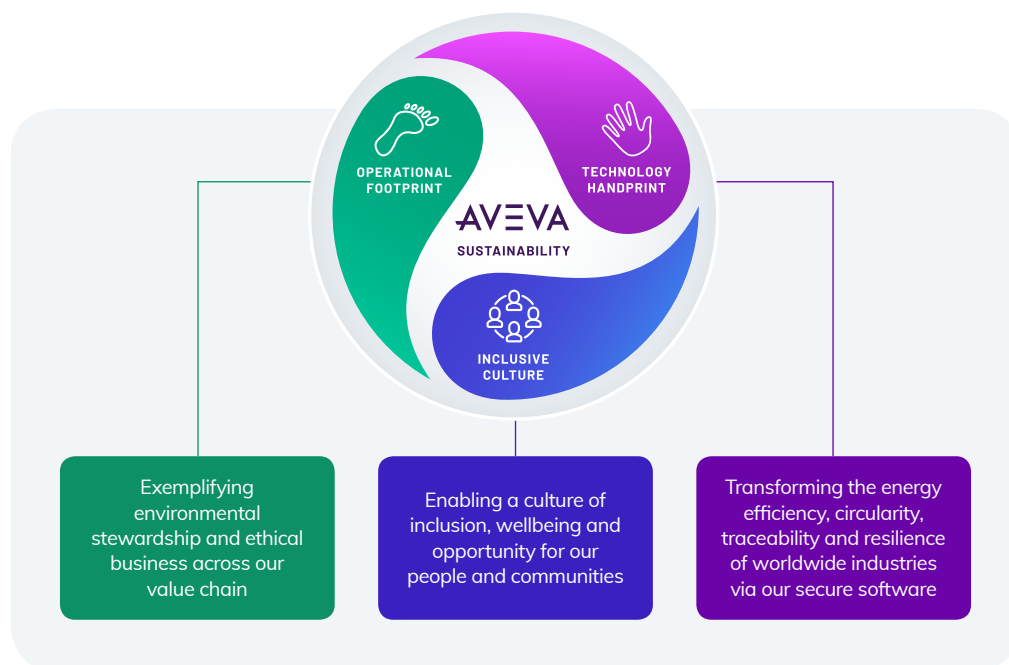


#### Advancing Women in Technology

In line with our commitment to Diversity, Equity and Inclusion (DEI) and efforts to enable a truly inclusive organizational culture, we are pleased to announce our pledge to drive greater representation of women in AVEVA's workforce and achieve gender pay parity.

Specifically, we commit to:

- 30% leadership roles held by women by 2030
- 40% management roles held by women by 2030
- 50% women hires by 2030
- <1% gender pay parity gap



## Accelerating our Focus on Sustainability

AVEVA's software solutions have been driving sustainable outcomes for our industrial customers for many years, by helping them to digitalize and transform the energy efficiency, circularity, traceability and resilience of their businesses. Building on this strong foundation, this past year we have challenged ourselves to go further and embrace a transformative corporate sustainability mindset. We have invested significantly in our sustainability strategy and programs, distilling our approach into our **Environmental, Social and Governance framework**.

Shaped by listening to our stakeholders and a detailed materiality assessment, this framework defines the scope and scale of our sustainability ambition. It comprises our **technology handprint**,

which is how we approach the positive environmental, operational and social impact that our products offer our customers. As a technology leader, this is where we have the biggest opportunity to make a positive impact.

Our **operational footprint** is how we approach running our business responsibly, obtaining results the right way and mitigating the negative environmental impacts of our activities.

Our **inclusive culture** sets out how we strive to enable an environment of inclusion, wellbeing and opportunity for all our people and communities.

Guided by these three pillars, this sustainability report focuses primarily on our environmental and social performance. For a detailed governance overview, please see our [FY21 corporate governance report](#).

"In the past year, we have set bold targets that set us on a path to achieve net-zero across our value chain by 2050, aligning to the highest level of commitment in the Paris Agreement."

## Building Our 2030 Agenda

Building on that vision, we have set ourselves bold targets in climate and culture. By 2030, we have committed to achieve net-zero emissions for our operations – Scopes 1 and 2 – and to cut Scope 3 emissions by 50%. We believe this will put us on a strong path to reach net-zero across our value chain no later than 2050, in line with the highest level of ambition under the Paris Agreement.

In addition to leading by example on emissions mitigation, we have been inspired by the growing focus of our customers on addressing climate change. To help industries decarbonize and mitigate their impacts, we are speeding up the suite of software solutions we offer our customers to enable them to reduce their environmental footprint.

In signing the [UN Global Compact's Business Ambition for 1.5°C](#) pledge, we also joined many of our customers and partners who share our sense of urgency around the climate crisis and are committed to action.

Beyond the need to contribute to the realization of greener future, AVEVA recognizes the responsibility we have to model and drive greater **diversity, equity and inclusion (DEI)** in the technology sector. Over the course of the past year, we have intensified our efforts to translate our DEI aspirations into actions and take a data-driven approach.

Women around the world have been deeply affected by the COVID-19 pandemic, with studies showing working mothers, women in senior management positions, and women of color at especially high risk of choosing to leave the workforce or opting to downshift their careers. At AVEVA, we are committed to reversing the pandemic's negative gender effect and advancing equality within our organization. To help drive greater representation of women within AVEVA's workforce, we have pledged to reach 50% female hires and increase the number of women in leadership and management to 30% and 40% of total roles for those two categories by 2030. We have also set a target to achieve a <1% pay parity gap by the same timeframe.

We still have a lot of work to do within our organization to realize our DEI ambitions but we are committed to setting measurable goals across all of our focus areas, which in addition to gender, include race and ethnicity, religion, faith or belief, disability and sexual orientation. I look forward to sharing those with you as we make progress.



## How Industrial Software and a Data-centric Approach is Facilitating the Net-Zero Economy

Alongside renewables-based electrification, bioenergy and hydrogen, there is growing consensus that carbon capture, utilization and storage (CCUS) technologies have a key role to play in the transition to net-zero. To deliver the promise of a global clean hydrogen economy, CCUS will be crucial and industrial software is helping to drive an exciting acceleration in the deployment of successful projects.

For example, Aker Carbon Capture (Aker CC), a subsidiary of Aker Solutions, approached AVEVA to create and optimize its engineering process for carbon capture solutions, using a combination of contextualized real-time engineering templates and digital design capabilities. Using plant engineering data combined with a library of bespoke templates,

the team installed a proof-of-concept project within just six weeks, and then rolled it out as a best-digital-practice across its global team.

Aker CC deployed AVEVA Unified Engineering and AVEVA Enterprise Resource Management in the cloud, allowing the team to collaborate better across time-zones and geographies, improving real-time decision-making, keeping costs low and driving innovations for their customers in record time.

As a result, Aker CC increased operational efficiency and time to market by over 50% using AVEVA solutions in the cloud, and the team is now looking at options for carbon-capture-as-a-service.



[Watch more here](#)

“Together, I believe we can make a more just, net-zero world a reality for the next generation.”

## Collaborating to Drive Positive Change

At heart, sustainability is about building a shared mission for innovation and change, so we are extending our network of collaborators, deepening our engagement and strengthening our sustainability expertise and capabilities.

Our Sustainability Customer Advisory Board provides valuable leadership insights that inform our strategy and approach. We consider it an important collaboration with some of the world's most widely recognized corporate sustainability leaders.

Through our academic program and our [Action4Good](#) program, we look for new opportunities that have an impact in the broader community. We are committed to nurturing early-career talent, building on our team's creativity and harnessing our collective passion for sustainability, through partnerships with over 200 universities and our ongoing involvement in the Schneider Go Green student competition.

Earlier in the year, AVEVA joined the [United Nations Global Compact](#) (UNGC), a global corporate sustainability initiative with more than 12,000 companies and 3,500 non-business signatories based in over 160 countries. This cements our existing commitment to align our strategy and operations with universal principles on human rights, labor, environment and anti-corruption. We believe that a principled approach to business and profits go hand in hand and I remain committed to integrating the Ten Principles of the UNGC into our operational culture.

More recently we joined [2030Vision](#), an initiative hosted by the World Economic Forum, that seeks to fast track advanced technologies to accelerate the achievement of the [UN Sustainable Development Goals \(SDGs\)](#) in an inclusive manner. As we continue to advance and build AVEVA's own 2030 agenda, I look forward to leveraging our growing network of strategic partners and collaborators. Working together, we are forging new ways to innovate with our customers, partners, governments and other key stakeholders to advance the sustainability agenda and enhance our impact. Together, I believe we can make a more just, net-zero world a reality for the next generation.

**Peter Herweck**  
Chief Executive Officer



[Watch more here](#)

[Learn more about our sustainability agenda in my presentation at The Economist Road to COP26 Summit on October 5, 2021.](#)

# FY21 ESG Highlights



## Technology Handprint

### Driving Sustainable Industry Outcomes

**15-30%**  
Savings in Energy Costs

**9-15%**  
Reduced CO<sub>2</sub> Emissions

**20%**  
Improvement in Clean H<sub>2</sub>O Production

### Launched Sustainability Customer Advisory Board

**12**  
Corporate Sustainability Leaders



**5**  
Industries Represented



**+400**

Academic Partnerships



**+700K**

Future Engineers Engaged



## Operational Footprint

### Science-based Targets and Net-Zero Pledge



Net-Zero Operations **by 2030**

Net-Zero Value Chain **by 2050**



FTSE4Good

**4th**

Consecutive Year in FTSE4Good

### Joined the United Nations Global Compact



#### Participant in:

[Climate Ambition Accelerator](#)

[SDG Ambition Accelerator](#)

[Target Gender Equality](#)



**1st**

Time Responding



## Inclusive Culture

### Launched Global DEI Focus Areas

Sexual orientation

Disability

Gender

Race and ethnicity

Religion, faith and belief

### Advancing Women in Technology by 2030

**30%**  
Women in Leadership

**40%**  
Women in Management

**50%**  
Women Hires



**6,500**

Employees Received Access to Wellbeing Toolkits



**112**

People in 'Earn and Learn' positions

# Our Global Business

AVEVA is a global leader in industrial software, driving digital transformation and sustainability.

Our software connects information, artificial intelligence (AI) and cloud with human insight, providing the rich information and decision support that teams need to unify, visualize and analyze their data, drive efficiency and accelerate sustainable performance. Our software inspires our customers to transform the environmental and social impacts of their business.

With solutions that span engineering and operations, AVEVA is working with our customers to increase energy efficiency, minimize noxious emissions and optimize the effective use of valuable natural resources across eight industry verticals.

From water and energy, to food and infrastructure, we enable some of the world's most critical industries to leverage the capabilities of our software, to drive engineering efficiency and operational agility and transform opportunity into sustainable business growth.

FY21 Company Snapshot



20,000 customers across 8 main industries



Energy



Power



Food, Bev, CPG, Life Sciences



Chemicals



Infrastructure



Mining



Marine



EPC

Revenue £1,196m*	10 Research and Development (R&D) Centers	6,500 Employees	20+ Alliance Partners	4,300 System Integrator Partners
	120+ Sales Partners	14% of Revenue Reinvested in R&D	250+ Tech Partners	85% Projects include Next-Gen tech

\* Includes 12 month revenue for AVEVA and OSIssoft.

# Our Commitment to Sustainability

Our software has been driving sustainable outcomes for our customers for many years. In FY21 we deepened and broadened our focus on sustainability and ESG as a foundation of our corporate strategy.

We grew our sustainability team by bringing in dedicated subject matter experts to support our advancing ESG journey and help implement a hybrid operational model. This ensures that our sustainability commitments run throughout our organization. We also share accountability for results not just within our sustainability function, but throughout our business.

