



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

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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.

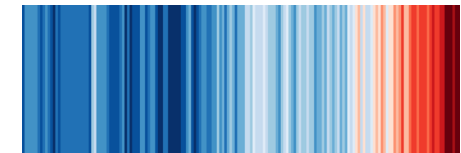
Our Approach

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.

"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



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

Image credit: 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.

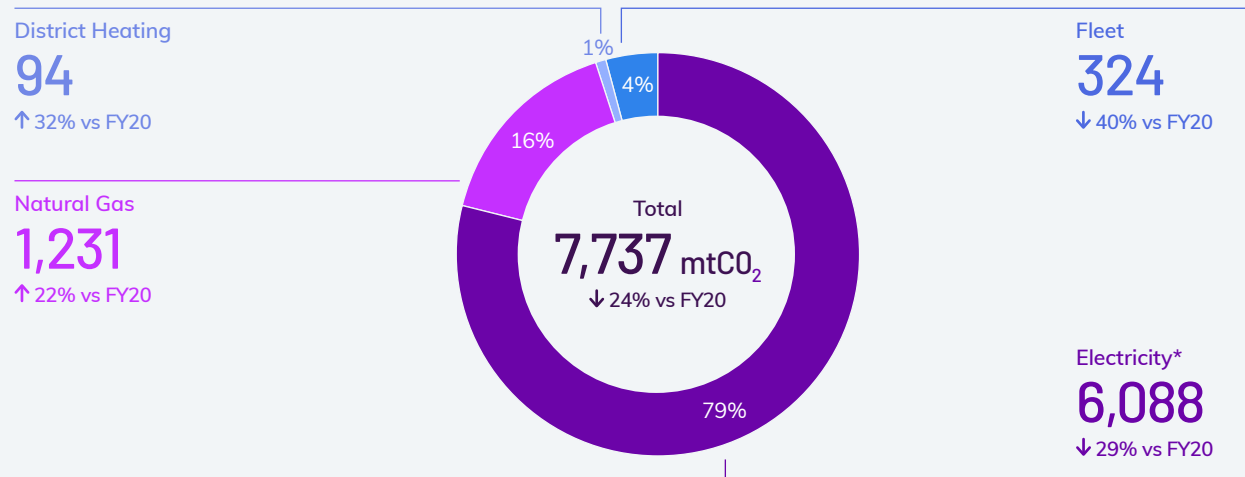
Our GHG Footprint

| | FY20 Tonnes of CO2e | FY21 Tonnes of CO2e | Year-on-Year Change |
|------------------------------------|------------------------|------------------------|------------------------|
| Scope 1 | 1,550 | 1,555 | 0% |
| Natural Gas | 1,007 | 1,231 | 22% |
| Fleet – Diesel | 417 | 204 | -51% |
| Fleet – Gasoline | 126 | 120 | -5% |
| Scope 2 (market-based) | 8,697 | 6,182 | -29% |
| Electricity | 8,684 | 6,429 | -26% |
| Renewable Power – Offsite | -58 | -341 | 488% |
| District Heating | 71 | 94 | 32% |
| Scope 3 | 374,526 | 361,024 | -4% |
| 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 mtCO₂
(↓4% vs FY20)



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



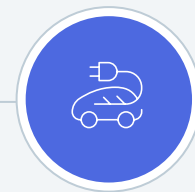
Purchased Goods and Services
27,156
↑ 17% vs FY20



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.

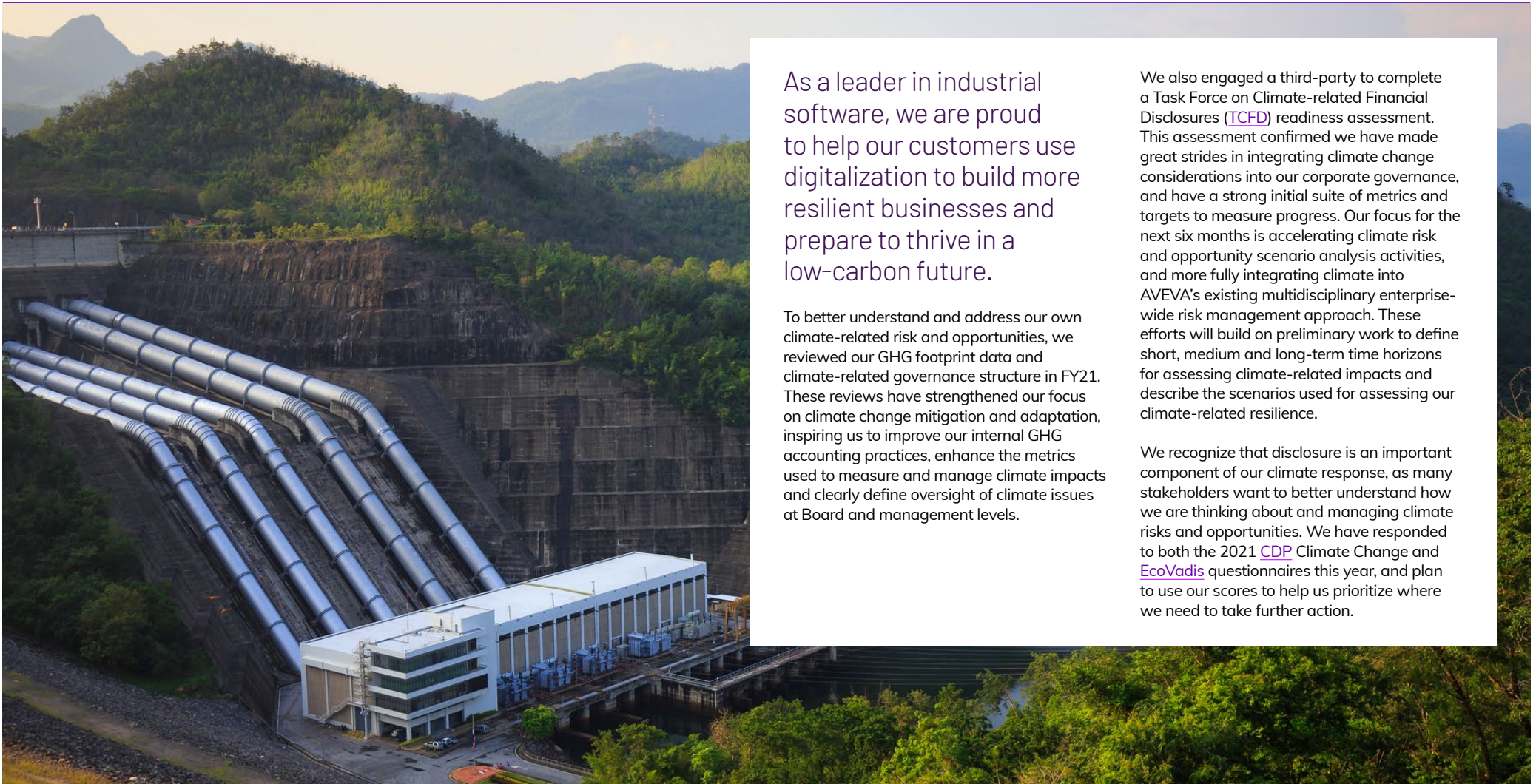
Mitigating value chain emissions remains complex given the lack of direct control that AVEVA can exert, however, we are committed to reducing our Scope 3 emissions by 50% by 2030. We anticipate that achieving this ambitious reduction will require innovation, collaboration and extensive engagement with 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 | Integrity Always | Flexibility Together | Excellence Every Day

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](#).