Table of Contents

05 Our Business
07 Environmental Impact
15 Social Impact
20 Governance
26 Look Ahead
From Our CEO

In 1987, the United Nations Brundtland Commission defined sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

That makes sustainability personal for me and defines AspenTech’s ethics as well. A future generation sits across the dinner table from each of us every evening. Future generations come to work at the company we lead every day. And those generations are a growing part of the community we live in. Ensuring they can meet their needs is part of the ethic that drives me and us as business leaders.

And we’re not alone. Companies and their leaders across nearly every sector are incorporating increasingly ambitious sustainability goals in their business strategies to help offset the impact of a growing global population with increasing standards of living; and many of them are AspenTech’s customers. Institutional investors are applying sophisticated sustainability criteria to their investment decisions. And talented workers of all ages today want to join companies that are serious about environmental stewardship, social fairness and ethical governance.

For all these reasons, sustainability is integral to the way we do business at AspenTech.

It is a responsibility, to be sure. Even as a software company with a relatively modest environmental footprint, we constantly look for ways to lower our use of energy and water as well as to reduce our greenhouse gas emissions and plastic waste.

But sustainability is also a highly profitable opportunity for our company.

The reason is easy to see. In the United States alone, manufacturers consume 30 percent of the nation’s energy and draw 18 billion gallons of fresh water every day. Industry is the source of 21% of the world’s greenhouse gas emissions, and the world’s economy generates 300 million tons of plastic waste every year.

In short, producing the goods and services that make modern life possible imposes an enormous environmental impact. These numbers will only continue to rise as the global population is expected to increase by two billion people by 2050, leading to a global energy demand growth of 50%. Companies, trade organizations, governments and investors recognize the urgent need to reduce that impact.

The movement is led by the global energy transition — the shift from an energy system dependent almost exclusively on hydrocarbons to one that relies more heavily on renewable energy sources like wind, solar, hydrogen and geothermal and that deploys technologies like carbon capture and storage (CCS) to neutralize the emissions from oil and gas.

AspenTech is positioned to help do all of that. Our first principles and artificial intelligence based technologies, coupled with our domain expertise and modeling systems are all about optimizing industrial assets, processes and use of resources. Our software solutions use sophisticated optimization algorithms, advanced data analytics and machine learning to identify — and even anticipate — unproductive processes, wasteful breakdowns, variability
in downstream product demand and upstream supply. Our products enable strategies for decarbonizing the existing oil and gas and chemicals infrastructure as well as increasing the reliability and life span of wind farms.

In this report, you will see specific examples of how we work with customers to enhance the sustainability not only of their operations but also of their business models.

But sustainability is not just about environmental impact. Increasingly it includes a focus on social impact and corporate governance as well — or ESG.

For AspenTech, social impact is principally about our employees. As you will see in this report, we invest significant resources and management focus to building a diverse and inclusive workforce. In addition, we dedicate a great deal of executive focus to developing leaders, driving a culture of operational excellence and embedding sustainable business practices into our processes.

Scaling the skills, mindset and culture that will ensure our competitiveness in a rapidly evolving market is vital. Sustaining those attributes is even more critical — ensuring that our people and our organization are robust to the breathtaking pace of change in technology, markets and social expectations. Realizing these demands will require a massive deployment of resources, talent and leadership imagination.

Finally, we report here on our commitment to good corporate governance — ensuring that we’re properly managing risks, deploying diverse perspectives in our strategic decision-making, adhering to strict standards of business ethics and rigorously protecting the interests of the shareholders as well as our stakeholders.

One of the most significant corporate developments in the past year has been our announced agreement of an enhanced partnership and expanded commercial alliance with Emerson, including our pending acquisition of Emerson’s world-class OSI Inc. and Geological Simulation Software (GSS) businesses. The strategic case for the transaction includes the ability to strengthen even further our commitment to sustainability — in particular, to sharpen our collective focus on reducing industrial emissions, increasing carbon capture and the electrification of industry and transport sectors.

We also expect the new combination to create opportunities for setting even more robust strategic ESG processes, metrics and goals, and I look forward to exploring those in 2023.