To define our ESG priorities, we worked with expert agency [BSR](#), to conduct a materiality assessment that helped us to better understand current internal and external stakeholder perspectives. Building on these insights, our sustainability team and functional experts worked with leadership to define our ESG ambitions and begin the process of aligning on company-wide goals and supporting targets for material issues. This report addresses the top ESG issues identified.

Our materiality assessment process involved a variety of activities including:

- 25**  
Internal Leadership Interviews

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- 2**  
Internal Cross-functional Workshops

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- 8**  
External Interviews with Investors, Suppliers, Business Partners, Customers and Non-Governmental Organizations


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- +55**  
Internal Survey Responses


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-  Executive Briefing and Discussion Session

## Our 2021 ESG Matrix Top Issues Identified



### Technology Handprint



- ✓ Sustainability Solutions
- ✓ Responsible Technology Design & Use
- ✓ Security & Privacy



### Operational Footprint



- ✓ Climate Risk & Resilience
- ✓ GHG Footprint (Scopes 1, 2 & 3)
- ✓ Business Ethics



### Inclusive Culture



- ✓ Diversity, Equity & Inclusion
- ✓ Workforce Development
- ✓ Wellbeing

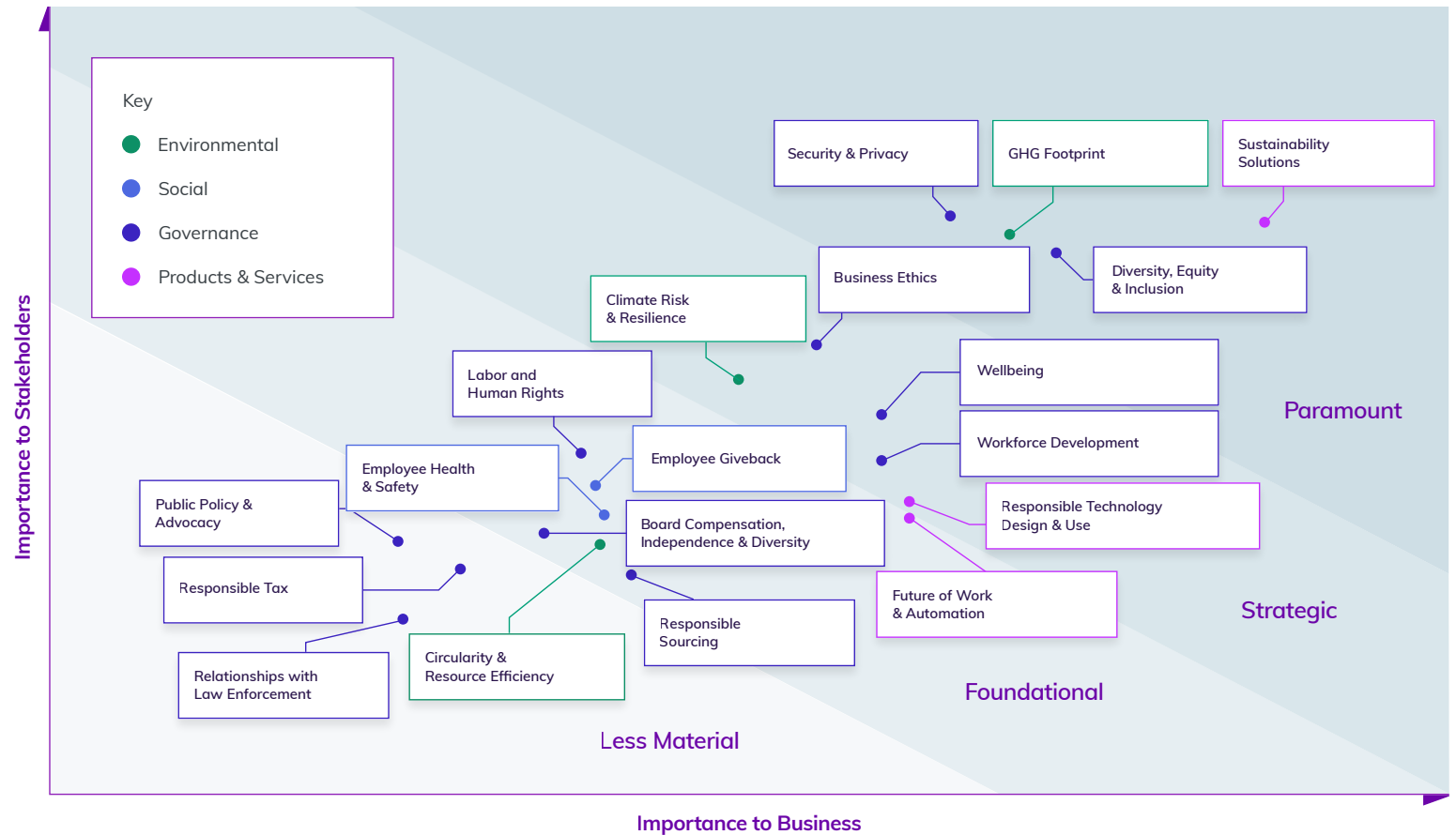


# Our Materiality Matrix



Lisa Wee, Director of Sustainability and Ruchi Shah, Sustainability Manager, in our San Leandro Office, California

Working cross-functionally, the sustainability team carried out a detailed materiality assessment with internal and external stakeholders. This exercise informed our ESG vision and determined the issues that are most significant to our business, allowing us to prioritize focus areas for our sustainability strategy, target-setting and reporting.



# Key Insights from our Materiality Assessment

## Products and Services

- AVEVA's clearest opportunity for impact is to continue to align product attributes with the growing sustainability needs of the wider market, particularly the energy sector. The transition toward low-carbon energy is a growing market and optimizing for circularity is a major business opportunity for AVEVA.

## Environment

- Industries are transforming to adapt to the realities of climate change, and AVEVA's stakeholders expect the company to lead by example on emissions mitigation, alongside helping our customers to address challenges in the energy supply chain, optimize performance of facilities that generate renewable power, and accelerate innovations on their journey towards circularity.

## Social

- Employee attraction and retention will increasingly hinge on AVEVA's ESG and DEI efforts. Employees remain our most important stakeholder because of their ability to drive a sustainable culture and because talent retention is a significant growth driver for AVEVA.

## Governance

- ESG disclosures are a critical aspect of quantitative and qualitative business evaluations by investors, customers, and partners. Disclosures allow AVEVA to articulate its long-term ESG strategy and ambition to respective audiences, with the inclusion of measurable short-term objectives lending additional credibility to our agenda.



John Barrington of AVEVA attends London Stock Exchange to celebrate the FTSE 100 contribution to the Race to Zero



## Our Goal-setting Process

AVEVA is taking a phased approach to making public pledges that align with our sustainability ambitions. This reflects our desire to prioritize our most material issues and make data-driven commitments. We are pleased to have announced two pledges that exemplify our commitment to climate action and gender equality.

These are two paramount ESG issues for AVEVA that also align with global sustainable development priorities as articulated by the [Global Goals](#). Prior to making these pledges, we undertook a detailed review of baseline data. Our team is now developing annual interim targets to measure and drive progress towards our 2030 pledges.



[AVEVA's Simon Bennett explains our net zero pledges live at the London Stock Exchange, August 2021.](#)

AVEVA is committed to setting clear goals and communicating our management approach for all material ESG issues over time.

# Leading ESG from the Top

## Board Oversight of ESG

Our commitment to a sustainable future is a shared one, with responsibility for ESG starting with our Board of Directors (Board) and cascading down to our executive leadership and across to various business functions and teams. Recognizing the need to oversee an increasingly complex set of ESG governance requirements, the Board has agreed to expand the remit of AVEVA's Nomination Committee to include oversight of ESG strategy, performance, relevant policies and disclosures. The Nomination Committee's Terms of Reference will be updated accordingly and it will be renamed the Nomination and Governance Committee.

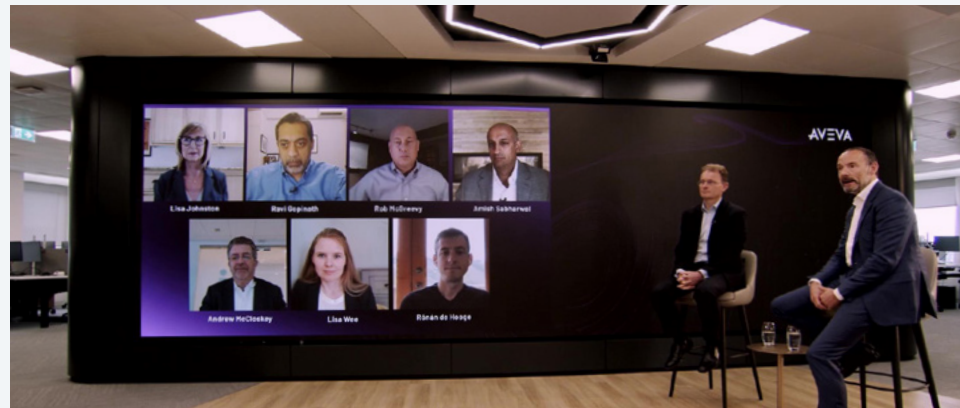
Going forward, the Board will retain overall responsibility for AVEVA's ESG governance framework and relevant policies, subject to recommendations from the Nomination and Governance Committee. Acknowledging that certain aspects of ESG will still transcend the scope of a single Board committee, the Board also endorsed the application of a set of ESG governance principles. The principles are designed to guide consistent ESG-related practices within the Board and its Committees.



Lisa Johnston, AVEVA Chief Sustainability Officer & Chief Marketing Officer.



Philip Aiken, Chairman, AVEVA with Kwasi Kwarteng, UK Secretary of State for Business, Energy and Industry Strategy, and AVEVA CEO Peter Herweck in London.



James Kidd, Deputy CEO and Chief Financial Officer, and Peter Herweck, CEO, AVEVA, speak to investors at AVEVA's digital capital markets day on July 1, 2021.

