



2021 | Aspen Technology
Corporate Responsibility Report



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Letter from the CEO

Sustainability and Corporate Responsibility

We will remember the year 2020 principally for the pandemic, the lost lives, the disruption caused to our daily lives, and for the economic losses to businesses worldwide. But an outcome from all of this is the realization that preconceptions about what is possible must be challenged to ascertain that we are not operating under outdated models. This will be one of the enduring learnings from the wreckage of 2020.

In a world where volatility, uncertainty, complexity, and ambiguity will be prevalent, businesses must embrace greater agility, flexibility, and insights to adapt and thrive and to support and improve the lives of their constituents to succeed and maintain their license to operate from society in the years to come.

2020 has also brought about innovation and renewed interest in some of the most pressing global societal challenges. There is the very real sense that we are all in this together, working for the greater good and embracing the opportunities that change can bring. Addressing the dual challenge of providing energy and resources for a growing population with rising standards of living while reducing the environmental impact will be the challenge of the next 40 years.

Today, our customers are asking us to innovate solutions that reduce CO2 emissions and waste and improve resiliency and margins. And we are leaning in to deliver the innovation that only AspenTech can. We have been working with these companies to make them more efficient for the past 40 years. Today, we are a vital part of their ability to respond to the changing markets, customer demands and society's needs for the next 40 years.



At the heart of our ability to serve our customers is the dedicated team of people within AspenTech. I'm proud of and thankful to our employees who have all risen to the many challenges presented by the pandemic. They have embraced innovation in their processes and use of technology to support customers and each other. They have adapted to the challenges of remote working and the need to deliver remote installations, many for the first time ever. This demonstrates not only true innovation and trust between us and our customers, but also an inherently more sustainable approach as we reduce our need for travel and in many ways improve our customer experience from a global talent pool. In addition, to see so many of my team be so active in supporting the wider community, globally, giving back to our communities through donations and investment of time to support food banks and charities will be one of my proudest moments from this past year.

Our customers are now forging ahead, challenging preconceptions about what is possible. One example in the energy sector is green hydrogen, which is attracting significant investment and gaining support as a clean energy alternative. In the chemicals sector, processes are being developed to improve the efficiency of recycling to reduce waste. Sustainability is already woven into the fabric of these organizations and they are using the talent in their organizations and technology to meet the challenges ahead.

We are optimistic about the future. Embracing change and the opportunities that technology will create for businesses will energize the workforce of tomorrow and contribute to the emergence of new business models as we move positively into an exciting future. We're proud to support our customers as they innovate to solve the 'dual challenge', from our participation in [The Alliance to End Plastic Waste](#), to how we enable them to operate their businesses to be safer, greener, more reliable and more efficient every day. It is another step forward in building the foundation for business models that are emerging as we help create a better future for the generations to come.



Antonio Pietri

President & CEO

Aspen Technology, Inc.



OUR BUSINESS

Aspen Technology, Inc. (AspenTech) accelerates digital transformation for its global customers with asset optimization software that drives the most complex and capital-intensive industries to run safer, greener, longer and faster. As the global leader in asset optimization software, AspenTech works with energy, chemical, engineering, metals and mining, pharmaceutical, and other manufacturing customers, to optimize the safety, sustainability and operational excellence.



With 40 years of industry-specific experience, 2,400 global customers and \$59 billion in value created for our customers on an annual basis, we help our customers solve their biggest challenges and build long-term value from their investment with AspenTech.



Our global footprint and platform-agnostic software reduces barriers to enter new geographies and adjacent markets. Our integrated approach to asset lifecycle management provides opportunities for account expansion. We continue to develop strategic partner relationships to access new opportunities within new prospects and existing customers.



As a software company our operational environmental impact is low, yet through our solutions we have the potential to magnify our contribution by helping our customers achieve innovation and environmental efficiencies on a global scale. We apply our knowledge and experience to help our customers achieve resource efficiency, enable energy transition and decarbonization, and accelerate innovation for the circular economy to develop recyclable and renewable initiatives.



2020 A YEAR LIKE NO OTHER: COVID-19 RESPONSE

Many of our customers have been working with AspenTech for years. When the COVID-19 pandemic hit, we quickly worked with our customers to help them pivot to the new operating environment. We enabled their critical operations to be run from remote locations. We also worked with customers to rapidly adapt to changing business conditions in their supply chain to meet the needs of their end customers.

“



Without Aspen DMC, there is **no way we would have been able to adjust...** so quickly during the coronavirus crisis.

”

- Free online training courses
- Remote deployment options
- Cloud management options
- Increased technical webinars

“



Aspen GDOT will **improve agility** in our response to market conditions, such as what we are experiencing right now... by **minimizing product quality giveaway** and **maximizing production** of the most valuable products.

”

- Access for university students
- User Certification Program
 - New online exams rolled out
 - Digital certificate rolled out on LinkedIn

GIVING

Charitable giving is a strong grassroots initiative within AspenTech and one that we have been proud of for many years. While we couldn't undertake as many volunteering and community activities as in past years, we have continued to donate to charitable organizations that help vulnerable people in our local communities.

AspenTech's employees are incredibly generous and together we have donated in excess of \$100,000 to charities throughout the world, including Covid-19 Relief Funds, Food Banks as well as matching donations to charities that are important to our employees.



INVESTING FOR THE FUTURE

We believe that investing in our people is as important as investing in our technology. Employees at all levels of the organization are provided with opportunities to learn, develop and grow their careers at AspenTech.

The past year was certainly the most unprecedented in many ways and AspenTech places great value on its more than 1,800 global employees and proved this throughout the pandemic. We focused on leadership growth, diversity, equality and inclusion, and giving back - both to society and to our employees throughout 2020 and now into 2021.

INNOVATION

AspenTech invests in organic R&D and may make strategic acquisitions that will enable us to stay at the forefront of industry innovation. Our long-term investment thesis evaluates and prioritizes opportunities that support sustained shareholder value.

We continue to push the boundaries of emerging technologies – embedding AI and ML into our software optimization solutions – to produce digital technologies and Industrial AI for autonomous and semi-autonomous processes that continue to provide enhanced levels of safety, sustainability and longevity for our customer base.

FINANCIAL DISCIPLINE

AspenTech has maintained solid margins and profitability through our focus on disciplined financial management, strategic investments and an organization structure designed for transparency and agility. This discipline underpins our ability to invest and support growth ahead of the market.

This philosophy of financial discipline meant that AspenTech could stay focused on long-term growth during the pandemic that caused so much disruption in the market. AspenTech continued to hire and support organic investments, releasing aspenONE V12 – our first with embedded AI for faster, more accurate analysis and decision support – and completing two acquisitions to bring new levels of efficiency and performance to our customers.