Meanwhile, I want to express here my appreciation to the AspenTech team and our customers who make our sustainability journey real. Despite the challenges — some of them very personal and painful — imposed by a second year of the global COVID-19 pandemic, our people and our company never wavered in their commitment to our customers, our investors, each other and society. For that I am both proud and humbled, grateful and inspired.

I see a very bright, fulfilling and truly sustainable future ahead for this great team.

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(1) U.S. Energy Information Administration, International Energy Outlook, Sept 19
(2) U.S. Census Bureau, Water Use and Conservation in Manufacturing: Evidence from U.S. Microdata, Jun 15
(3) U.S. Environmental Protection Agency, Global Greenhouse Gas Emissions Data
(5) International Institute for Sustainable Development, SDG Knowledge Hub, Aug 2020
(6) EIA projects nearly 50% increase in world energy usage by 2050, International Energy Outlook 2021, Oct 21
Our Business

Over 40 years ago, Aspen Technology, Inc. (AspenTech) was founded on efficiency and optimization.

Today, AspenTech is a global leader in helping companies achieve their sustainability goals while enabling them to reach operational excellence.

AspenTech’s mission is to digitally transform the industries we serve by optimizing their assets to run safer, greener, faster and longer.

Right now, in addition to the pressures of meeting operational excellence, companies are challenged with finding solutions to improve their resource efficiencies, reduce emissions and help enable the global energy transition. AspenTech is hard at work every day helping companies meet the increasing demand for resources driven by a growing population with rising standards of living, while also addressing sustainability goals.

Our unique asset lifecycle approach and market-leading solutions achieve new levels of efficiency, accelerate innovation and reduce emissions and waste, without compromising safety. With an established network of global partners and over 1,900 employees in more than 30 countries, we help our 2,400 customers achieve critical business insights across the entire value chain.
As we look forward, digitalization will be key to drive progress toward sustainability goals, delivering increased safety and reliability in operations and accelerating innovative new energy and process alternatives.

Software solutions like ours are core digital solutions for sustainability, particularly for capital-intensive industries. With artificial intelligence (AI), today’s technologies can deliver advanced warning of failures through a combination of predictive and prescriptive analytics, allowing companies to maintain safe operations while meeting their sustainability goals.

In October 2021, we announced a strategic transaction with Emerson. As we move to close that deal later this year, we are excited about the opportunity to further expand the breadth of software solutions for our customers, as the “New AspenTech.”

Similar to AspenTech, the teams at OSI and Geological Simulation Software (coming from Emerson) are passionate about their customers, have a very talented work force, lead with product innovation in modeling, simulation and optimization, and have developed impressive product portfolios that are truly best-in-class.

Our customers are taking a truly comprehensive view of how their businesses need to adapt both in the near-term and long-term to meet their sustainability targets. The combined product portfolio of the “New AspenTech,” which will include new electrification and carbon capture capabilities as well as AI, will increase the sustainability benefits of many existing AspenTech solutions, making us a key strategic partner for all asset-intensive businesses.

With Our Technology, We Help Customers Reach Their Sustainability Goals By:

**IMPROVING RESOURCE EFFICIENCIES**
Reducing use of energy, water and feedstock through process optimization and prioritized capital allocation.

**ACCELERATING ENERGY TRANSITION AND DECARBONIZATION INITIATIVES**
Integrating renewable and alternative energy sources and innovating new approaches for the hydrogen economy and carbon capture.

**CREATING NEW PATHWAYS TOWARDS A CIRCULAR ECONOMY**
Enabling recycling efficiencies throughout operations with advanced simulation and scale-up solutions and an integrated supply chain for post-consumer recovery.
The traditional definition of sustainability — crafted by the UN Brundtland Commission in 1987 — calls for “meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

This principle underpins AspenTech’s approach to sustainability even today.
By enabling our customers — through the application of our software — to increase resource efficiencies, reduce waste and lower emissions, our positive impact on the environment is many multiples of what we achieve simply by improving our own operations.

**AspenONE® v12.2 and New Sustainability Models**

AspenTech understands the importance of building sustainability into our customer’s overall business goals to create safer, greener, more efficient and more reliable operations.