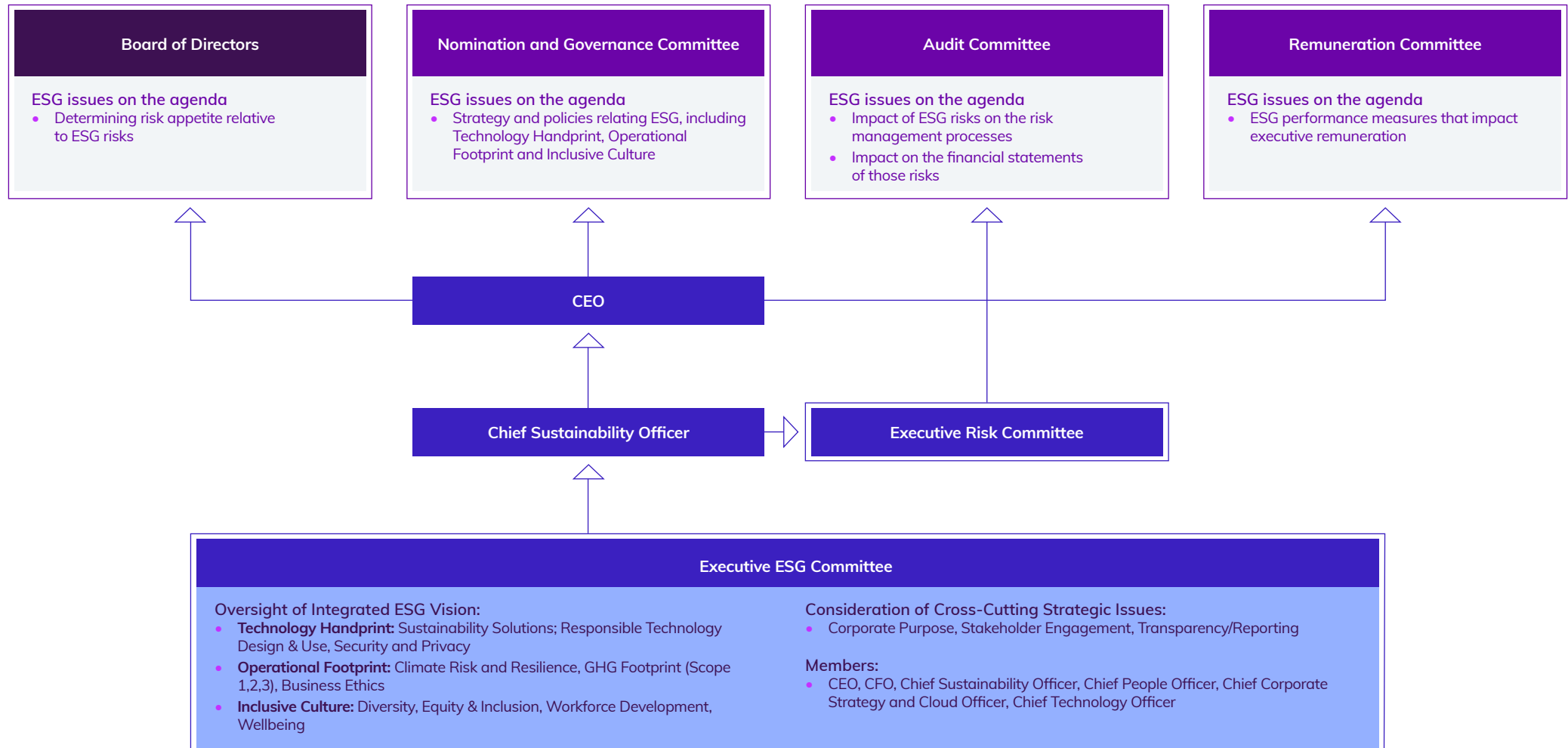
## Executive Accountability for ESG Strategy

In FY21, AVEVA's Chief Executive Officer carried an ESG key performance indicator (KPI) within his remuneration with environmental and social sustainability performance elements that were cascaded to AVEVA's Chief Sustainability Officer and Chief People Officer. The KPI, and performance against it, were disclosed retroactively within AVEVA's [FY21 Annual Report](#).

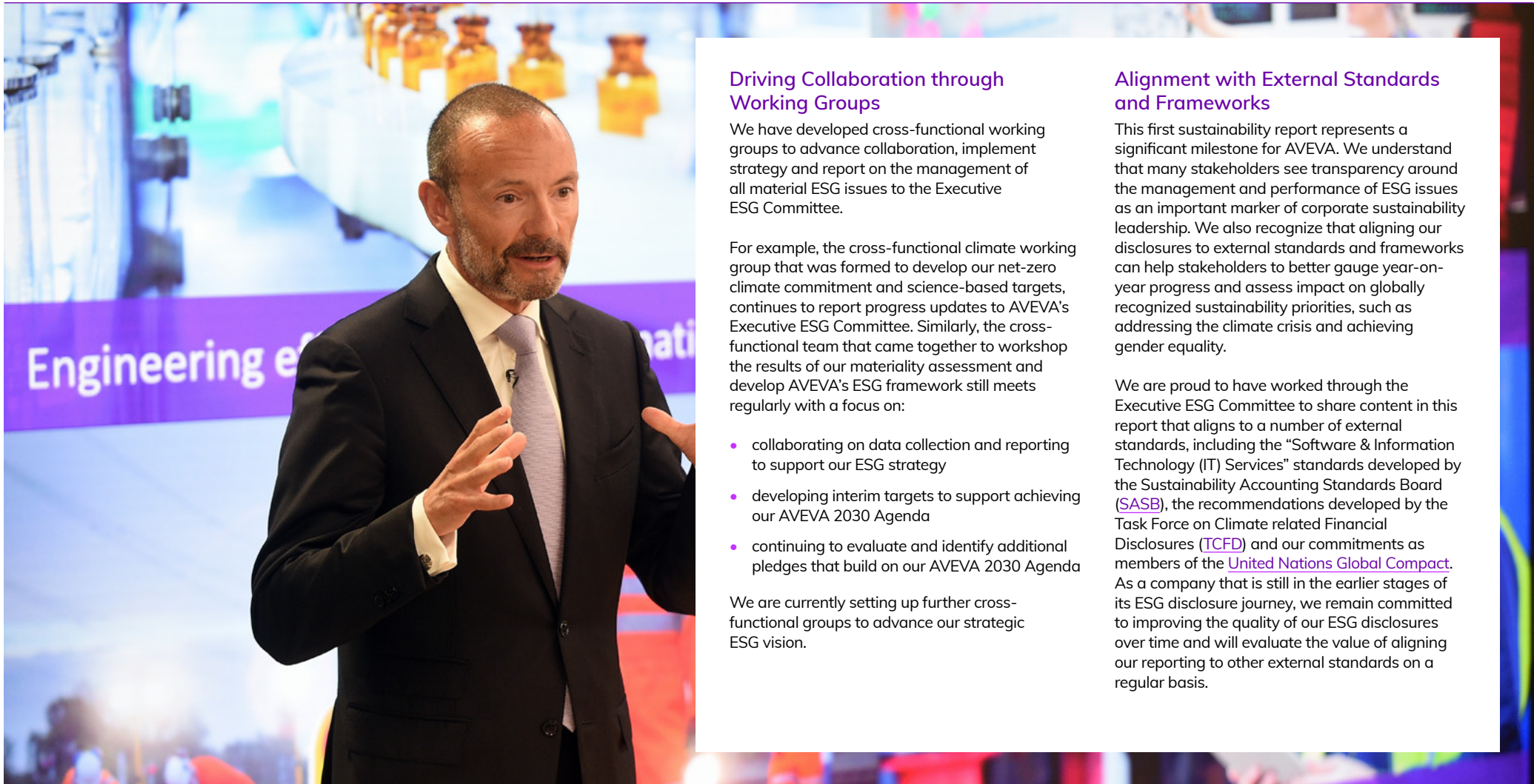
For FY22, the Board has approved an ESG KPI for both the CEO and CFO. As part of AVEVA's growing focus on sustainability, this KPI has been cascaded to the entire Executive Leadership Team (ELT), making it part of their remuneration plans.

Additionally, to advance business integration and promote efficient decision-making, we formed a dedicated ESG executive management committee. Chaired by our Chief Executive, the new Executive ESG Committee is responsible for the effective identification, evaluation, management and coordination of ESG issues and associated risks for AVEVA.

# Our Governance Model



# Integrating ESG Across our Business



## Driving Collaboration through Working Groups

We have developed cross-functional working groups to advance collaboration, implement strategy and report on the management of all material ESG issues to the Executive ESG Committee.

For example, the cross-functional climate working group that was formed to develop our net-zero climate commitment and science-based targets, continues to report progress updates to AVEVA's Executive ESG Committee. Similarly, the cross-functional team that came together to workshop the results of our materiality assessment and develop AVEVA's ESG framework still meets regularly with a focus on:

- collaborating on data collection and reporting to support our ESG strategy
- developing interim targets to support achieving our AVEVA 2030 Agenda
- continuing to evaluate and identify additional pledges that build on our AVEVA 2030 Agenda

We are currently setting up further cross-functional groups to advance our strategic ESG vision.

## Alignment with External Standards and Frameworks

This first sustainability report represents a significant milestone for AVEVA. We understand that many stakeholders see transparency around the management and performance of ESG issues as an important marker of corporate sustainability leadership. We also recognize that aligning our disclosures to external standards and frameworks can help stakeholders to better gauge year-on-year progress and assess impact on globally recognized sustainability priorities, such as addressing the climate crisis and achieving gender equality.

We are proud to have worked through the Executive ESG Committee to share content in this report that aligns to a number of external standards, including the "Software & Information Technology (IT) Services" standards developed by the Sustainability Accounting Standards Board (SASB), the recommendations developed by the Task Force on Climate related Financial Disclosures (TCFD) and our commitments as members of the United Nations Global Compact. As a company that is still in the earlier stages of its ESG disclosure journey, we remain committed to improving the quality of our ESG disclosures over time and will evaluate the value of aligning our reporting to other external standards on a regular basis.

# Advancing the SDGs



At AVEVA, we aspire to a world where economic growth supports environmental sustainability, with better living standards for all.

Given the social and economic disruption of the past 18 months, we believe it has never been more critical to accelerate global cooperation and investment in the 2030 Agenda for Sustainable Development that the United Nations Member States adopted in 2015. The [17 United Nations Sustainable Development Goals \(SDGs\)](#) remain the world's blueprint for a future defined by dignity, peace and prosperity for people and the planet, and also provide a common framework to measure whether we truly are building back better and greener.

AVEVA is committed to contribute meaningfully to realize the SDGs, and the better future they underpin, through our core business, as well as our operational approach and culture. As part of our ESG goal-setting process, we are reviewing our alignment with the SDGs, looking beyond the goals themselves and considering all 169 SDG targets. Although we have examples of how AVEVA supports nearly all 17 SDGs, this exercise is designed to help us identify the goals where we can have the highest impact and where we can report quantitative data to show progress over time.

We expect several of these goals to continue to align with the sustainability solutions we offer as part of our software portfolio, given that this where we stand to have the most impact at scale. As part of our investment in continuing to grow this transformative area, we have joined [2030Vision](#), an initiative hosted by the World Economic Forum, that seeks to fast track advanced technologies to accelerate the achievement of the [SDGs](#) in an inclusive manner.

We recognize that we can also contribute to the SDGs through our operational policies and practices, as we are doing with our climate and gender equality pledges. We have also joined three accelerator programs through the [UN Global Compact](#). We look forward to sharing more details on our learnings from participation in these programs, as well as the outcome from our SDG alignment review, in next year's annual report.





We are committed to exemplifying sustainable and ethical business practices across our operations.

#### In this section:

- 15 [GHG Footprint](#)
- 21 [Climate Risk and Resilience](#)
- 23 [Business Ethics](#)

#### 2021 progress

- Completed a review of all GHG emissions data and set a baseline for our expanded organization
- Developed a custom model for estimating our Use of Sold Product emissions
- Committed to Business Ambition for 1.5°C and net-zero across our operations by 2030
- Significantly expanded our ESG disclosures in alignment with external frameworks

#### 2022 priorities

- Continue the shift to renewable energy across our offices and data centers
- Engage customers and suppliers on climate action opportunities and advance dynamic work and sustainable business travel through policies and practices
- Complete climate scenario analysis and further integrate climate into our risk management
- Continue to enhance AVEVA's legal and ethical compliance program and build stakeholder trust through increased disclosure



# Stepping up in Support of 1.5°C Future

## Recognizing the urgency of climate change

In August 2021, the United Nations' Intergovernmental Panel on Climate Change (IPCC) declared a "code red for humanity". It is a serious warning that we are dangerously close to breaching the Paris Agreement goal of limiting global warming to 1.5°C.

At AVEVA, we aspire to lead by example and are taking actions to embed sustainability into our operations, our culture, and our core business strategy. We believe a 1.5°C future is still within reach if we all take bold actions to decarbonize in the near term, and achieve net-zero emissions no later than the middle of the century.

## Our Pledges



AVEVA has pledged to set science-based emissions reduction targets across all scopes, consistent with achieving net-zero emissions by 2050 and keeping global warming to 1.5°C above pre-industrial levels. We have also committed to net-zero operations (Scopes 1 & 2) by 2030 and are working toward developing interim progress targets. We are proud to have joined the [United Nations' Race to Zero campaign](#) and [Business Ambition for 1.5°C](#) initiative in line with these commitments and also plan to submit our targets to the Science Based Targets initiative (SBTi) for independent verification, before the end of the fiscal year.