OUR CUSTOMERS

The capital-intensive industries – chemicals, oil and gas, metals and mining, pharmaceuticals, and many others – are focused on reducing their operational impact on the environment and addressing the societal challenges of plastic waste, resource depletion, and energy de-carbonization. These industries are particularly aware of the need to place sustainability goals at the forefront in order to optimize their operations while increasing profits. AspenTech supports customers with innovative technology to support their goals for resource efficiency, energy transition and the circular economy through asset optimization software and digitalization technologies.

AspenTech can add value to industries adjacent to its core customers. In metals and mining, for example, organizations are looking to achieve carbon emission neutrality as well as responsible waste management by reducing energy intensity and enabling the reuse of water in operations. Pulp and paper is another industry where organizations are striving to decrease heat and energy consumption in the mills while reusing water. Pharmaceutical companies are turning to AspenTech to enable them to quickly model and test processes for efficient batch sizes, reducing energy and waste.





Industrial AI

“With the advent of integrated Industrial AI solutions, value can be accelerated as companies don’t need to develop custom solutions.”

Embedding AI, So Our Customers Don’t Have To

This past year, AspenTech rolled out a suite of solutions focused on Industrial AI. What makes AI truly industrial strength is the combination of now generally available AI tools with specific industry and, domain expertise to solve real world issues around efficiency and sustainability. With the aim of democratizing the application of AI across the enterprise, solutions should be easy to deploy, yet powerful and extensible enough to accelerate more purpose-built deployments. With the advent of integrated Industrial AI solutions, value can be accelerated as companies don’t need to develop customer solutions, piece together components from multiple vendors, or rip and replace software they use today. They can more easily integrate data from across different systems throughout the organization, deploy AI-rich applications that are purposefully-guided by first principles, as well as take advantage of enterprise-wide data governance to drive impactful business decisions.

Our process simulation tools have long been used to accelerate design of innovative processes and improve process intensification (reducing the number of process steps, and therefore overall energy use, capital cost and risk). Now engineers are able to automate the exploration and optimization of thousands of process designs simultaneously using a combination of Industrial AI, cloud and high-performance computing capabilities.



INCREASING EFFICIENCY

Understanding where inefficiencies occur and working to mitigate them is critical to reduce emissions, water consumption and waste.

There are many opportunities to design new plants with higher efficiency and lower waste production and to improve existing plants' abilities to optimize between margin and waste production. Frequently, investing to reduce facility wastes and pollutants pays back quickly with lower operating costs while improving the environment.

This balance between maximizing business performance and meeting the future sustainability needs of society, in an ever-changing environment, is the challenge our industries face, and will demand new levels of innovation. In the past, digitalization was largely justified on the basis of profitability improvement alone, but now supporting both sustainability objectives and profitability are the drivers for investment. The role of digitalization is to enable the industry to optimize their assets across multiple dimensions - to run safer, greener, longer and faster, across the

lifecycle. Digitalization also provides the tools for good stewardship - to make the best use of resources and assets we have today and will still need during this transition, to track our progress, and help us use them in a way that is more sustainable.

Chemical Week, November 9, 2020

In a recent ARC Strategies survey of global chemical and energy companies 90% of respondents have sustainability initiatives in place. And as companies continue to focus on sustainability, a common theme is taking shape around the role of digitalization as a key enabler.

In that same survey, 75% of respondents rated digital transformation as highly important for achieving sustainability goals. In addition, the International Energy Agency (IEA) has found that digital solutions can help boost energy efficiency as much as 30% for industrial operations.

Reduced regeneration steam in rectification column load to allow overall capacity increase. Further improvements identified with 36% reduction in reboiler duty.

Increase capacity by 13%



Challenge

- Commodity business of bio-ethanol production affected by volatility in feedstock prices
- Capacity and energy identified as major goals in current plant improvement
- Plan plant expansions



Solution

- Simulation of dry-grind bio-ethanol separation process
- Identification of bottlenecks
- Resulted in molecular sieve regeneration improvement

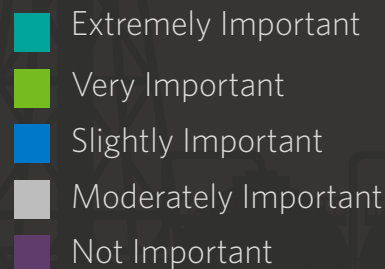
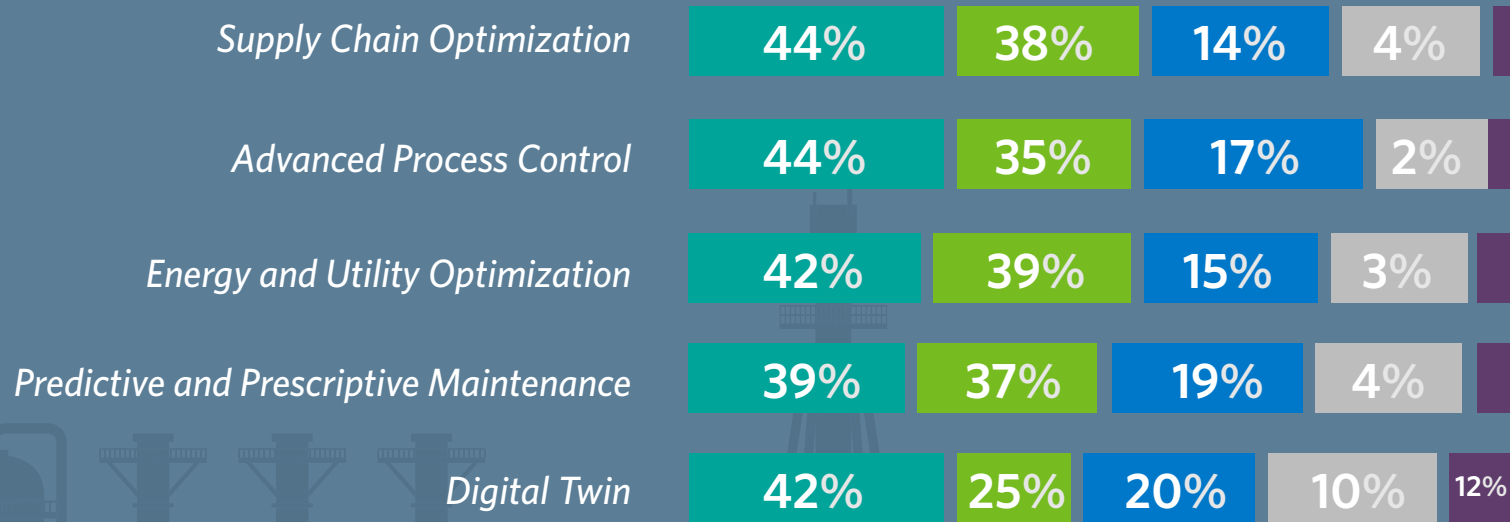
Products:
Aspen Plus



TECHNOLOGY IS CRITICAL TO PROGRESS IN SUSTAINABILITY

Question:

How valuable are these **Digital Technologies** for improving sustainability?