The latest aspenONE v12.2 release provides organizations with more than 50 sustainability models to improve operational efficiencies and meet reduced emissions targets. These models enable product capabilities that enhance digitalized sustainability outcomes, including Scope 1 and 2 emission reduction targets. Using these models, customers can also identify how to reduce emissions across the entire value chain; reduce usage of energy, water and feedstocks; transition to new energy sources like biofuels and hydrogen; and enable the circular economy through processes such as plastics recycling and waste-to-chemicals.

AspenTech’s new release shows a commitment to innovation with new software to jumpstart customers’ sustainability programs. By building sustainability into existing software and adding a multitude of new sample models, AspenTech is demonstrating industry leadership in helping customers address material recycling, emissions reduction, hydrogen, carbon capture and bio-based feedstocks.”

**PETER REYNOLDS, PRINCIPAL ANALYST**
Case Study

AspenTech Improves Saras S.p.A.’s Sardeolica Subsidiary Operational Reliability and Longevity by Implementing a “Digital” Culture

Saras Sardeolica Approached AspenTech in 2017 to Begin Its Digitalization Journey With Goals of:

- Optimizing plant control
- Planning maintenance interventions during low-wind periods
- Increasing productivity and mechanical availability with a view to continuous improvement
- Implementing a “digital” maintenance culture

Working with Aspen Mtell®

Saras Sardeolica selected the Aspen Mtell solution for its ability to apply prescriptive maintenance to maximize uptime and reduce costs for wind turbines. Prior to applying prescriptive maintenance, advance notice of issues was minimal, forcing a reactive approach.

Aspen Mtell was deployed on two major types of equipment: wind turbine gear boxes and wind turbine generators. By automating the data preprocessing with Aspen Mtell, Sardeolica was able to rapidly develop the machine learning agents to provide advance notice of issues.

Aspen Mtell alerts and weather forecasts/predictions are combined to reduce maintenance cost and increase power generation uptime.

Results to Date

- 10% improvement of the uptime of Saras Sardeolica wind generator
- 6 months warning of potential maintenance issues
- Proactively manage wind farm to avoid catastrophic damage
- Flexibly schedule maintenance during low wind periods

The maintenance team was quickly convinced of the value of the Aspen Mtell approach after the first equipment inspections, based on data analytic warnings. Now we have a new maintenance culture combining the best of mechanical engineering with data analytics.”

PAMELA DEIDDA,
SARDEOLICA HEAD OF BUSINESS ANALYTICS
Case Study

BASF Applied AspenTech Solutions to Help Reduce Its Carbon Footprint by Optimizing Its Methanol Production Process

BASF Company Goals by 2030 (Compared to 2018)

<table>
<thead>
<tr>
<th>Goal</th>
<th>Target</th>
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<tbody>
<tr>
<td>30% reduction in emissions</td>
<td></td>
</tr>
<tr>
<td>2030 year to achieve CO₂ neutral growth</td>
<td></td>
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<tr>
<td>50% sales volume growth</td>
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Working with AspenTech

AspenTech’s leading process simulation software, Aspen Plus®, was used to develop models to optimize methanol synthesis and distillation process, helping to identify and act on several improvements.

Through use of the Aspen Plus model the BASF team was able to gain a holistic view of the methanol production process to understand key parameters, including CO₂ conversion as well as heat transfer.

Once parameters were identified, BASF worked with Aspen Plus to develop a unique and more efficient model for methanol synthesis.

Aspen Plus and BASF’s new methanol production process allowed for carbon-free synthesis gas generation in alignment with BASF emission targets.
Case Study


SABIC Company Goals

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>25%</td>
<td>Reduction in emissions by 2025</td>
</tr>
<tr>
<td>25%</td>
<td>Reduction in energy and water waste by 2025</td>
</tr>
<tr>
<td>50%</td>
<td>Reduction in material loss by 2025</td>
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Working with AspenTech

SABIC used the Aspen Utilities Planner™ solution to obtain a comprehensive view of its utility system and identify opportunities for efficient equipment selection and optimization of the overall steam system.