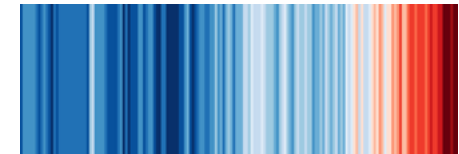
"It's great to see companies like AVEVA committing to tackling climate change and joining the Race to Zero and the Business Ambition 1.5°C campaign."

**Kwasi Kwarteng**  
Secretary of State for Business, Energy & Industry Strategy, UK Government

## Our Approach

At AVEVA, sustainability has never been higher on our agenda. We are committed to reducing our impact on the planet by measuring our footprint and continuing to adapt to a more sustainable operating model.

The cornerstone of our sustainability initiative is reducing our carbon footprint across the entire value chain – both upstream and downstream – to accelerate the transition to net-zero global economy. In FY21, we conducted a detailed review of our greenhouse gas (GHG) emissions, supported by a team of external experts, and established FY20 as our baseline to set ambitious company-wide climate targets. This effort enabled us to understand our impacts and prioritize our actions.



Visualization of the increase in global average temperature between 1850-2020.

Image credit: [www.showyourstripes.info](http://www.showyourstripes.info), Warming Stripes for GLOBE from 1850-2020





# Measuring and Managing our Emissions

## Performance and Strategy

As a leading provider of industrial software solutions, we are committed to helping industries drive sustainability while also striving to exemplify sustainable business practices within our operations. This includes investing in abatement and renewable energy procurement, continuing our transition to electric vehicles and engaging with our suppliers, employees and customers on how collectively we can maximize our positive climate impact.

The shift in working practices that resulted from the COVID-19 pandemic remains the primary driver for the overall reductions in our reported GHG emissions between FY20 and FY21 for Scopes 2 & 3. We aspire to maintain these downward trends.

We are actively working on mitigation strategies to reduce emissions across all scopes in FY22, but the degree of challenge this represents is significant. We acknowledge that our progress may not be linear. Even with drastic reductions in emissions from business travel and employee commuting, Scope 3 emissions only fell by 4% overall. These travel and mobility reductions were largely counteracted by increases in emissions from Use of Sold Products and Purchased Goods and Services. The latter rose largely due to planning for the acquisition of OSISoft and subsequent integration.

Similarly, for Scope 1, a steep decline in reported fleet travel was counteracted by increases in natural gas consumption at several of our larger North American facilities, resulting in no overall year-on-year change. We will prioritize these sites for further evaluation regarding on-site abatement opportunities.

## About Use of Sold Products

For Use of Sold Product emissions, we developed a custom model to estimate the energy used by our customers to run AVEVA software. We refined the model based on feedback from third-party experts on decarbonization and GHG accounting, although this data remains a best estimate.

AVEVA plans to engage customers to collect further data around their utilization of our software, their use of renewable power at data centers supporting on-premise AVEVA solutions and the general efficiency of IT infrastructure used in deployment. Currently, we have assumed no renewable energy usage for customer data centers but will be looking to collect data from a representative sample to help update our model.

To increase data accuracy for our higher intensity software applications, we are also accelerating and scaling energy consumption bench testing and live monitoring pilots.

Beyond translating learnings from these pilots into green architecture principles, we will continue to develop solutions that allow our customers to save and/or avoid GHG emissions, and aspire to track that data more systematically as part of our technology handprint.

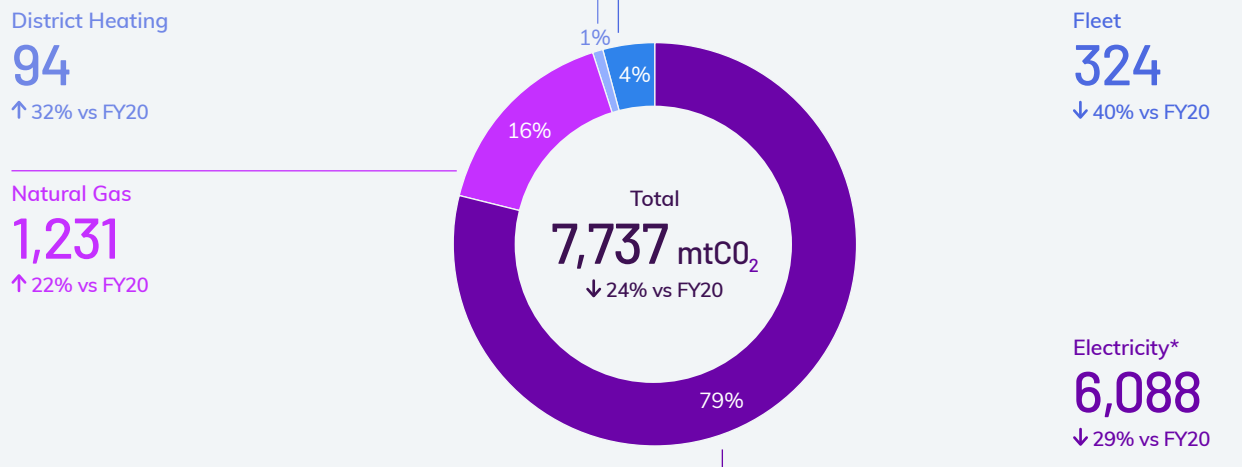
## Our GHG Footprint

	FY20 Tonnes of CO2e	FY21 Tonnes of CO2e	Year-on-Year Change
<b>Scope 1</b>	<b>1,550</b>	<b>1,555</b>	<b>0%</b>
Natural Gas	1,007	1,231	22%
Fleet – Diesel	417	204	-51%
Fleet – Gasoline	126	120	-5%
<b>Scope 2 (market-based)</b>	<b>8,697</b>	<b>6,182</b>	<b>-29%</b>
Electricity	8,684	6,429	-26%
Renewable Power – Offsite	-58	-341	488%
District Heating	71	94	32%
<b>Scope 3</b>	<b>374,526</b>	<b>361,024</b>	<b>-4%</b>
Use of Sold Products	306,420	326,064	6%
Business Travel	26,580	1,198	-95%
Purchased Goods and Services	23,232	27,156	17%
Employee Commuting	10,816	85	-99%
Capital Goods	5,532	4,872	-12%
Fuel-and-Energy-Related Activities	1,816	1,519	-16%
Waste	130	130	0%



# FY21 Operational GHG Footprint

AVEVA's Scope 1 & 2 Emissions were Driven by Electricity Consumption in our Global Facilities



### Our Net-Zero Glide Path:

- Energy reduction measures across our offices
- Renewable energy procurement
- Electrifying our leased car fleet

### Progress To Date:

- High-level abatement plans developed for top GHG emitting facilities
- Transition to green tariffs for select facilities and joined the Renewable Energy Buyers Alliance ([REBA](#))
- Global car fleet policy updated

\* Emissions after accounting for renewable energy purchasing using the market-based method; more than 7% of the electricity procured by AVEVA in FY21 came from renewable energy sources, up from less than 1% in FY20



# Our Commitment to Abate and Shift to Renewable Energy Sources



As part of achieving net-zero operations by 2030, we are working to reduce our overall energy consumption via on-site abatement measures such as light emitting diode (LED) lighting, efficient heating, ventilation and air conditioning (HVAC), and installing on-site solar photovoltaic (PV) technology. Where feasible, we select new buildings with best-in-class sustainability ratings such as [LEED](#), [WELL](#), [BREEAM](#) and others. This aligns with our commitment to reduce our impact and improve energy efficiency where we can.

**“To mitigate the impact of the energy we still consume, we will transition our global facilities from fossil fuels to renewable energy.”**

**Ben Johnson**  
AVEVA Head of Real Estate and Facilities

As a first step, we are approaching this directly via local utility programs but also plan to purchase Renewable Energy Credits (RECs) to ensure that we are able to match every megawatt-hour of energy that we consume globally.

After completing our on-site abatement program and procuring renewable energy for our facilities, we plan to address any remaining unabated emissions through market-based carbon removal solutions.

## Addressing our Data Center Emissions

As a software company, AVEVA maintains a mix of on-site and colocated data centers for servers and computing needs. From a GHG accounting perspective, the energy consumption for our on-site data centers is captured in our Scope 2 footprint, while the energy consumption associated with our colocated data centers falls under Scope 3, as part of our accounting under the Purchased Goods and Services category.

With none of AVEVA's on-site data centers separately metered, granular reporting on our overall data center emissions is not currently possible. However, nearly all colocated data centers used by AVEVA are already powered by 100% renewable energy, mitigating their impact on our overall GHG footprint.

AVEVA's sustainability team is also actively working to support our global IT team with their plans to transition many on-site data centers to colocated data centers with green credentials. As part of this collaboration, we are developing vendor selection criteria including energy and water efficiency, low power usage effectiveness (PUE), and renewable energy procurement from certified sources.



# Spotlight on our Green Facilities

Currently, 11 AVEVA offices are powered by 100% renewable electricity, representing 7% of our total electricity consumption for FY21 (16,018 Mwh). While this represents a significant increase from FY20, we aspire to accelerate our transition to renewables over the next few years. To help advance our knowledge and explore potential collaboration opportunities, we have joined the Renewable Energy Buyers Alliance (REBA), an alliance of non-governmental organizations (NGOs), and clean energy providers pioneering the transition to a net-zero future.

- 100% renewable energy
- Green building credentials





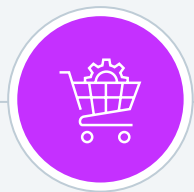
# FY21 Value Chain GHG Footprint

AVEVA's Scope 3 Emissions Mainly Driven by Use of Sold Products, Followed by Business Travel, Purchased Goods and Services and Employee Commuting but COVID-19 Impacted Baseline Trends

**361,024** mtCO<sub>2</sub>  
(↓4% vs FY20)



Use of Sold Products  
**326,064**  
↑ 6% vs FY20



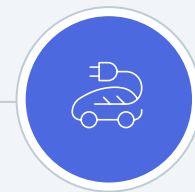
Purchased Goods and Services  
**27,156**  
↑ 17% vs FY20



Other categories\*  
**6,521**  
↓ 13% vs FY20



Business Travel  
**1,198**  
↓ 95% vs FY20



Employee Commute  
**85**  
↓ 99% vs FY20

### Our Net-Zero Glide Path:

- Low carbon product design and cloud offerings
- Customer and supplier engagement
- Sustainable business travel and commuting policies

### Progress To Date:

- R&D engagement
- Supplier analysis
- Transition to dynamic work

\* Other categories includes Capital goods, Waste and Fuel-related Activities.

## Realizing our Scope 3 Mitigation Ambitions

In FY20, AVEVA's baseline Scope 3 emissions were mainly driven by Use of Sold Products – the energy required for our customers to run our software (especially on-premise) – followed by Business Travel, Purchased Goods and Services and Employee Commuting. AVEVA's shift in work practices as a result of COVID-19, however, significantly impacted both Business Travel and Employee Commuting in FY21.