ENABLING INNOVATION FOR SUSTAINABILITY

While we are committed to providing cutting-edge technology to better service our customer base we are also aware as a global organization that our own actions have environmental and sustainability impacts in the short and long-term. We have made specific decisions from a business standpoint as to how we as an organization can drive sustainability efforts.

As traditional energy companies move increasingly into low carbon and cleantech areas with which they might have less operational familiarity, digitalization can help guide them along the way. Our products enable customers to pursue renewable energy projects such as bioethanol, biodiesel, carbon capture, solar and wind initiatives — with insights to improve profitability and reliability while reducing capital investments. As an example of some of these advanced technologies that AspenTech supports:

- **Hydrogen Supply Chain:** According to a recent IEA report there is significant potential for emissions reductions from clean hydrogen. AspenTech products and solutions today support the entire value chain from production of Blue and Green hydrogen to distribution to Storage and Use. Our solutions are core to the MIT-developed “Sustainable Energy System Analysis Modeling Environment.” (SESAME)
- **Carbon capture:** CO₂ capture from industrial operations is one of the targeted approaches to mitigating climate change. AspenTech has invested significant resources in the development of a highly effective modeling application to support design, validation and commercial scale-up of carbon capture technology
- **Chemical Recycling:** Pyrolysis is a process that breaks down the macrostructure of a polymer to smaller units at moderate to high temperature. When deployed, it can help achieve a greater rate of recycling for a broad mix of plastic wastes. These complex processes are being modeled by AspenTech solutions today.
- AspenTech is also a member of **The Clean Energy Smart Manufacturing Innovation Institute (CESMII)**, a U.S. Department of Energy (DOE) - sponsored institute formed in 2017 to improve the efficiency of U.S. manufacturing through innovations in the development and integration of advanced sensors, controls, software platforms and modeling.
- Finally, AspenTech is a member of RAPID (Rapid Advancement in Process Intensification Deployment), the Modular Chemical Process Intensification Institute for Clean Energy Manufacturing. RAPID is a DOE-sponsored manufacturing institute that seeks to improve energy efficiency and lower capital investment requirements in the process industries through innovations in process-intensification technologies

SUSTAINABILITY IN CAPITAL INTENSIVE INDUSTRIES



Resource Efficiencies

Reduce usage of resources such as energy, water or feedstock



Energy Transition & Decarbonization

Renewable/alternative energy sources, biofuels

Reduce Emissions & Waste



Circular Economy

Waste reduction, recycling, renewable feedstocks, innovation

REDUCE EMISSIONS & WASTE

Challenge

Evolve businesses to dramatically reduce emissions and waste while still meeting profit and growth goals

Opportunity

Improve product mix, supply chain, and manufacturing to win in sustainable economy

Value

Increase company value and market share through positive sustainability positioning



RESOURCE EFFICIENCY

Challenge

Energy inefficiency is creating excess carbon load (up to 20%); Growing global water shortage

Opportunity

Improve energy and utility effectiveness and efficiency in current operations

Value

Save 10-15% energy use & cost, reduce 20% carbon load



ENERGY TRANSITION AND DECARBONIZATION

The **energy transition** is a pathway toward transformation of the global **energy** sector from fossil-based to zero-carbon by the second half of this century. At its heart is the need to reduce **energy**-related CO₂ emissions to limit climate change.

Challenge

Reduce carbon footprint and emissions over process life-cycle to achieve long-term carbon neutrality

Opportunity

Renewable energy sources, green/blue hydrogen and biofuels; CO₂ capture, utilization and storage

Value

At least 20-50% less footprint, >90% less carbon taxes through CCUS



CIRCULAR ECONOMY

The **Circular Economy** separates economic growth from resource consumption; seeks to redesign processes and products to eliminate waste and emissions. Chemical recycling (used plastic as feedstock) cuts emissions up to 85%, based on CEFIC report –“Chemical recycling can achieve around 0.3t CO₂ per ton plastics produced compared to 2.3t CO₂ from conventional production using fossil feedstock”

Challenge

Reduce waste and extend product life to lower environmental impact

Opportunity

Design out waste, pollution and optimize recovery of energy and material after use

Value

Up to 85% reduction in CO₂ emissions using chemical recycling versus conventional feedstock





AspenTech's digitalization solutions are particularly important when it comes to providing energy transition capabilities for our clients. Whether it's design, AIoT, digital twin, value chain or APM - all help to provide an energy mix diversification and reliability of renewables. In metals and mining organizations are turning to solar and hydroelectricity, while pulp and paper are exploring low carbon fuel options.

AspenTech is a key partner with our customers to ensure that our asset optimization and Industrial AI capabilities continue to drive digitalization to enhance both sustainability and profitability, allowing our customers to run safer, greener, longer and faster across their entire lifecycle.

Reducing treatment chemical usage creates business efficiencies and reduces environmental risk.

Reduced peroxide use by 60%



Challenge

- Achieving desired melt flow of final products often required downstream treatment before shipping
- Treatment with peroxide required 80% of the time



Solution

- Aspen ProMV™ was used to monitor predicted final melt point to enable process correction before off spec product resulted
- Two months of analysis resulted in successful campaigns
- Total estimated >60% reduction in chemical use across all campaigns

Products:
Aspen ProMV



Energy Savings, CO₂ Reduction, and Yield Increase with Advanced Control and Models Online

Global Energy Company

A global chemical company has achieved \$700 million in cumulative benefits over 9 years, increasing energy efficiency improvement of 9% across 15 sites globally. They use online process models and APC to increase maximize asset capability for alternative feedstocks

Reduced emissions by 80%



Challenge

- Drive to be lowest-cost producer and lowest-emissions producer
- Achieve optimization of ethylene production, year by year, with a global excellence program
- Achieve flexibility for alternative feedstocks
- On-time flawless production



Solution

- DMC commissioned first to help adjust multiple variables and still meet product demands
- Digital twin optimization models added later to address product profitability shifts and energy costs
- Extended to 15 sites

Products:

Aspen Plus, Aspen Online and DMC



Reduce CO₂ Emissions with Precise Production and Distribution Planning



FP CORPORATION

135,000 MT less in CO₂ emitted in FY2018 enabled by improved distribution and planning solutions. Recycling initiative results 374,096 MT less waste landfilled

CO₂ emissions reduced by 135k MT

Landfill waste reduced by 375k MT



Challenge

- Provide stable and responsive food distribution in environmentally-friendly, efficient way
- Minimize CO₂ Emissions
- Sell recycled products as an economically sustainable activity



Solution

- Aspen Supply Chain Planner provides a “high degree of precision” to production and distribution planning to FPCO’s network
- Distribution network utilizes returning trucks to collect used containers

Products:

aspenONE Supply Chain Management Solutions



Provides visibility and transparency across the entire gas field so all workers understand the sustainability implications daily; decreasing hydrocarbon losses, and energy use by 10%

Decreased water use by 10%



Challenge

- Provide actionable sustainability dashboard across the entire gas field
- Demonstrate value of digital twin, for broader adoption across all assets



Solution

- Actionable operator insights from intuitive visualization
- Online engineering model, calibrated every minute
- Identifies lift gas compressor operating issues for operator action

Products: HYSYS, Energy Analyzer, Aspen Utilities, AORA, IP.21





In December 2020, AspenTech joined the [Alliance to End Plastic Waste](#) as an 'Enabler' member – organizations that don't directly participate in the plastics value chain but create services and solutions that allow its customers and partners to reduce plastic waste. AspenTech works with fellow members to support innovation in companies wanting to build a more sustainable global plastic value chain. From industrial plant and process design, through to driving greater efficiency in operations, AspenTech's solutions can help producers reduce waste and emissions associated with plastic production and accelerate innovation and development of new solutions for the Circular Economy.