Aspen Utilities Planner was able to identify energy losses and perform an overall utility system optimization to maximize energy efficiency.

Since then, SABIC has created utility models for 10 plants, obtaining numerous benefits to maximize energy gains and reduce GHG emissions.

Results to Date

- ~130 gigajoule/h gained by SABIC per 30-day period for a single site
- 60,000 tons CO₂ reduction per year (assumes natural gas usage)

“Aspen Utilities Planner brings a wide range of visibility into utilities operations to enable new levels of sophistication, energy opportunity identification and improvement.”

AZZAM ADEL HOMEIDA, ENERGY AND SUSTAINABILITY ENGINEER, KEMYA
Case Study

Korean Petrochemical Company Hanwha Solutions Approached AspenTech to Build a Smart Factory

Hanwha Company Goals

- Achieve carbon neutrality
- Become more competitive by maximizing profits and minimizing risks
- Reduce emissions

Working with AspenTech

AspenTech’s leading process simulation software, Aspen Plus and Aspen Plus Dynamics™, were used to simulate both steady state and dynamic conditions in Hanwha’s hydrocarbon resin manufacture process.

AspenTech’s digital twin model was then applied to optimize a solvent recovery tower in the polymerization section and run feasibility studies of solvent selection for the hydrogenation section of the process.

AspenTech software helped improve Hanwha’s operations through modeling transitions, catalyst deactivation and product quality improvement strategies.

Results to Date

- 29% reduction of solvent waste enabled
- $500K savings per year
Industry Recognition for Our Sustainability Impact

Continuing our investment in helping our customers achieve sustainability through their digitalization efforts, we are honored to be recognized for the following industry accolades over the past year:

**Federation of Indian Petroleum Industry (FIPI) 2021 Digital Technology Provider of the Year Award**

Recognizing organizations that implement cutting-edge digital technologies in the oil & gas industry, AspenTech’s DMC3™ software was awarded for helping BPCL Mumbai Refinery realize $1 million (US) savings in utilities by using digital twins.

**2021 Green Supply Chain Award**

Given to companies that demonstrate measurable sustainability as core to their supply chain strategy, AspenTech has been recognized for the second year in a row. AspenTech was awarded for the development of supply chain models that optimize emissions, demonstrating commitment to helping customers meet their sustainability goals.

**2021 Hydrocarbon Processing Awards**

As the downstream energy industry’s most prestigious awards program, the Hydrocarbon Processing Awards recognize products and individuals advancing the hydrocarbon processing industry. In 2021, Hydrocarbon Processing recognized AspenTech as the winner in three of six categories including: Aspen GDOT™ in the Best Automation Technology Category, Aspen Unified PIMS™ in the Best Process/Plant Optimization Technology Category and Aspen Hybrid Models™ in the Best Modeling Technology Category. This recognition highlighted the sustainability and profitability benefits our customers were able to achieve with the latest innovation and industrial AI embedded in our products.
Alliance to End Plastic Waste

One of our highest priority sustainability initiatives is membership in the Alliance to End Plastic Waste (AEPW), where we partner with some of the world’s leading companies to create and scale innovative solutions.

The Alliance aligns with and supports our own mission: Helping our customers operate their businesses to be more reliable and efficient, while also running safer and greener. Additionally, we contribute our expertise in process technology development, industrial AI and digital transformations.

AspenTech collaborates with the Alliance across the North American, South East Asia and Japan regions in both an active Board and member capacity. Our work with the Alliance creates opportunities for our employees to engage directly in community initiatives. In just one year of active membership, the Alliance has rapidly become a key catalyst for helping to drive our own sustainability initiatives inside AspenTech.

“

When AspenTech joined the Alliance, we immediately recognized the synergy with our own mission – helping customers operate their businesses to be safer, greener, more reliable and efficient. With our expertise in industrial AI and helping companies accelerate digital transformation, we are committed to collectively driving change to end plastic waste through ambition, technology, collaboration and science.”

ANTONIO PIETRI, PRESIDENT & CEO

@aspentech
AspenTech’s best-in-class innovation and unparalleled expertise are powered by the unique skills and aspirations of more than 1,900 employees.