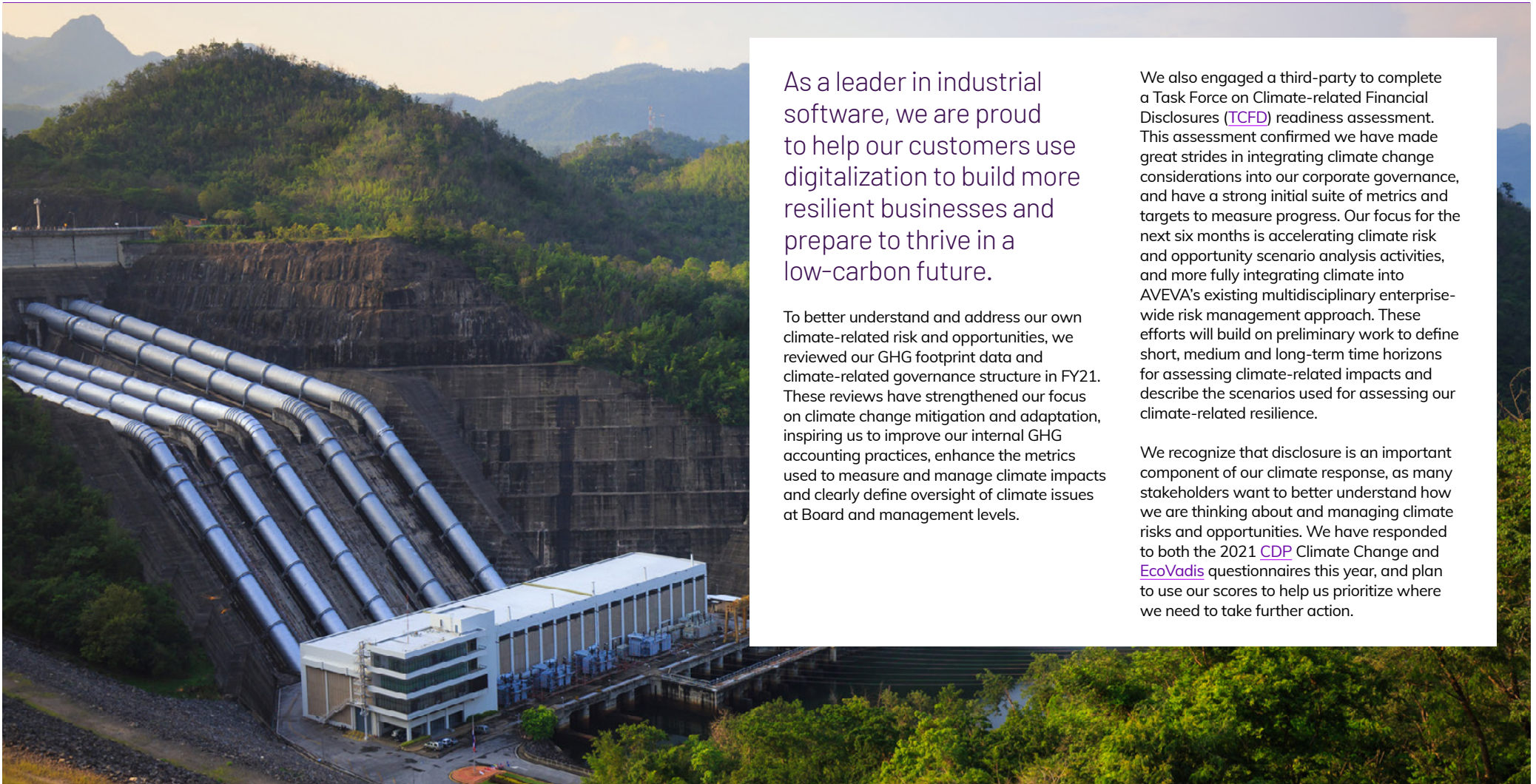
Mitigating value chain emissions remains complex given the lack of direct control that AVEVA can exert, however, we are committed to reducing our Scope 3 emissions by 50% by 2030. We anticipate that achieving this ambitious reduction will require innovation, collaboration and extensive engagement with our customers, partners, suppliers, employees and leadership.

Our R&D teams are leading the way in raising climate impact awareness, with dedicated hackathons and product development. Building on supplier analysis completed in FY21, we will launch a supplier engagement plan in FY22 and are evaluating a number of approaches to working with our customers to measure and mitigate the energy used when running our software.

Developing sustainable travel and commuting policies is another focus area. Alongside plans for new employee training, these policies will play a key role in driving greater workforce awareness and engagement.



## Our Climate Adaptation Strategy



As a leader in industrial software, we are proud to help our customers use digitalization to build more resilient businesses and prepare to thrive in a low-carbon future.

To better understand and address our own climate-related risk and opportunities, we reviewed our GHG footprint data and climate-related governance structure in FY21. These reviews have strengthened our focus on climate change mitigation and adaptation, inspiring us to improve our internal GHG accounting practices, enhance the metrics used to measure and manage climate impacts and clearly define oversight of climate issues at Board and management levels.

We also engaged a third-party to complete a Task Force on Climate-related Financial Disclosures (TCFD) readiness assessment. This assessment confirmed we have made great strides in integrating climate change considerations into our corporate governance, and have a strong initial suite of metrics and targets to measure progress. Our focus for the next six months is accelerating climate risk and opportunity scenario analysis activities, and more fully integrating climate into AVEVA's existing multidisciplinary enterprise-wide risk management approach. These efforts will build on preliminary work to define short, medium and long-term time horizons for assessing climate-related impacts and describe the scenarios used for assessing our climate-related resilience.

We recognize that disclosure is an important component of our climate response, as many stakeholders want to better understand how we are thinking about and managing climate risks and opportunities. We have responded to both the 2021 CDP Climate Change and EcoVadis questionnaires this year, and plan to use our scores to help us prioritize where we need to take further action.



# Leading With Integrity

Acting ethically, transparently and responsibly is an expectation for everyone at AVEVA.

## Leadership

Our commitment to maintaining a culture that demonstrates strong business ethics is underpinned by our [AVEVA Life Values](#) and [Business Conduct Guidelines](#), and led by AVEVA's Board and ELT. Overall responsibility for business ethics resides with the Board, supported by its committees and senior executives. The Executive ESG Committee, chaired by the CEO, monitors business ethics throughout the organization and works closely with the Audit Committee to ensure that risks are assessed, monitored and escalated, as appropriate.

Our Group General Counsel and Company Secretary is responsible for our global compliance with applicable laws and regulations. This includes a comprehensive set of policies and mandatory enterprise-wide corporate ethics and compliance training. The Board receives an annual update from the Group General Counsel and Company Secretary on the results of the annual legal compliance training program and related policy amendments. The Audit Committee provides independent oversight of the [Speak Up](#) program.

## Key Policies and Procedures Business Conduct Guidelines

AVEVA's Business Conduct Guidelines set out the standard of conduct expected of everyone working at AVEVA. Serving as the cornerstone of our corporate ethics and legal compliance activities globally, the Guidelines help ensure that all employees understand AVEVA's values-based culture and the importance of obtaining results the right way. Setting out clear "dos and don'ts" and including links to key business ethics policies, they are an accessible reference manual for all employees.

## Anti-Bribery and Corruption Policy

We are committed to working against corruption in all its forms, including bribery. The Board has oversight of AVEVA's Anti-Bribery & Corruption Policy and associated Corporate Gifts and Hospitality Policy. These outline the expectations of AVEVA employees regarding compliance with applicable laws and regulations. The policies are supported by other processes within AVEVA. For example, AVEVA's due diligence on new business partners addresses bribery and corruption risk. AVEVA also mandates that all employees complete the Anti-Bribery & Corruption training every year.

## Competition Compliance Policy

AVEVA's Competition Compliance Policy outlines AVEVA's expectations of AVEVA employees regarding compliance with applicable competition and antitrust laws, and provides guidance for employees on managing key related risks. In FY21, there were no monetary losses as a result of legal proceedings associated with antitrust and competition laws.

## Our Values

AVEVA's culture of transparency, integrity and responsibility is reflected in our AVEVA LIFE Values, which embody the way AVEVA approaches its customers, partners, colleagues and stakeholders every day. As we strive to shape a sustainable future through our software, we are equally committed to living our values and conducting ourselves with integrity. We are currently conducting an Employee Value Proposition review and looking at how we can incorporate the OSISOft "Nine Tenets" of culture into our ongoing culture too.

Learn more about our AVEVA LIFE values online

[Click here to view online](#)



### Limitless Possibilities

We understand the limitless potential of true innovation, we are creative and curious, constantly challenging ourselves to help our customers create a better world.

### Integrity Always

We do the right thing, leading by example. Our respect for everyone we connect with is why we're trusted to help our customers work smarter, and why we work and act as one.

### Flexibility Together

By working flexibly and collaboratively across our diverse internal and external teams, we foster close connections and ensure we achieve our goals together.

### Excellence Every Day

Our people are amazing. Smart, pragmatic, humble, and always welcome a challenge. We're incredibly proud of what we deliver and help our customers achieve.



## Getting Results the Right Way

### Speak Up Policy

We maintain a global “[Speak Up](#)” Policy, which ensures our employees are aware of the routes they can use to raise concerns relating to suspected legal matters and other wrongdoing. This includes matters relating to anti-corruption, financial crime, antitrust, environmental damage, modern slavery and bullying and harassment. It encourages employees to report behavior that violates AVEVA policies and applicable laws, makes provision for related investigations and communications, and asserts protection for whistleblowers. The policy aims to give employees confidence to submit grievances without fear of reprisals, trusting that their concerns will be responded to appropriately and fairly. Grievances may be reported by phone or through a web portal. Concerns raised are assessed, remediated and reported on by a cross-functional control group composed of senior managers, supported by external advisers, where necessary.

### Anti-Slavery and Human Trafficking Policy

AVEVA operates a zero-tolerance approach to modern slavery and is committed to implementing effective systems and controls that seek to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. To these ends, AVEVA implements a Group Anti-Slavery and Human Trafficking [Policy](#), complies with all applicable transparency requirements in the jurisdictions in which it operates, and requires all employees globally to undertake modern slavery training as part of the company’s annual mandatory ethics training.

### Ethics & Compliance Support

Additional support and guidance on ethics and compliance is available through AVEVA’s global corporate and regional legal teams and through AVEVA’s Senior Compliance Officer.

### Looking Forward

AVEVA values its global culture of legal compliance and ethical behavior, and will continue to invest in progressive enhancement of its legal and ethical compliance policy framework, the internal processes supporting that framework, our related monitoring and audit arrangements and the use of technology to enhance our performance in this area.

## Our Approach to Human Rights

At AVEVA we recognize our responsibility to respect and to contribute positively to human rights, and we are committed to acting ethically and with integrity in all business matters. The human rights related expectations we have for our suppliers are set out in a number of key policies, including AVEVA’s Procurement Policy and [Anti-Slavery and Human Trafficking Policy](#). All AVEVA employees are expected to comply with these policies, which include specific prohibitions against the use of forced, compulsory, trafficked or child labor. We also expect that our suppliers will hold their own suppliers to the same high standards. Processes are in place to help our procurement team identify contracts that could be subject to heightened modern slavery risk, and we set clear expectations for our suppliers through the terms of our contracts.

We also have zero tolerance for intimidation, discrimination, bullying or sexual misconduct. We recognize that how we treat one another defines us and strive to maintain an environment that is inclusive and welcoming to all. To support a respectful, inclusive and professional culture, we have developed several key policies, including our [Dignity at Work](#) and [Diversity and Inclusion](#) Policies. In addition to these more detailed policies, our support of the right to collective bargaining and freedom of association, are set out



Annamaria Biroova, AVEVA

in our [Business Conduct Guidelines](#) and our commitment to protecting privacy is reflected in our [Global Data Protection and Privacy Policies](#).





We are accelerating our sustainability-related R&D efforts and collaborating with other companies and stakeholder groups to advance net-zero industries.