AspenTech's mission is to help our customers operate their businesses to be safer, greener, more reliable and more efficient," commented Antonio Pietri, President and CEO of Aspen Technology. "We are honored to have the opportunity to join some of the world's leading companies in making a greater commitment to industry and doing all we can to help address the challenge presented by the global plastic waste problem. As a member, we will invest funding, research and development and provide industrial AI focused resources to drive the innovation required for this new economy."



Award-Winning Technologies for Sustainability

Winner of 2020 **Green Supply Chain Award** from SDC Executive for a project with FP Corporation that reduced CO₂ emissions by 135,000MT



Bharat Petroleum wins **ASSOCHAM Innovators Excellence Awards** 2020 for real-time emission and efficiency monitoring and data acquisition using Aspen HYSYS®

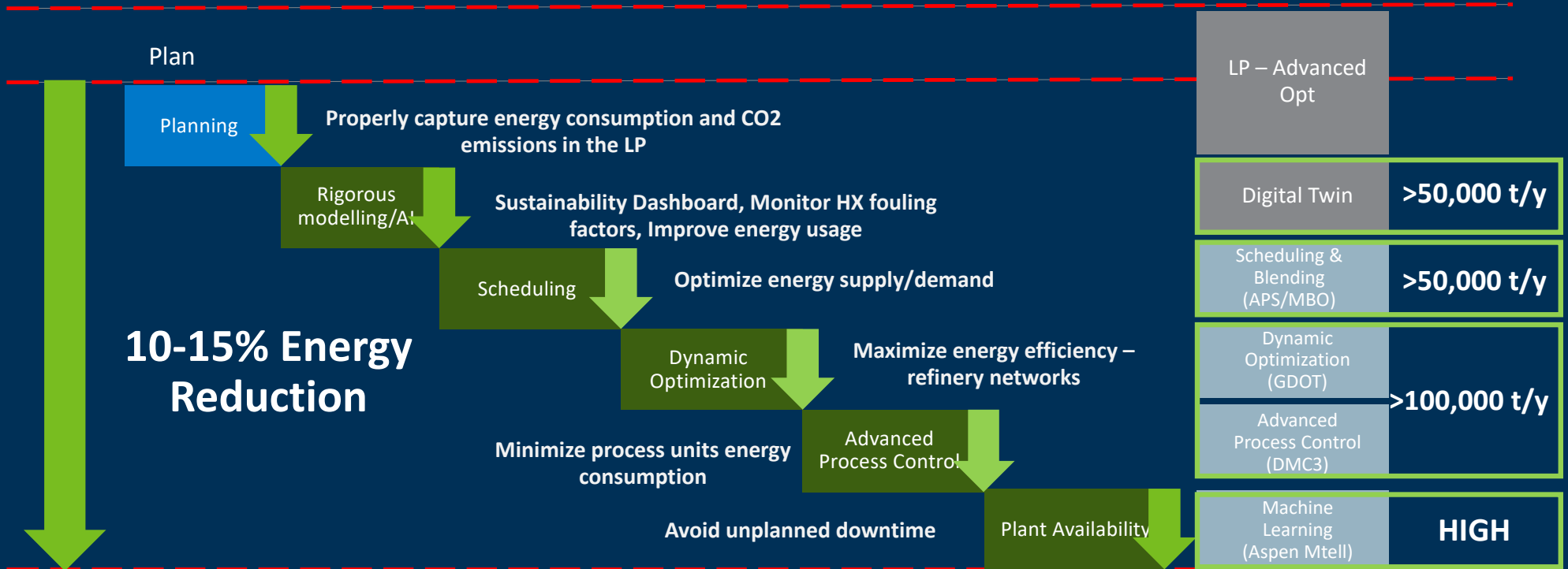


Aspen Mtell® Wins **Singapore Business Review Award** for Predictive Maintenance—for preventing costly downtime and reducing the risk of unplanned emissions



CO₂ Emissions Reduction at European Customer

CO₂
Emissions
Reduction



Actual

CO₂ emissions for a 300 KBPD European Refinery are typically in the range of 3.8 – 4.2 M t/y and energy bill is in the range of 250-300 M\$/y





SUPPORTING SAFER AND MORE RELIABLE OPERATIONS

For our customers, safety is the first operational priority.

AspenTech's solutions support safer operations in the most complex industrial environments. Our solutions are used to develop designs to ensure process safety and adequate risk management and allow operator simulators to rehearse emergency situations.

Safety is dependent on having predictable operations. By predicting maintenance needs and avoiding unplanned shutdowns and startups, safety incidents can be reduced by half.

When it comes to reliability, AI-driven predictive maintenance can warn operators of potential equipment failures days, weeks, or months in advance, reduce the number of unplanned shutdowns and keep production within safe operating limits.

When combined with our dynamic modeling technology, our solutions can address critical situations. By collecting, aggregating and conditioning data from across the enterprise, our advanced reliability technology helps remove uncertainty.

The Chemical Safety Board (CSB) asserts that unplanned startups and shutdowns contribute to 50% of safety incidents in the refining industry. AspenTech addresses this area of concern as its customers turn unplanned downtime into planned downtime, employing models that provide recommendations on how to maintain greenhouse gas emission limits and operate within safety parameters.



OUR PEOPLE

AspenTech has more than 1,800 employees serving 50 countries and they are the reason we are able to go above and beyond to best serve our global customers. Our employees are essential to our success and we pride ourselves in the culture we have created that supports our employees to learn and grow and also to give back to the communities in which we live and work.