Spread across over 30 countries, our global reach provides our customers with scalable yet localized support from employees who share a common commitment to continuing to solve the planet’s most complex challenges with digital innovation.

We attract and retain top talent at AspenTech by cultivating a diverse and equitable environment for all employees. We recently added Diversity, Equality & Inclusion (DEI) into our Corporate Values framework to help drive an inclusive culture that advocates for equal employee opportunities, regardless of race, gender, culture, physical ability or sexual orientation.
AspenTech Corporate Values

**INTEGRITY**
**DO THE RIGHT THING**
Follow through on commitments and be accountable for your actions and words. Act and communicate with honesty and respect.

**CUSTOMER FIRST MINDSET**
**CUSTOMERS ARE CENTRAL TO OUR SUCCESS**
Support the goals of your customers, internal and external. The needs of our customers will inform decision making at all levels of our organization.

**INNOVATION**
**CREATE THE FUTURE**
Have the intellectual curiosity to reimagine tomorrow. Explore new ideas and new ways to create value for AspenTech and our customers.

**DIVERSITY, EQUALITY AND INCLUSION**
**PROMOTE AN INCLUSIVE CULTURE**
Advocate equal opportunities for all employees. Understand, support and empathize with your peers through positive actions, not just words.

**ENTREPRENEURIAL THOUGHT AND ACTION**
**IDENTIFY AND SEIZE THE OPPORTUNITIES**
Grab the bouncing balls. Assess and take risks, invest, determine outcomes quickly, learn from experience.

**COLLABORATION**
**WORK TOGETHER FOR BETTER RESULTS**
Within your team and across the organization, seek alignment and mutual accountability. Encourage diversity of thought to make better decisions.

**COMPETITIVE SPIRIT**
**KNOW YOUR COMPETITION, REFUSE TO LOSE**
Be all in, shape the outcome and deliver.

**EXECUTION**
**ACHIEVE DESIRED RESULTS**
Understand your business. Pay attention to the details. Act with speed and purpose to deliver success. Empower others to do their best work.
Our DEI Commitment Begins With Our Talent Acquisition Strategy

- **Partnerships with two historically black colleges/universities**: Prairie View A&M University and Florida A&M University, to accelerate diverse hiring.
- **Diversityjobs.com partnership** for US recruiting and job posting to target diverse talent communities.
- **Pride Connection partnership** focused on providing best practices in Mexico recruiting. This alliance promotes our external brand within the LGBTQ+ and Latinx communities.
- **Increased brand content** on our social channels to celebrate and educate the talent community on our DEI program and employees.
- **Observance of Martin Luther King Jr. Day** to allow employees the opportunity to volunteer in their communities and think about how we can continue to advance DEI goals and promote an inclusive work environment that enables the success of all employees. All AspenTech employees have access to volunteer resources on an internal DEI site, where they can select volunteer options and read about colleagues’ volunteer experiences.

Our DEI Forum, representing the cultural, heritage and gender-inclusive preferences of the AspenTech employee base, ensures that our DEI commitments are prioritized. This employee-run group provides support through education, training, open discussions and company-wide activities to counteract implicit bias and drive a culture where everyone’s voice and contributions are valued.

Key Milestones

- **June 2016**: Women’s Leadership Forum Created
- **October 2020**: DEI Value and Charter Established
- **April 2021**: Governance Models and Chapters Created
- **August 2020**: DEI Forum Launched
- **February 2021**: Replaced President’s Day with MLK Day (US Only)
AspenTech’s DEI Group Includes Four Chapters

**Women’s Leadership Forum:** The AspenTech Women’s Leadership Forum aims to create an inclusive workplace that increases employee engagement, innovation and collaboration by promoting the value and benefits of a diverse and inclusive workforce, while fostering a culture of equal opportunity, fairness, safety and respect. The forum holds monthly webinars, book clubs and discussion sessions.