**In this section:**

- 25 [Sustainability Solutions](#)
- 28 [Responsible Technology Design and Use](#)
- 29 [Security & Privacy](#)

**2021 progress**

- Invested in sustainability-themed hackathons and academic partnerships
- Launched our Sustainability Customer Advisory Board and joined WEF 2030Vision
- Secured key security and privacy program accreditations

**2022 priorities**

- Establish a baseline and goals for measuring the sustainability impacts of our software
- Leverage learnings from our external partnerships and collaborations to grow our impact
- Engage with R&D to embed principles of responsible design and use throughout the product lifecycle
- Continue to invest in enhanced cybersecurity, physical security and privacy training for employees



## Enabling the Sustainable Industries of the Future

AVEVA is ideally positioned to help companies achieve greater sustainability across their value chains. By helping companies digitalize every aspect of their business, our technology surfaces quantifiable metrics that allow companies to understand their impacts and make progress towards their sustainability goals.

As a software leader, we help thousands of customers through our pioneering engineering and operations technology. Our solutions provide real-time data, overlaid with AI and predictive analytics that can support industries in improving efficiency, circularity, traceability and resilience. This impact is what we call our technology handprint and it is where we believe we have the biggest opportunity to make a positive global impact.

To help continue to embed sustainability in our business strategy, we are developing a consolidated enterprise-wide sustainability solutions roadmap. In FY21, we also launched our Sustainability Customer Advisory Board as an open forum to connect with sustainability leaders from across our customer base, to facilitate leadership discussions and help gather input for our strategy and approach, from some of the world's most widely recognized corporate sustainability leaders.

This advisory board brings together Chief Sustainability Officers from the energy, power, utilities, chemicals, food and beverage and consumer packaged goods sectors. We see it as an opportunity to catalyze fresh thinking and better understand the opportunities we have to support our customers on their sustainability journeys.

As part of our evolving disclosure strategy, we are also looking into developing better qualitative and quantitative metrics to measure the impact we are having through the outcomes we are enabling for our customers. We are partnering to understand the sustainability impact data they have and developing joint case studies.

### Powering the Energy Transition

Our strong presence in the energy sector provides us with a significant opportunity to help accelerate the global transition to a lower-carbon energy system. From design to operations and analytics, industrial software has a role to play in the energy transition across many industries.

Our customers are using AVEVA software for many aspects of the energy transition, including emissions reductions, carbon capture and storage, advancing the hydrogen economy, optimization of biofuels production and supporting renewable energy generation, transmission and management.



# Our Role in Driving an Accelerated Energy Transition



## Spotlight on Green Deployments of our Software

### Keeping the Lights On: How data and AI can help optimize green power networks

Ontario Power Generation (OPG) is one of the largest clean power producers in North America, responsible for approximately 50% of the electricity generation in the province of Ontario. The OPG team uses AVEVA PI System combined with AVEVA Asset Performance Management, to optimize efficiency at its hydroelectric power (HEP) network.

In under two years, OPG's program has delivered over CAD\$5 million in savings, and enabled better collaboration through the cloud. In one single "catch" on a major HEP plant near Niagara Falls, AI-infused pattern recognition identified a drop in air cooling performance before it triggered an alarm, enabling the team to intervene and rectify a fault in the temperature control system. Had it gone undetected, the fault would have caused the entire plant to fail, putting lives at risk and disrupting a critical sustainable power supply for the whole province.



[Watch more here](#)  
[Daniel Foster-Roman of Ontario Power Generation explains their sustainability focus.](#)

### Net-zero for Breakfast: How creating a digital ecosystem can reduce cost and emissions

US-based food producer Kellogg made its first sustainability commitments in 2008, and in 2015 was one of the first companies to set science-based targets to help limit global warming to below 1.5°C. The team wanted to reduce energy consumption, in order to meet their ambitious carbon neutrality targets and drive net-zero throughout operations.

Kellogg installed AVEVA PI System to track and manage energy data in its factories, creating a digital ecosystem that benchmarked usage and identified opportunities for savings. As a result, Kellogg saved US\$3.3 million each year, identified an additional US\$1.8 million in rebates, and optimized abatement measures, such as the optimal use of HVAC units across plants. The system is now being rolled out across the company's global manufacturing fleet.

In addition to driving energy efficiencies and low-carbon innovation, our customers also rely on AVEVA software to tackle other sustainability challenges, from cleaner air and water to worker safety.



# Next Generation Sustainability

## Green R&D in Action

At AVEVA, we are committed to nurturing early-career talent, building on our team's creativity and collective passion for sustainability. We invest 14% of our revenues in R&D. Our regular sustainability-themed hackathons have inspired several new product features we are looking to bring to the market. In FY21, we also deployed a net-zero webinar series to support R&D learning and development on the scale and scope of the global climate challenge, and our opportunity to help customers through our sustainability solutions.

## Go Green with Schneider Electric

As part of our commitment to fostering the engineers of the future, we were delighted to support the [Schneider Go Green](#) student competition in FY21. We received over three hundred ideas from budding sustainability innovators around a new competition category called Decoding the Future, which focused on envisioning future approaches to the design, engineering and operation of critical infrastructure. Over the course of the competition we engaged more than 700,000 future engineers, all of whom wanted to learn about how AVEVA software can support sustainability.

## Academic Programs and Collaborations

We also provide complimentary software to schools across the world, through our partnerships with more than 400 academic institutions, helping to train more than 20,000 students as part of our commitment to equip the next generation of experts with the technology skills they need to advance sustainable industries. These partnerships are important,

with many of these universities acting as innovation incubators. For example, our partnership with West Virginia University led us to develop new emissions tracking software and we are proud to support the work of the University of California's Davis to achieve a net-zero campus as outlined below.

## From Campus to Living Lab

The University of California Davis campus ([UC Davis](#)) is on track to be carbon-neutral by 2025, using AVEVA System Platform combined with AVEVA PI System to optimize energy use and performance across the campus. In 2013, UC Davis had an ambitious goal: net zero greenhouse gas emissions from the campus's building and vehicle fleet by 2025, making it the first major university to pledge carbon neutrality. With more than 1,000 buildings comprising a total of 11.3 million square feet, it's a high bar to clear. In early steps toward carbon neutrality, UC Davis embarked on a few large projects with clear benefits, but when these had been realized, turned to the PI System to help identify opportunities for using data to drive more efficient use of resources, using the campus as a living lab. Using real-time data and dashboards from AVEVA, the UC Davis team can more efficiently schedule heating and cooling using wi-fi traffic as a proxy for building occupancy to drive decisions. As a result, gas use has fallen by 62% and students now also utilize the system during internships, using it for various engineering exercises and case studies.



[Watch more here](#)

[Discover how our software is used by University of California's Davis campus to minimize energy use across campus, saving over £69 million over 40 years.](#)



## Water, Water Everywhere

The northeastern US city of [Salem](#) in Oregon, uses the AVEVA PI System to monitor the quality of water in lakes and rivers around the state, to predict and prevent outbreaks of toxic algae. Blending historical data with live information from thousands of sensors, civic authorities can predict when the next outbreak is likely to happen. This allows them to take the preventative action necessary to preserve water quality, safeguard ecosystems and ensure the city's five million residents enjoy efficient and safe water for drinking, leisure and agribusiness.



[Watch more here](#)

[See the team at City of Salem explaining the solution here](#)

Farther south in Gwinnett County Georgia, water authorities combine live sensor data with pattern recognition AI from AVEVA, to optimize water purification across hundreds of collection points across a network of almost 5000 miles. By monitoring the data, authorities prevent outages before they occur, ensuring safe, sustainable drinking water for local people.

Another US city, Boise in Idaho, commissioned an innovative phosphorus removal facility for the [Boise](#) and Snake rivers, with AVEVA System Platform providing valuable visualization and control for the city's water purification system. Deployed in weeks, the system is easy to maintain with templates replicated across multiple sites, helping Boise protect the environmental integrity of the rivers and deliver clean water fast.



# Recognizing our Responsibility for our Technology's Design & Use

At AVEVA, we understand that our solutions hold great potential to drive industry toward a more sustainable and just future. This potential comes with great responsibility to ensure that AVEVA's products are designed and used ethically.

At AVEVA we recognise the importance of defining and aligning on a shared understanding of responsible technology design and use, as a critical first step to building an internal program and contributing to a broader dialogue. While still early in this journey, we have started to bring together key subject matter experts from across the business to have this discussion and explore how to define the topic and organize around next steps.

We expect these next steps to build on our existing responsible technology practices, which include a strong focus on respect for privacy, human rights and environmental stewardship. Preliminary activities planned are:

- Working with our R&D team to better understand and formalize green architecture principles for software development. Adopting these types of principles will set efficiency and reduced energy use as primary targets when developing new solutions and product updates.
- Engaging our specialist AI teams to evaluate the applicability and potential adoption of frameworks already in the marketplace, that could enhance transparency and strengthen our commitment to responsible use of AI for the industrial sector.
- Continuing to educate our sales teams on our 'Know Your Customer' requirements for both direct and indirect customers, including advanced screening protocols for entities operating in high-risk countries and industry sectors.
- Exploring learning opportunities with other companies to better understand and manage potential human rights impacts related to technology design and use.

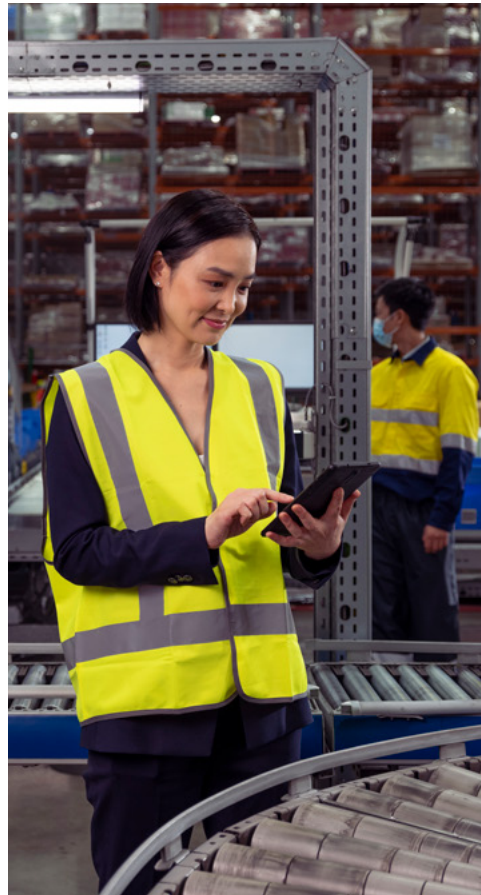




# Earning and Retaining Digital Trust

In a world that increasingly demands a work-from-anywhere culture, how companies approach security and privacy has never been more important to ensuring business operations are resilient and compliant.

At AVEVA we are committed to earning and retaining the digital trust of our customers, employees and business partners through our data security and privacy policies, processes and practices. As a software company that serves an increasingly connected and complex industrial world, we take security and privacy seriously and strive to ensure alignment with the highest standards.



## Our Security Program

### Our Strategy

AVEVA approaches cybersecurity as a multifaceted discipline that requires a proactive approach across the business. We take a layered approach aimed at efficiently integrating people, process and technology across the enterprise. We place a strong emphasis on making security a foundational component of organizational culture. We use components that meet recognized standards and include encryption by default. By design, we seek to address cybersecurity in all relevant processes, including both our software products and day-to-day corporate business activities.

### Our Framework

AVEVA's risk-based security framework is informed by globally-recognized third-party standards, including the US National Institute of Standards and Technology's Cybersecurity Framework ([NIST](#)) and [ISO 27001](#).

## Our Training

We maintain a robust security training program that is mandatory for all employees. Training addresses fundamental security risks and controls, including reporting of information security concerns.