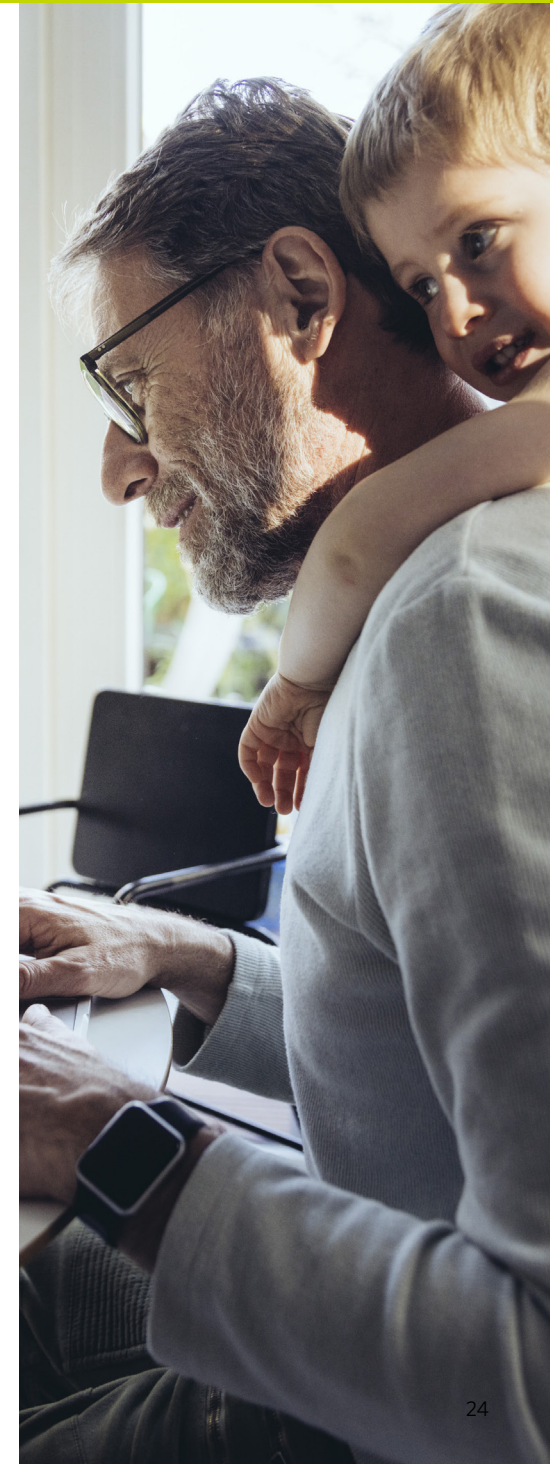
2020 was a challenging year for everyone. The health and wellbeing of our employees and their families have driven our decision-making throughout the pandemic. While we quickly adapted to working at home, we also supported our employees who suddenly had additional responsibilities such as caring for family, home-schooling children and protecting themselves against contracting the virus. Maintaining mental health is as important as physical health and we have listened and responded to our employees' changing needs as the pandemic progressed. Many of our employees have been affected by this – either contracting the virus themselves, watching a family member suffer or sadly even losing close friends or family. These impacts have never been far from our thoughts and we closely monitored the progress of all impacted. We are relieved to see some light at the end of this very long tunnel and we are so appreciative of how everyone at AspenTech came together to persevere through these very uncertain times.

INVESTING IN TALENT WORLDWIDE

Innovation, collaboration and a customer first mindset – these are the driving factors behind what makes our 1,800 strong employee base successful year in and year out. AspenTech employees are always looking for new ways to bring innovation to both our products and services, as well as how they develop personally. Over the last year we have taken a closer look at what sets the tone for our culture and the commitment from our employees and expanded on three key areas – our values, diversity, and leadership training.

OUR VALUES

AspenTech's values set the foundation of who we are at the core of the business – from the on-boarding process for new employees through to leadership and the C-suite. The current set of values embrace both our employees and our dedication to our client base around the globe and dictate our employee training as well as managerial assessments. Throughout the past year AspenTech's CEO has created a regular cadence of videos to keep our values top of mind no matter the volatility of the business environment.



AspenTech Corporate Values

OUR VALUES

 <p>INTEGRITY DO THE RIGHT THING. Follow through on commitments and be accountable for your actions and words. Act and communicate with honesty and respect.</p>	 <p>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.</p>	 <p>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.</p>	 <p>ENTREPRENEURIAL THOUGHT & ACTION IDENTIFY AND SEIZE THE OPPORTUNITIES. Grab the bouncing balls. Assess and take risks, invest, determine outcomes quickly, learn from the experience.</p>
 <p>DIVERSITY, EQUALITY & INCLUSION PROMOTE AN INCLUSIVE CULTURE. Advocate equal opportunities for all employees. Understand, support and empathize with your peers through positive actions not just words.</p>	 <p>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.</p>	 <p>COMPETITIVE SPIRIT KNOW YOUR COMPETITION, REFUSE TO LOSE. Be all in, shape the outcome and deliver.</p>	 <p>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.</p>

2020 Highlighted the Need for a New Value

In 2020 the executive team determined that a key value missing from our current list needed to be added – diversity, equality and inclusion. This applies both globally but is particularly relevant for the United States where we realized that even though we have always followed this value inherently – it needed to be written out and added explicitly to our list in order to ensure it is embedded in our culture and decision making. Together, we decided to make diversity, equality and inclusion a cornerstone of our culture and added this as a new Value – Diversity, Equality & Inclusion.

Diversity, Equality & Inclusion
PROMOTE AN INCLUSIVE CULTURE.
Advocate equal opportunities for all employees. Understand, support and empathize with your peers through positive actions and not just words.

The importance of these values is further emphasized via our CEO who continues to recognize Values Excellence through awards to employees on a quarterly basis who have demonstrated our values in action.

DIVERSITY

Our culture encourages inclusivity and intentionally seeks out ideas and inputs from across the globe and throughout the organization, and we purposefully added the value of Diversity due to the increasingly emotionally charged events that occurred during 2020. Racism is not a conversation but a systemic problem that needs to be addressed through our actions – and AspenTech is beginning this journey to ensure we place diversity, equality and inclusion throughout our organization:

Added Diversity, Equality & Inclusion (DEI) to our core corporate values against which we measure our success.

- Our Talent Acquisition team has strengthened relationships with professional diversity organizations to share our job openings and has been working to make sure our University Hiring program works with groups focused on diversity and gender.

- To counteract unconscious bias, we provided resources and digital courses on diversity and inclusion that are open to all employees.
- Our DEI initiative released a new DEI charter and will keep the conversation going through training opportunities, companywide activities and open discussions. Within this initiative we have formalized previously existing groups into Forums to guide our business decisions, starting with the Women’s Leadership Forum and the Black Leadership Forum.
- We added Martin Luther King Jr. Day on January 17, as a U.S corporate holiday, to commemorate his legacy.

There will always be more work to do in order to foster an environment that enables the success of all employees, but we recognize that we all play an active role to seek the most talented individuals to recruit and develop at AspenTech.





ENCOURAGING CAREER GROWTH AND DEVELOPMENT

Our commitment to our employees' career development is led by our CEO and carried through all management levels. From executive education to emerging talent to college-hire training, we know continuing education is crucial to career development.