**Black Leadership Forum:** AspenTech’s Black Leadership Forum strives to highlight the unique challenges our black colleagues face through educational events, candid panel discussions and other programming. By fostering a supportive, welcoming environment where everyone is encouraged to share their personal experiences, our group aims to empower our colleagues with the tools and knowledge necessary to become empathetic and supportive teammates. The Black Leadership Forum seeks to raise the profile of our black colleagues and encourage them to follow the many leadership career paths that AspenTech has to offer. The forum works hand-in-hand with our Talent Acquisition team to create a more diverse workforce within the company.

**LGBTQ Forum:** In April 2021, AspenTech launched its LGBTQ Forum to provide an inclusive forum where employees can celebrate who they are and feel comfortable knowing they are respected and welcomed. The LGBTQ Forum led the company-wide initiative of encouraging employees to share colorful photos in support of Pride Month in June 2021.

**Latinx Forum:** With a large presence in Latin communities, AspenTech has a vibrant culture of employees with Latin American heritages. This forum accentuates the diversity of the Latin culture and its representation across our employee and customer communities.

Diversity, Equality and Inclusion Pillars

01 **Proactively identify, attract and retain** a globally-diverse workforce to increase employee engagement.

02 **Advance a climate that fosters inclusion excellence.** Engage, empower, inform and hold individuals accountable for fostering an environment where every person feels responsible for advancing diversity and inclusion excellence.

03 **Promote diversity and inclusion training, external engagements, development opportunities, talent acquisition and total rewards** at AspenTech.

04 **Measure effectiveness** to ensure accountability across AspenTech.
Our Commitment to Cultivating Today’s Leaders and Growing Skills for Tomorrow

At AspenTech, we value learning and leadership. From our roots at the Massachusetts Institute of Technology to our Leadership Principles, we know that intellectual curiosity and continuous learning are critical components of our ongoing success as a culture, an organization and as individuals.

To emphasize the significance of sustainability to our business, AspenTech has initiated a new Sustainability Learning Program that requires employees to participate in and understand the long-term impact that we can have in driving sustainability for our customers. Each employee is enrolled in a Sustainability learning course that provides education on the meaning of sustainability and how it touches all areas of our organization, between our customers, employees, communities and shareholders. Furthermore, to fulfill our commitment to sustainability, we are investing in the talent that can best deliver relevant technology.

Our Leadership 2.0 effort is a comprehensive program designed to accelerate growth through a culture of empowerment, accountability, trust and high performance that we call “disciplined agility.” This transformation initiative is supported by our CEO and the entire executive team.

Our Corporate Social Responsibility: AspenTech Gives Back

AspenTech believes in supporting causes that strengthen the local communities where we work and live. Through our AspenTech Gives Back program, we provide global support through charitable contributions and volunteer opportunities. We optimize our impact by focusing our efforts on environment-related community initiatives, with a special emphasis on the challenge of reducing plastic waste, including our membership in the Alliance to End Plastic Waste, where we partner with some of the world’s leading companies to create and scale innovative solutions.

For the second year in a row, we are granting all employees one paid day off to volunteer. We first launched this employee benefit halfway through the 2021 calendar year and saw overwhelming participation all over the world by employees who took a day to either participate in team-coordinated volunteer programs or volunteer on their own.

In addition, AspenTech employees based in offices in Bahrain, Teesside, Bedford, Houston, Reading and Shanghai participated in World Cleanup Day in September. With the theme of “cleaning up” in mind, as part of our 40th anniversary celebrations this past year, we also distributed “4Ocean” bracelets, which are made from recycled materials and the sales of which support the removal of trash from the ocean and coastlines, to every employee to provide support for the ongoing cleanup of our world’s oceans.
Fit-for-purpose Governance Ensures Robust Independent Oversight.