### Our Performance Measures

We closely monitor security training data to support achieving 100% employee training on data security and privacy compliance. We track our performance in external cybersecurity rating platforms, with a goal of ranking within the top quartile for our sector. As part of our commitment to building trust with our stakeholders and ensuring the effectiveness of our internal systems and control procedures, we have also been audited by the American Institute of CPAs ([AICPA](#)) for SOC 2 compliance.

We occasionally, albeit rarely, receive information requests from law enforcement authorities in the jurisdictions in which we do business. We respond to lawful requests from such authorities in compliance with applicable legislation.



# AVEVA Product Security

## Taking a Lifecycle Approach

We incorporate security protection into our system design and development process, including rigorous testing and validation. The safety and security of our customers' infrastructure and data is a top priority. All product teams have assigned security advisors and team members have annual cybersecurity training goals aligned with product technologies. We have also implemented an incident response and management process that is aligned with ISO/IEC 30111 standards. All notifiable data security incidents are reported to relevant authorities.

AVEVA's cybersecurity team manages a Secure Development Lifecycle process (SDL), governing the practices and procedures for all solution and service development efforts that have achieved ISASecure SDL certification. This multi-phase process is based on IEC 62443 standards and includes cybersecurity monitoring of AVEVA's solutions and penetration testing to identify vulnerabilities.

We successfully supported over 1,000 cloud deployments and achieved 99.95% uptime across our cloud offerings in FY21. Steps taken to increase security measures as a result of remote work during COVID-19 are now permanent, complementing longstanding network security, disaster recovery and systems measures at AVEVA that support business continuity.

## Ensuring Cloud Security

### Secure Development

#### Certifications

- [ISASecure SDL](#)
- [ISO 9001](#)
- SOC-2

#### Industry Bodies

- Cloud Security Alliance
- Center for Internet Security



AVEVA Global Cloud DevOps provides 24x7 monitoring of all AVEVA solutions and services. Cloud solutions are instrumented for automated deployment and monitoring whenever possible.

Training

Security Requirements and Risk Assessment

Threat Modelling in Architecture

Static Code Analysis  
Secure Code Review

Security Design Requirements

Verification Testing

Security Review  
Release Gate

[ISO 30111](#) for Incident Response

### Secure Deployment

#### Alliances

- [Microsoft](#)
- [Amazon](#)
- [Auth0](#)
- [Center for Internet Security](#)
- [Cloud Security Alliance](#)
- Various security research organizations

Network and Domain Monitoring

Security Policies

Security Monitoring and Alerting

Security Logging  
Digital Tracing



# Protecting Privacy through Policies and Practices

Data protection and privacy, including compliance with the EU General Data Protection Regulation (GDPR) and other applicable data privacy laws, are part of AVEVA's overall Business Ethics program. We believe in the importance of strong governance to ensure resilient data handling and storage processes, in strict compliance with laws, regulations and standards.



## Our Privacy Program

### Policies and Procedures

“Our Group Data Protection Policy includes test criteria and specific examples to help our employees in understanding their responsibility to safeguard personal data”.

**Tim Grieveson,**  
AVEVA Chief Information Security Officer

AVEVA uses compliance policies and guidance materials to ensure consistent and clear communication across the business and to third parties regarding privacy controls and how we enable individuals to exercise their rights concerning personal information. Our [Group Data Protection Policy](#) includes test criteria and specific examples to help our employees in understanding their responsibility to safeguard personal data. Templates for key topics, such as appropriate record keeping, are included, as well as links to reference materials on encryption, document storage, document sharing, data classification and handling. In FY21, AVEVA did not incur any monetary losses as a result of legal proceedings related to user privacy.

### Training and Awareness

All AVEVA employees are required to complete annual training on key data protection principles. Legal information on AVEVA's data privacy arrangements is available [online](#) as part of AVEVA's public-facing legal resources page. This information includes key third party privacy notices, like our [Privacy Policy](#) and [Customer Privacy Policy](#). These communications help external stakeholders understand how AVEVA seeks to ensure protection and processing of personal data in accordance with applicable data privacy laws, and whom to contact if they require further information or wish to make a complaint. Our [Cookie Policy](#) is also available on our website and includes guidance to help website visitors control use of their cookies.

### Oversight and Compliance

AVEVA's Group General Counsel and Company Secretary holds global responsibility for data privacy compliance. We have dedicated compliance resources, including software and people, to enhance the management and monitoring of data protection and privacy risks. We carry out risk-based due diligence on contractual counterparties, including suppliers, customers, advisers, intermediaries and counterparties to corporate transactions. AVEVA's legal and compliance functions collaborate with our internal audit function and external advisers, in connection with risk-based monitoring to ensure compliance with our policies and general procedures across our global compliance program.





We are committed to creating conditions that encourage and value diversity, equity and inclusion, support workforce development and promote wellbeing.

#### In this section:

- 33 [Diversity, Equity and Inclusion](#)
- 37 [Workforce Development](#)
- 38 [Wellbeing](#)

#### 2021 progress

- Launched our global DEI policy
- Pledged to significantly increase gender representation within AVEVA with our 30/40/50 target
- Committed to reduce the gender pay parity gap to less than 1% by 2030
- Launched new programs to support employee upskilling and equip our people and their managers with knowledge and understanding to advance wellbeing

#### 2022 priorities

- Drive improvements on all DEI themes as described in our new 5-year strategic plan for DEI
- Increase the number of early careers opportunities at AVEVA and continue to invest in upskilling our workforce
- Progress our culture workstreams and maintain active engagement with our employees on topics impacting wellbeing, including COVID-19, integration and the shift to dynamic work



# Diversity, Equity and Inclusion at AVEVA

At AVEVA our people are at the heart of our business and we are proud to have such a diverse, multi-cultural and vibrant employee group.

We are committed to creating conditions that encourage and value diversity, equity and inclusion (DEI) and promote respect, dignity and belonging so that employees can speak up and bring their whole selves to work.

As our people share their perspectives, we empower them to make a positive difference in our company and our communities around the world.

## DEI In Our Team



6,446

Global headcount



49

Countries



>60

Languages spoken



## Our DEI Focus Areas

While we are committed to ensuring DEI values are at the heart of our DNA, we are also focused on a number of specific DEI areas including gender, race and ethnicity, religion, faith and belief, disability and sexual orientation.



Gender



Race and ethnicity



Religion, faith and belief



Disability



Sexual orientation



We have established networks in:

- Americas
- APAC
- EMEA



Employee groups:

- BLACK Voices
- Pride
- Salute
- Wellbeing
- Women



# Amplifying Our Employee Voices

## Empowering Our People

Our employee groups: BLACK Voices@AVEVA, Pride@AVEVA, Salute@AVEVA (recognizing former service personnel), Wellbeing@AVEVA and Women@AVEVA – and our regional networks, play a vital role in raising awareness on common areas of interest, facilitating dialogue, providing feedback and connections so that all employees have a clear sense of belonging and purpose. These networks have enabled us to have open and candid DEI conversations, both at a corporate level and among colleagues, and will continue to have a voice as we build a truly equitable workplace.

In 2021 AVEVA held its first month-long employee-focused Pride event with a number of employee-led engagement activities and a large emphasis on the importance of allyship and amplifying employees' voices. We hope to expand these kinds of programs, so that all networks are engaged in educational recognition activities around key milestone events throughout the year.



## Feedback From Our Employees

"I applaud that we have taken the critical first steps in ensuring we are on the right path: we recognize that DEI is an individual mindset and not something we 'check off the box'. This has encouraged employees from all over the organization to join our DEI regional networks and participate in our many employee resource groups. While our DEI strategy is being led and sponsored by our CEO, getting everyone involved truly excites me as I foresee a more engaged community in the workplace of the future!"

"I applaud that we have taken the critical first steps in ensuring we are on the right path."



**Monette Vilorio Bulanhagui**  
Manager, Presales Engineering (Singapore)

"As part of the DE&I EMEA team, I am extremely excited to help kickstart DE&I within our region. The challenge to take on and be a part of this journey is hugely appealing to me. My core role is managing the inside sales function for the EMEA region. I want to expand my team further this year and will be looking to create a healthy mix that covers Gender, Race, Faith and Ethnicity, with team members from different backgrounds. By making a start, I want to help the region in driving diversity throughout our whole team".

"I want to expand my team further this year and will be looking to create a healthy mix that covers Gender, Race, Faith and Ethnicity..."



**Yasser Khan**  
Inside Sales Manager (UK)

## Putting Our DEI Plan Into Action

In 2021 we began work to advance all areas of the DEI plan. Some actions to date include:

- introducing our first 'Annual Impact Fund for DEI' to empower and support all employee groups and regional networks
- developing a five year action plan on Disability

- reviewing our talent acquisition in a sample of countries to ensure best DEI practice
- introducing DEI coaching for the ELT
- publishing our first Ethnicity Pay Gap Report, and
- establishing external benchmarks (e.g. participating in the Financial Time's European Diversity Leaders ranking).



# Achieving our DEI Ambitions

## Accelerating Our Progress

While we are just beginning our journey, we are making solid progress formalizing and accelerating our DEI program. We remain committed to advancing equity across the organization.

As part of this process, we are working toward setting goals across all five focus areas. We have already set measurable targets for gender, even as we continue to collect and refine our baseline data for other areas. In FY21, we made significant progress collecting race/ethnicity data for our UK and US employee populations.

We recognize that we have more to do to realize our ambitions for a truly representative workforce. Our forthcoming Gender and Ethnicity Pay Gap Report will include the FY21 data collected and further information on the actions we are taking to drive greater race/ethnic diversity across the organization.



## DEI 2021 Highlights

### Global DEI Policy

Launched inaugural enterprise-wide DEI policy

### Disability Consultancy

Engaged external disability consultancy to help devise our action plan

### Annual DEI Plan

Launched the first DEI plan establishing our priorities and program for the longer term

### Talent Acquisition Review

Commissioned an in-depth DEI review of all stages of recruitment and selection

### DEI Impact Fund

Introduced a new fund to support the development and activities of regional networks and employee groups



### Mandatory Training

Introduced DEI training program for all employees

### Inclusive Leadership

Delivered training for senior management on inclusive leadership

### Ethnicity Pay Gap Report\*

Publishing our first ethnicity pay gap report to guide further action

### Development of Employee Groups

Supported the integration and organizational development of five Employee Resource Groups (ERGs).

\* Our ethnicity pay gap report is focused on achieving greater parity across our ethnically diverse workforce.



# Our Gender Equality Goals Explained

## Measuring What Matters

We are establishing goals and targets for all five focus areas – women; race and ethnicity; faith, religion and belief; as well as disability and sexual orientation. We understand that progress towards meeting our goals and targets requires advancing all areas in our plan. Where needed, we are commissioning external expertise to support our DEI plan, for example, on DEI coaching for our ELT and on disability. Our new People Committee will actively review each leadership hire or promotion, to ensure a diverse candidate group.

“We will achieve these goals through a range of interventions laid out in our DEI plan.”

**Caoimhe Keogan,**  
Chief People Officer AVEVA

In addition to publishing our first combined [Gender and Ethnicity Pay Gap](#) report this year, we are evaluating targets for leadership ethnic diversity within countries, and across our global locations.

## Advancing Women In Technology

Despite overall representation of women working in the technology sector increasing in recent years, AVEVA recognizes that the pandemic has hindered gender parity progress of industries as a whole. In FY21, women accounted for 26.5% of our workforce across our expanded organization and 32% of all new hires, globally; women held 24% of our people manager roles and 18% of our leadership roles. At 31st March 2021, we also had 19.2% of Science, Technology, Engineering and Math (STEM) roles being held by women. We define STEM roles as people in the technical departments: R&D, Professional Services, IT, Customer Support, Technical Sales. We remain committed to advancing and accelerating our own gender representation across all roles at AVEVA. This is reflected in our 30/40/50 2030 gender equality target.