- Our Leadership 2.0 program provides a multi-faceted approach to training and developing our managers to drive a high-performance culture.
- Our Performance & Growth X-Change deploys workshops globally for employees and managers on giving and receiving feedback.
- AspenTech uses Workday software to provide employees easy access to all their critical career information.
- We offer employees access to LinkedIn Learning and Skillsoft eLearning programs. AspenTech employees tend to exceed LinkedIn Learning's benchmarks.
- We offer tuition reimbursement to full-time employees to enhance career development opportunities and improve job-related skills and knowledge.
- Employees can access an online resource for learning English as a second language.
- We sponsor employee-led Toastmasters Clubs, with several participants who have competed nationally.



EMPOWERING EVERYONE

Our Diversity, Equality and Inclusion initiative helped to further solidify forums such as Women’s Leadership. Through networking, development and mentoring events, our Women’s Leadership Forum helps to create an inclusive workplace and increase employee engagement and global collaboration. Although it is named the Women’s Leadership Forum, the group is open to everyone and represents the interests of all employees. The Forum plays an important role in making AspenTech an empowering place to work for everyone.

LEADERSHIP 2.0

We believe that every great employee deserves a great manager. Managers can attract, motivate and retain employees — and they can inspire everyone to achieve growth in their careers and for the business.

AspenTech has implemented a world-class leadership initiative that includes offsite, classroom and online training and support. Leadership 2.0 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.

DEVELOPING THE NEXT GENERATION OF LEADERS

In addition to Leadership 2.0, we also have a dedicated program to develop our next set of leaders within AspenTech. Employees selected from the Bedford, Houston, São Paulo, Paris and Reading offices graduated from the Emerging Leader Program in 2019. Launched in 2018, this 14-month program includes Cornell University/SC Johnson School of Business courses to help future leaders of AspenTech to develop their careers. The program continues in FY21 with a new cohort of Emerging Leaders currently participating in the course.

NEW CAREER OPPORTUNITIES FOR TECHNICAL LEADERSHIP

- As part of our commitment to strong technical leadership, we introduced a Tech Ladder program in 2020 to provide a clearly defined career track for anyone seeking to progress in their technical career at AspenTech.
- Employees now have the opportunity to advance to two new levels on our professional track – Technology Fellow and Distinguished Technologist – and we have a Technology Leadership Council comprised of key senior technologists from across the company to help guide AspenTech’s technology strategy.

COACHING FOR SUCCESS IN SALES

In 2020 we launched our global ‘Coaching for Performance’ program, to equip our managers with the tools and resources to coach the sales team to higher levels of performance.

A coaching culture is about delivering results, improving performance and making the most of people’s potential. The emphasis is on delivering results and making employees (and the wider organization) stronger and more capable.

Benefits of a coaching culture

- Increased performance
- Increased productivity through skill development
- Increased retention
- Boosts morale and employee motivation
- Improved employee engagement and sense of purpose



HELPING EMPLOYEES DEVELOP NEW LANGUAGE SKILLS

As a global organization we realized that our employees wanted to expand their current skill sets by being able to learn a new language to better communicate with other colleagues and customers. In September, AspenTech began a partnership with Rosetta Stone to offer employees the opportunity to learn a new language. We kicked off their Catalyst Program with 100 learners. The employee feedback so far has been overwhelmingly positive, and we were pleased to be recognized by Rosetta Stone as the 2020 “Best First Year Program” as part of its Go the Extra Mile Spotlight awards!

“Our G.E.M. Award Review Committee was especially impressed with the allocation and adoption metrics. It is companies like Aspen Technology that go the extra mile that make an impact on learners and the business. We couldn't be happier to extend this honor to you!” a Rosetta Stone representative told AspenTech.

LISTENING TO OUR EMPLOYEES

We are committed to transforming AspenTech's culture to support our growth ambitions, so we ask employees for feedback via our quarterly engagement survey. This quarterly check-in allows us to keep a real-time pulse on our employees' sentiments, needs and ideas. Managers review and analyze the results with their teams in order to address challenges and celebrate progress.

This year, going virtual has enabled us to increase the frequency and expand the CEO Exchange Meetings to include more participants from around the globe. These monthly or sometimes bi-monthly meetings are an informal opportunity for our CEO to listen to the views of 25-30 employees at a time to maintain a close connection and direct communication to everyone.

For 2021 the AspenTech executive team granted all employees three additional paid time off holidays as a thank you for their perseverance and dedication during such a tumultuous year.

ASPENTECH GIVES BACK

In 2020, our corporate giving program, AspenTech Gives Back was refreshed and relaunched with a renewed focus on the environment. The charter for AspenTech includes:

- **Funding:** Employees can request funding for a charity they actively support or request a donation to a charitable event they are taking part in (such as an organized run).
- **Volunteering:** Employees work as cross-functional teams to support their local communities through volunteer work and/or donation drives for charity.

At the beginning of 2020, AspenTech dedicated two weeks to highlight efforts of AspenTech Gives Back from around the globe - from Bedford to Bahrain and many areas in between. AspenTech employees organized a series of volunteer opportunities and donation drives for their local communities.





FOCUS ON THE ENVIRONMENT

“AspenTech’s mission is to help our customers operate their businesses to be safer, greener, more reliable and more efficient. Through the Alliance to End Plastic Waste we have the opportunity to join some of the world’s leading companies in making a greater commitment to industry and doing all we can to help address the challenges presented by the global plastic waste problem. As a member, we will invest funding, research and development and provide industrial AI focused resources to drive the innovation required for this new economy.” – Antonio Pietri

In April we celebrated Earth Day for the first time as a company giving each office an opportunity to decide on an activity appropriate for that location. In China the team celebrated with a one-hour lights off at lunchtime to conserve energy and also ran a local photo competition “Going Eco, be the Hero.” In addition, as part of the China Reduce, Reuse, Recycle Campaign, an online swap-shop was set up using Teams to exchange items between colleagues.

Across the globe many offices launched internal campaigns such as “How to go green for the holiday season,” that provided tips and tricks to reduce and reuse wrapping and packaging paper, and where to recycle it.

In January 2021, AspenTech joined the [Alliance to End Plastic Waste](#). Many of our customers work with this non-profit organization to build sustainable waste management systems, and to innovate at the earliest stages of product design to reduce, reuse and recycle plastics in support of sustainable models. The projects of The Alliance to End Plastic Waste span the globe and focus on the areas most vulnerable to the risks of plastic leakage.

The Alliance focuses on four strategic areas – infrastructure, innovation, education and engagement, and clean up – through its programs and partnerships. As a member, AspenTech will invest funding, research and development, and provide Industrial AI focused resources to drive innovation.



Our solutions can help industries explore and model new processes and formulas to produce plastics that are easier to recycle; develop new advanced recycling processes; and build a more sustainable global plastic value chain. In addition, our solutions can drive higher efficiency within existing operations to reduce waste, emissions and energy required for production.

As one of more than 50 members, AspenTech will work alongside other organizations that share our dedication to tackling this societal problem through innovation. We have market-leading technology and established relationships that can help make a difference for the next generations.