Our Board of Directors is focused on providing independent oversight of management’s execution of our business strategy. The Board has established corporate governance practices that facilitate effective oversight while ensuring outcomes remain aligned with long-term shareholders’ interests.
Ensuring the Effectiveness of our Board

**Board Composition**

- 90% independent (9 of 10 directors)
- 6 new directors since 2019 (avg. tenure of 5 years)
- Independent, female Chair
- 100% independent key Board committees

**Board Oversight**

- Regular executive sessions of independent directors
- Full board oversight of risk management processes including cyber
- Senior executive succession planning
- Audit Committee has oversight of our policies of risk assessment and management

**Alignment with Shareholders**

- Stock ownership guidelines for executive officers and non-employee directors
- Anti-hedging and anti-pledging policy
- Director resignation policy
- Annual say-on-pay vote
Board of Directors and Committees

The Board remains committed to maintaining a balanced and effective Board with a broad mix of tenure, skills, experience and diversity of backgrounds and viewpoints. In addition, the Board believes that, at present, maintaining an independent Chair is appropriate for the Company because it allows for independent oversight of management, increases management accountability and encourages an objective evaluation of management’s performance. This approach has enabled the creation of an environment that continuously measures whether management’s actions are in the best interests of our long-term shareholders.

Currently, all of our directors other than Antonio Pietri, our President and CEO, are independent. Our Nominating and Corporate Governance Committee has a rigorous process for identifying and recruiting members of the Board of Directors. Factors considered include expertise, industry knowledge and diversity.

Our Corporate Governance Guidelines

• The Nominating and Corporate Governance Committee performs an annual assessment of director performance and considers the composition of the Board on an ongoing basis.
• The Compensation Committee approves executive compensation as well as corporate incentive plans and compensation policies.
• The Audit Committee ensures we use accurate and transparent accounting methods.
• We have adopted a policy that any nominee for director in an uncontested election who receives more withheld votes than votes in favor must submit an offer of resignation.
• The Board of Directors has adopted written policies and procedures for the review of any related-party transaction. If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a “related person transaction,” the related person must report the proposed related person transaction to our general counsel. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by the Audit Committee.

We are committed to operating with the highest levels of integrity and in compliance with all applicable law. We require annual training for employees on conflicts of interest, financial integrity, General Data Protection Regulation (GDPR), cybersecurity, anti-bribery/Foreign Corrupt Practices Act (FCPA), non-discrimination and sexual harassment.
Role of Board in Risk Oversight

One of the key functions of the Board of Directors is the informed oversight of our risk management process. To ensure that we have an independent, objective evaluation of our processes, 100% of our standing board committee members are independent.

The Board as a whole is directly responsible for assessing overall risks including cyber and other major risks facing our company. The Board’s standing committees provide additional oversight of risks inherent in their respective areas. Both the Board and the committees receive periodic reports from management, as well as incidental reports as matters may arise. It is the responsibility of the committee chairs to report findings regarding material risk exposures to the full Board as quickly as possible.

The Audit Committee oversees our independent auditors and reviews our audited financial statements and other financial disclosures in addition to overseeing the performance of our audit function. The Audit Committee receives and discusses with management a quarterly report regarding risk management and the areas of risk addressed.

In reviewing director compensation and making recommendations to the Board, the Compensation Committee considers the impact on the directors’ independence and objectivity. In providing oversight of executive compensation, the Compensation Committee ensures that our pay-for-performance philosophy does not inadvertently encourage employees to assume unnecessary or excessive risks.

Finally, the Nominating and Corporate Governance Committee oversees evaluations of the Board and its committees to determine whether they are functioning effectively, as well as being responsible for assessing overall governance risk.

Business Ethics at AspenTech

Adhering to effective corporate governance practices is critical for any company, especially in dynamic, fast-changing technology environments. As a market leader, we are committed to the highest standards of ethical business conduct and corporate governance. There is a shared accountability among our employees to operate in accordance with the highest ethical and legal standards. Driven from the top, corporate responsibility is executed not just across all business lines internally; we also expect all of our partners to adhere to the same standards.

Code of Conduct

We have developed a Code of Business Conduct and Ethics that applies to our directors and all employees without exception. The Code of Business Conduct and Ethics applies to financial conduct, as well as to relationships among employees and with our customers and suppliers. All new hires and existing employees are required to complete Code of Business Conduct and Ethics training on a regular basis. We have posted a copy of the Code of Business Conduct and Ethics in the Investor Relations section of our website at ir.aspentech.com.