AVEVA is also committed to achieving a <1% pay parity gap – this is the average difference in pay for the same job at the same level held by two diverse candidates. Please note, this is different to simply the pay gap, a measure that applies across all jobs and levels within the organization. While different measures, we see both achieving pay parity and reducing the pay gap as important. More information on our current gender pay gap is available on our [website](#) and we currently have an enterprise-wide gender pay parity study underway, which we expect to complete before the end of the fiscal year.

## Our 2030 Gender Equality Pledges



40%

Women managers by 2030



50%

Women new starters by 2030



30%

Women in leadership by 2030

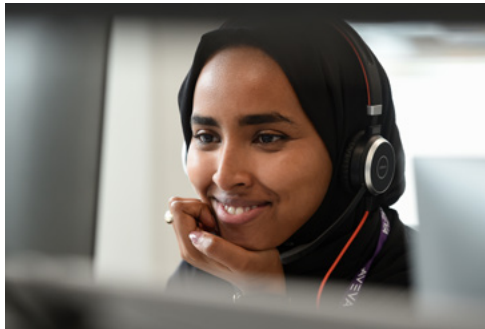


<1%

Gender pay parity gap by 2030

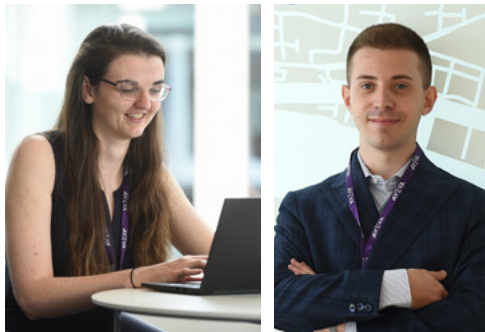


# Getting Ahead of the Skills Gap



## Performance Management and Leadership Growth

- We are working to ensure that 100% of our workforce receives regular performance and career development reviews to help develop our people to reach their full potential
- 50% of people managers received development training in FY21 and we launched specialist competency foundations for teams in sales and R&D
- In FY21 we also moved our Leadership Essentials manager training online so that colleagues could continue to benefit remotely



“Half of all employees around the world need to upskill or reskill by 2025 to embrace new responsibilities driven by automation and new technologies, and accelerated by the pandemic”

Source: [WEF "Future of Jobs Report" 2020.](#)



## Unleashing Potential Through Learning

With digital transformation accelerating and demand for our services growing, our global talent team supports our workforce to develop their skills to advance their own career aspirations and drive our business forward.

In FY21, we piloted a program that enabled UK employees to undertake apprenticeships and gain qualifications to advance their career progression. The program was so successful, we are extending it through a new apprenticeship program called AVEVA Elevate. This will see us welcoming apprentices in India and USA, as well as in the UK.

In FY21, our R&D initiative, Project Uplift, upskilled our R&D teams with online cloud and AI courses offered through [Microsoft Learn](#). These courses include advanced modules on designing software for cloud computing environments and optimizing security and cloud-based data storage, tailored for developers, testers and DevOps engineers. More courses on cloud computing concepts are available to all AVEVA employees.

Recognizing that our employees are best positioned to determine the new professional skills they need to remain most effective in their role, AVEVA has also provided 4500 online [LinkedIn® Learning licenses](#). This approach has the benefit of allowing our teams to learn remotely and at their own pace.

As we continue to invest in upskilling our employees, we maintain a small contract workforce that represented approximately 7.7% of AVEVA's workforce in FY21.

## The Power of Cultivating Early Career Talent

Early Careers at AVEVA isn't just about recruiting talented graduates, interns and apprentices; it's also about planting the seed that will inspire the next generation. Around the world, AVEVA employees help new team members understand how their skills and strengths may compliment the company's culture and future growth plans. We seek candidates with interests aligned to our goals and provide mentoring support and exposure to experts in their field. We ensure meaningful professional development, with rewarding experiences and practical tools that can help cement new career paths.

### Key Early Talent Statistics:

- 330 individuals in 'earn and learn' positions in 2021 (including high-school placements, internships, apprenticeships and graduate programs)
- Partnerships with more than 400 academic institutions, providing access to our software for more than 20,000 students around the world



# Investing in Employee Wellbeing

At AVEVA we nurture a culture that supports and develops the health, personal growth and wellbeing of our people.

Our wellbeing focus areas include health: physical, mental and financial wellbeing; work: positive and flexible workplace environments; personal growth: personal resilience, supportive networks and community engagement; and connections: celebrating positive relationships and open conversations.

## Supporting Our Employees Through Change and Growth

Our organization has experienced significant change over the past 18 months, from the onset of the pandemic and pivot to remote work, to the acquisition and integration of OSIsoft.

At AVEVA, we are incredibly proud of our people. To help support them through the volatility, uncertainty and complexity of these recent times we have increased focus on employee wellbeing, running five campaigns including “It’s ok not to be ok,” issuing wellbeing toolkits to all team members and offering webinars with global experts, such as Dr John Briffa. These initiatives will continue to be a priority as we support employees at all levels with the skills, knowledge and insight they need to manage the causes and effects of stress.





# Giving Back to our Communities



Clear, accurate and timely communication plays a key role in employee wellbeing and a sense of belonging. In FY21 we launched dedicated intranet sites to enable our team to navigate the pandemic and our integration. Updated regularly, the sites include webinars, regional and team toolkits and information on how we are acting on employee feedback. We gather employees' input through multiple channels to maximize accessibility. All employees can share input and recommendations directly with our CEO through Peter Herweck's "In Dialogue" channel, with an option to provide feedback anonymously.

## Action4Good

**AVEVA ACTION FOR GOOD** AVEVA recognizes that being able to give back to the community is an important contributor to employee wellbeing. As a company, we donate 1% of our net profits each year to charitable causes through AVEVA Action for Good, through a combination of paid time off for our employees to spend on charitable activities and direct donations. Opportunities for employees to take paid days off for charitable activities were greatly reduced in FY21 by the global pandemic, but we still met our 1% commitment and donated £503,000 to philanthropic organizations. Despite the ongoing challenges of the COVID-19 environment, we continue to work to find ways to help our employees volunteer and give back. We also look to partner with non-profit organizations that align with our environmental priorities. In FY21, we launched the [AVEVA Forest](#), our tree-planting partnership that supports a variety of reforestation projects around the world.

## Employee Engagement Survey

At AVEVA we recognize that focusing on employee wellbeing helps cultivate a more motivated, engaged, and high-performing workforce. We value our ongoing dialogue with employees across the globe. Our comprehensive annual employee engagement survey is an opportunity to listen to our people and to act on their responses with honesty, transparency, and integrity. Working with an independent survey partner, we make anonymous results immediately available to managers, providing training and support to help them understand and interpret various insights.

Last year, we saw a year-on-year increase in our overall employee engagement score as measured by our October 2020 survey, which had a 96% participation rate. Our engagement score also rose to 7.8 out of 10 and we achieved a voluntary turnover rate of 5.59% in FY21, representing the top quartile for our sector. Our ELT is committed to monitoring feedback and taking action when needed to make AVEVA a better place to work.

## Dynamic Work

The past year has taught us that where we work does not necessarily impact how effective our team can be. We are introducing a new, more dynamic approach to our workplaces, where teams have more flexibility to work remotely, without losing the option for meaningful face-to-face interaction.

## How are we Collecting Employee Feedback?



CEO's meet & greet global tour



Business sentiment surveys



HR business partners and location leads



ELT Listening Sessions



Engagement sessions



# Sustainability Accounting Standards Board

This index includes reference information related to the **Software & Information Technology Services standards** developed by the [Sustainability Accounting Standards Board](#)

Topic	Reference code	Category	Metric	Response
Environmental Footprint of Hardware Infrastructure	SASB TC SI 130a.1	Quantitative	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	GHG Footprint (p. 17, 19)
	SASB TC SI 130a.3	Discussion and Analysis	Discussion of the integration of environmental considerations into strategic planning for data center needs	GHG Footprint (p. 18)
Data Privacy and Freedom of Expression	SASB TC SI 220a.1	Discussion and Analysis	Policies and practices relating to behavioral advertising and user privacy	Privacy Program (p. 31)
	SASB TC SI 220a.3	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Privacy Program (p. 31)
	SASB TC SI 220a.4	Quantitative	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Privacy Program (p. 29)
Data Security	SASB TC SI 230a.1	Quantitative	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Security Program (p. 30)
	SASB TC SI 230a.2	Discussion and Analysis	Approach to identifying and addressing data security risks, including use of third party cybersecurity standards	Security Program (p. 30)
Recruiting & Managing a Global, Diverse & Skilled Workforce	SASB TC SI 330a.2	Quantitative	Employee engagement as a percentage	Wellbeing (p. 39)
	SASB TC SI 330a.3	Quantitative	Percentage of gender and racial/ethnic group representation for (1) leadership, (2) tech workforce, and (3) sales workforce	DEI (p. 36) <a href="#">DEI website</a>
IP Protection & Competitive Behavior; Managing Systemic Risks	SASB TC SI 520a.1	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Business Ethics (p. 22)
	SASB TC SI 550a.1	Quantitative	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Product Security (p. 30)
	SASB TC SI 550a.2	Discussion and Analysis	Business continuity risks related to disruptions of operations	Product Security (p. 30)

# United Nations Global Compact

This report represents our Communication of Progress in implementing the Ten Principles of the [United Nations Global Compact](#) and supporting broader UN goals.

UN Global Compact Principle	AVEVA Resources	
<b>Human Rights</b>	<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights; and	Message from CEO (p. 4)
	<b>Principle 2:</b> make sure that they are not complicit in human rights abuses.	About our Approach to Human Rights (p. 23)
<b>Labor</b>	<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	About our Approach to Human Rights (p. 23)
	<b>Principle 4:</b> the elimination of all forms of forced and compulsory labor;	About our Approach to Human Rights (p.23)
	<b>Principle 5:</b> the effective abolition of child labor; and	
	<b>Principle 6:</b> the elimination of discrimination in respect of employment and occupation.	About our Approach to Human Rights (p. 23) DEI (p. 33-36)
<b>Environment</b>	<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges;	GHG Footprint (p. 15-20) Climate Risk & Resilience (p. 21) <a href="#">Sustainability Website</a>
	<b>Principle 8:</b> undertake initiatives to promote greater environmental responsibility; and	
	<b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies.	Sustainability Solutions (p. 15-20)
<b>Anticorruption</b>	<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.	Business Ethics (p. 22-23)

# Task Force for Climate-Related Financial Disclosures (TCFD)

This index covers information related to all [TCFD](#) recommendations at a high level with further details related to Strategy and Risk Management expected to be shared in our next Annual Report.

Topic	Recommended Disclosure	AVEVA Resources
<b>Governance</b>	Describe the Board's oversight of climate-related risks and opportunities	Our Governance Model (p. 11) Climate Risk & Resilience (p. 21)
	Describe management's role in assessing and managing climate-related risks and opportunities	
<b>Strategy</b>	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Risk & Resilience (p. 21) Sustainability Solutions (p. 25-27)
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
<b>Risk Management</b>	Describe the organization's processes for identifying and assessing climate-related risks	Climate Risk & Resilience (p. 21) <a href="#">Annual Report</a> (p. 36-38, 41)
	Describe the organization's processes for managing climate-related risks	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	
<b>Metrics &amp; Targets</b>	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	GHG Footprint (p. 15-20) Climate Risk & Resilience (p. 21)
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	
	Describe the targets used by the organization to manage climate-related risks, opportunities, and performance against targets	