DOING WHAT WE CAN FROM WHERE WE ARE

The global pandemic highlighted the fact that we also needed to be aware of immediate matters needed throughout our local neighborhoods and cities - including but not limited to the many first responders and families

that were struggling to get us through this pandemic while keeping their own lights on and food on the table.

Because we could not contribute in person to as many charitable activities in 2020 we came together where we could and provided substantial donations to local charities serving our major offices.

These included:

- Donating our holiday office party budget in November to various local food banks to help those in need
- 30 volunteers packed 7,500 meals for seniors in various communities and 6,000 school lunches for local schools at the Houston Food Bank

AspenTech's employees around the world were incredibly generous and together we have donated in excess of \$100,000 to charities throughout the world, including Covid-19 Relief Funds, Food Banks and matched donations to charities that are near and dear to our employees.

SPOTLIGHT ON BAHRAIN

A trend in the developing world is the creation of football (soccer) academies in order to nurture children's talents in the area of sports while also supporting them from a human and academic perspective. Sports, and especially football in certain areas of the world, has a distinct capability to help children develop many aspects of their lives by providing discipline, art, science and other components to create a well-rounded individual. To this end the Malkiya football/soccer club was created in 1967 and has been a member of the Bahraini Football Association since 1973. The academy currently houses 150 children with the goal to help 300 with additional infrastructure, funding and facilities in the years to come.

In February 2020, the AspenTech Bahrain office team organized their first event for AspenTech Gives Back. With the money collected the team has so far donated two whiteboards, 70 copybooks and two boxes of pencils to the Al Malkiya Academy in Manama, Bahrain. As noted above the school's main objective is to educate and train underprivileged local children via sports and other community activities, with a clear focus and passion on football. The academy started setting up English classes for the children where teachers volunteer to teach classes in the afternoon/after school a few days a week.

This is an important cause to the AspenTech Bahrain team as support of the Malkiya Academy only helps to further develop the society in and around Bahrain. As the children learn through discipline, teamwork, dedication, and self-confidence via sports and education - this creates a stronger overall culture for future generations.





CHARITABLE GIVING GUIDELINES

Type of Charitable Organization

Support is usually provided to organizations that have a current tax-deductible status, as defined in Section 501(c)(3) of the United States Internal Revenue Code, or the relevant country governmental entity.

Area of Engagement

Preference will be given to requests for organizations or to social causes that provide support in communities in which we live and do business and whose mission is focused on:

- Educational programs for the disadvantaged
- Human/social services
- Children in need
- Medical research

Exceptional Cases

Requests for support for other charitable organizations and one-off circumstances will also be considered on a case-by-case basis as funds permit.

Restrictions

Support will not normally be provided to organizations or activities sponsored by:

- Political groups or causes
- Religious organizations
- Sports teams, events, or organizations
- School fundraisers
- Arts groups, events, or organizations
- Sectarian groups, events, or organizations that exclude others in the community

LOW ENVIRONMENTAL IMPACT

As a software development company, our environmental impact is low. AspenTech strives to maintain our offices around the world in a sustainable way.

Like many companies this year, our overall environmental footprint has decreased with reduced air and road travel by our employees worldwide. While we do expect to resume some air and road travel in the second half of 2021, we will continue to use the remote working technology that was successfully deployed in 2020, to reduce travel needs. When we do return to the office, employees will not be expected to commute every day, reducing local traffic volume.

All our office space is leased, and we seek out buildings and landlords that comply with local sustainability practices and regulations. Wherever possible, we choose buildings with good access to public transportation and efficient energy and wastewater management practices. We also maintain paper-saving and energy-saving programs at each of our locations.

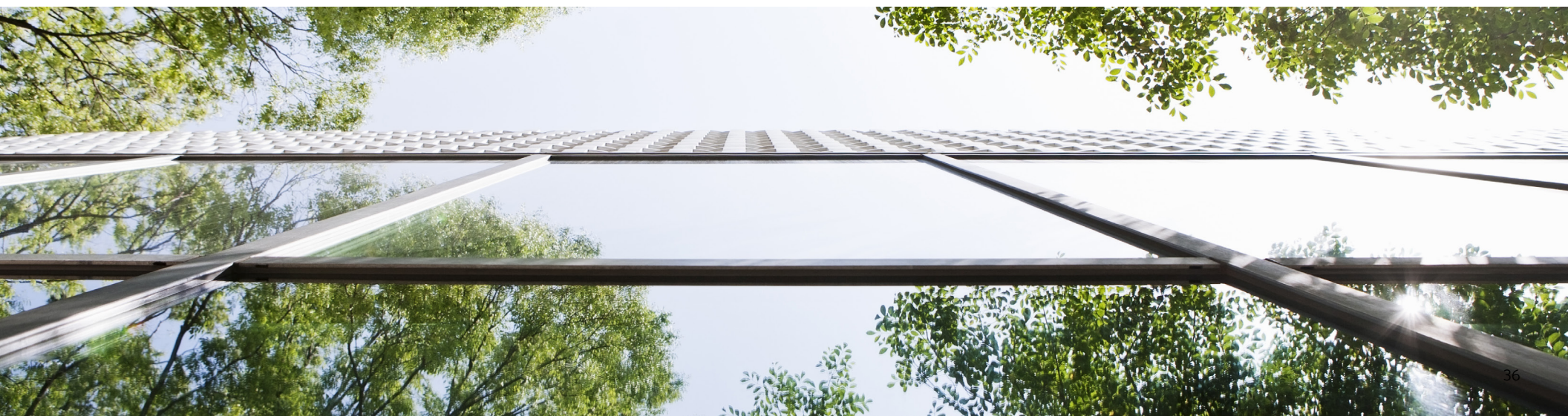
More than 75% of our approximately 1,700 employees are based in one of these locations:

- Bedford, Massachusetts, U.S.
- Houston, Texas, U.S.
- Reading, U.K.
- Shanghai
- Singapore

These are some of our local sustainability features and programs:

Energy Management

- Seasonal adjustment of exterior lighting schedules
- Software to manage energy usage
- Building management system to reduce building energy consumption in off-peak work hours
- LEED Gold certifications and ENERGY STAR ratings
- Light sensors
- Seasonal adjustment of exterior lighting schedules





- Water and Wastewater Management
- Automatic faucets and low-flow flushometers
- Well for irrigation water
- Low-flow faucets, toilets and urinals
- Rainwater recycling
- Low-VOC (volatile organic compound) paints
- Green building initiatives: sustainable purchasing, green cleaning
- HVAC start times and water temperatures
- Zoned air conditioning
- LED lighting
- Air conditioning that meets the Green Mark Platinum standard
- Main building cooling units that operate using variable speed eco-drive motors

Other Practices to Promote Sustainability

- Electric vehicle charging stations
- Metro bus stop
- Shuttle to subway station
- Bike racks and a “bike to work day”
- Recycling programs: office paper, plastic, bottles, cans and glass, light bulbs, cardboard, single-stream, paper shredding and electronic waste
- Limiting printing and reducing color printing

CORPORATE GOVERNANCE IN OPERATIONS

Adhering to effective corporate governance practices is critical for any company, especially in dynamic, fast-changing technology environments. As a market leader, Aspen Technology is committed to the highest standards of ethical business conduct and corporate governance. Every employee is guided by the principles contained in our Aspen Technology Values, and we have adopted corporate policies that drive our overall governance practices.