Anti-Bribery/Anti-corruption

Anti-bribery and anti-corruption guidelines provide key principles that apply to all interactions with the company’s customers, business partners and other third parties in both the public and private sectors. We have an anti-bribery and anti-corruption compliance program designed to encourage a culture of integrity and transparency in all company activities and to show that bribery and corruption are not tolerated. This includes training in anti-bribery and anti-corruption for all employees. An independently
managed Whistleblower Hotline allows anonymous reports via email and phone.

**Non-discrimination**

Our commitment to diversity, equality and inclusion is reflected in who we are, what we do and the value we deliver to our clients. We are proud to be an Equal Opportunity/Affirmative Action employer. All qualified applicants will receive consideration for employment without regard to age, race, color, religion, creed, gender or gender identity, sexual orientation, national origin, disability, protected Veteran Status or any other basis protected by federal, state or local law.

More information on corporate governance provisions and practices can be found in the Proxy statement posted on the Investor Relations section of our website at [ir.aspentech.com](http://ir.aspentech.com).

**Our Culture**

The driving force behind our success has always been the people of AspenTech. Our relentless focus on innovation and commitment to the highest ethical standards provides every employee a real opportunity to make important contributions that directly benefit our customers and drive our success.

To enhance our corporate culture, we have focused on three key areas: our values, our diversity and our leadership. This has resulted in a highly-skilled and diverse workforce that delivers solutions for our customers, accelerating their digital transformation and optimizing their assets to run safer, greener, longer and faster.

**We Recognize How Important Our Culture Is to Our Success**

**WE MAINTAIN AND STRENGTHEN IT WITH THE FOLLOWING STEPS**

01 Recognize employees who demonstrate our values with Values Excellence awards on a quarterly basis.

02 Provide an open and transparent line of communication to keep our values top of mind, no matter the volatility of the business environment.

03 Focus on DEI in our core corporate values with steps that include:

- Strengthening relationships with professional diversity organizations to share job openings and ensuring our University Hiring program works with groups focused on gender and diversity.
- Providing resources and digital courses on diversity and inclusion that are open to all employees.
- Formalizing previously existing groups into forums to guide our business decisions, starting with the Women’s Leadership Forum and the Black Leadership Forum.

**Our culture at AspenTech is dedicated not only to applying our values to the way we do business, but also to the resulting positive impact that our customers have on the world around us.**
Information Security and Privacy

AspenTech has adopted comprehensive measures that not only ensure compliance with current laws, evolving government data protection standards, regulations, guidelines and customer/vendor contracts but also reflect our commitment to safeguarding customer, employee and supplier information. We:

- Are focused on protecting against theft, corruption or destruction and to preserve our intellectual property, including trade secrets;
- Strive to create a “culture of security” so all employees participate in the protection of information assets;
- Train employees on best practices in information security and privacy and publish newsletters and bulletins to keep them informed;
- Ensure that information technology security personnel have advanced training; and
- Develop, document and test comprehensive business continuity and disaster recovery plans to minimize the impact of global events, disasters and cybersecurity incidents.

Proper Information Handling Processes at AspenTech Include:

- Formal governance processes for keeping management aware of security policies, incidents and program plans;
- Documented security program controls, including risk management, acceptable use, incident response, data protection, physical security, vendor management and audit controls;
- Advanced data security and technology protection; and
- Continual review of current cyber defenses, identification of possible new defenses and the Privacy and Security policy posted on our website aspentech.com.
AspenTech is not just a company. It is also an expression of the values of our people — who in turn embrace their accountability to the society we live in and the planet we live on. We’re also part of an ecosystem of customers with ever-growing ambitions to reduce emissions, transition to cleaner energy, increase the efficiency of resources and cut waste.

With our technologies and skills, we help our customers achieve those goals; and we see a thriving future ahead in our ability to grow our ambitions with theirs.

Through our new strategic partnership with Emerson, we will help customers tackle sustainability even more holistically. Emerson’s industry-leading software assets will complement ours, enabling us to scale up and accelerate our customers’ success across the wide range of industries we serve. The New AspenTech will also have the capabilities to address new and emerging green energy markets, including biofuels, hydrogen and carbon capture.

We look forward to continuing to regularly and transparently share our progress in our ESG mission in 2023 and welcome your feedback.