CODE OF CONDUCT

A code of conduct lays out an organization's expectations and guiding principles for appropriate workplace behavior. Aspen Technology publishes a Code of Business Conduct and Ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions.

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, located 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.

Aspen Technology has 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

Aspen Technology is 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.

BOARD OF DIRECTORS AND COMMITTEES

Robert M. Whelan, Jr. continues to serve as independent chair of the board of directors. By maintaining an independent board chair, we have an environment that is conducive to objective evaluation and oversight of management's performance that can increase management accountability and improve the ability of the board to monitor whether management's actions are in the best interests of our stockholders. As a result, we believe that having an independent board chair can enhance the effectiveness of the board as a whole. Currently, other than Antonio Pietri, our President and CEO, all of the board members are considered to be independent.

Aspen Technology has a rigorous process for identifying and recruiting members of the board of directors. Factors considered include judgment, skills and character, expertise, industry knowledge and

corporate governance knowledge, as well as their ability to commit sufficient time to our board and their focus on driving long-term value for shareholders. We are committed to maintaining a board of directors that represents a diversity of skills and experience relating to financial management, leadership experience, vision and strategic abilities, business operations and judgment.

Aspen Technology's board of directors' governance guidelines include the following components:

- The Nominating and Corporate Governance Committee of the board performs an annual assessment of director performance and considers the composition of the board on an ongoing basis.
- The Compensation Committee of the board approves executive compensation as well as corporate incentive plans and compensation policies.
- The Audit Committee ensures Aspen Technology uses accurate and transparent accounting methods.
- The board of directors uses the definition of independence established by The NASDAQ Stock Market. Under applicable NASDAQ rules, a director qualifies as an "independent director" if, in the opinion of the board, he or she does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

- 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. More information on the director nomination process can be found in the Proxy statement posted on the Investor Relations section of our company website at ir.aspentech.com.
- 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. More information can be found in the Proxy statement posted on the Investor Relations section of our company website at ir.aspentech.com.

Aspen Technology is committed to operating with the highest levels of integrity and in compliance with all applicable law. Aspen Technology provides 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.

Independent Compensation Committee

Aspen Technology’s compensation committee consists of five independent directors: Donald P. Casey (Chair), Robert M. Whelan, Jr. and Georgia Keresty, Tom Bradicich and Amar Hanspal.

- Additional corporate governance information can be found on the Investor Relations section of our company website at ir.aspentech.com.

Stock Ownership Guidelines

Aspen Technology maintains stock ownership guidelines requiring each of our named executive officers and non-employee directors to own our stock with a value related to each individual’s annual salary or cash retainer, as applicable. More information on stock ownership guidelines can be found in the Proxy statement posted on the Investor Relations section of our company website at ir.aspentech.com





FY21 BOARD OF DIRECTORS APPOINTEES

Adriana Karaboutis joined the board of directors in July 2020. Ms. Karaboutis is currently Group Chief Information and Digital Officer at National Grid, where she is responsible for the development of group-wide digital strategy, information systems and services, digital security and risk, and overall security. During her career, Karaboutis has led the digital transformation for several global brands including Biogen Inc., Dell Inc., General Motors Corporation and Ford Motor Company. As EVP Technology, Business Solutions and Corporate Affairs at Biogen, she introduced leading digital partners to build capabilities that deliver value across drug discovery, development and delivery processes through core information technology strategy.

In July 2020, Amar Hanspal was appointed to the board. Mr. Hanspal is currently Chief Executive Officer at Bright Machines, which focuses on factory automation combining robotics, machine vision and machine learning software. Throughout his career, Hanspal has driven digital transformation at a global scale for brands that include Autodesk, Inc. and RedSpark. As co-CEO at Autodesk, Hanspal was instrumental in transitioning the company from an on-premise technology and software licensing model to a SaaS-based products and subscription model.

In March 2021 Karen Golz joined the board. Golz is a retired partner of Ernst & Young (EY), where she held various senior leadership positions during her 40-year tenure, including most recently, Global Vice Chair, Japan (2016-2017). In addition to accounting, financial reporting and audit expertise, Golz brings considerable experience in international and regulatory matters. As Global Vice Chair of Professional Practice (2010-2016), Golz oversaw accounting, auditing, regulatory, tools and methodologies and supported innovation within EY's Global Assurance practice. Prior to that, Golz held the Americas and Global Vice-Chair of Professional Ethics/Independence.

In April 2021, Jill D. Smith was appointed to the board. Smith brings more than 20 years of executive leadership experience, having most recently served as President and Chief Operating Officer and director of Allied Minds plc, an intellectual property commercialization company for technology and life sciences. Previously, she served as Chairman, Chief Executive Officer, and President of DigitalGlobe Inc., a global provider of satellite imagery products and services. In addition, Smith has served as President and Chief Executive Officer of eDial, a VoIP collaboration company, and President and Chief Executive Officer of SRDS, a business-to-business publishing firm.

INFORMATION SECURITY AND PRIVACY

Aspen Technology is committed to safeguarding customer, employee and supplier information and maintaining compliance with evolving government data protection measures. We have put comprehensive measures in place to ensure compliance with current laws, regulations, guidelines and customer/vendor contracts.

- We continually seek to protect against theft, corruption or destruction and to preserve our intellectual property, including trade secrets.
- We strive to create a “culture of security” so that all employees participate in the protection of information assets.
- We train employees on best practices in information security and privacy and publish newsletters and bulletins to keep them informed.
- We ensure that information technology security personnel have advanced training.
- We develop, document, and test comprehensive business continuity and disaster recovery plans to minimize the impact of global events, disasters, and cyber security incidents.

Proper information handling processes in place at Aspen Technology 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
- Continual review of current cyber defenses, identification of possible new defenses and the Privacy and Security policy posted on our website at www.aspentech.com





About Aspen Technology

Aspen Technology (AspenTech) is a global leader in asset optimization software. Its solutions address complex, industrial environments where it is critical to optimize the asset design, operation and maintenance lifecycle. AspenTech uniquely combines decades of process modeling expertise with artificial intelligence. Its purpose-built software platform automates knowledge work and builds sustainable competitive advantage by delivering high returns over the entire asset lifecycle. As a result, companies in capital-intensive industries can maximize uptime and push the limits of performance, running their assets safer, greener, longer and faster.

[aspentech.com](https://www.aspentech.com)

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