

2022/2023

ESG Report

A note on the title of this report: Previously, the titles of our ESG reports referred to the year in which they were published. Moving forward, our reports will be titled to reflect the year of the data covered. This year's report on our 2022 performance is titled the 2022/2023 report and next year's report will be the 2023 report.

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From Our President & CEO

When I joined AspenTech in 1993, our customers faced a wide range of challenges, from how to maximize their output and meet quality standards to increasing efficiencies and driving operational performance.

Today, asset-intensive industries face a Dual Challenge — how to meet the increasing demand for resources from a growing population while also addressing sustainability goals. As a strategic partner and an industry steward, we are trusted by our customers to guide them as they take on this challenge.

With more than 40 years of innovation and deep domain knowledge, we enable asset-intensive industries to advance a wide array of sustainability pathways, from converting oil refineries into biofuel-producing assets to scaling and optimizing hydrogen production to the recycling of plastics.

Over the past year, AspenTech has undergone a transformation that has significantly enhanced our ability to impact the energy transition and sustainability. Our customers recognize how uniquely positioned we are to help them achieve this.

Our transaction with Emerson, which closed in May 2022, added two new solutions to the AspenTech portfolio. OSI Digital Grid Management extends our capabilities into electricity transmission and distribution, while Subsurface Science & Engineering enhances our solutions for carbon storage and geothermal energy. Through our partnership, we are also combining AspenTech's innovative software with Emerson's industry-leading automation portfolio to create joint sustainability solutions for emissions management, energy efficiency, bio-feedstocks, hydrogen, and carbon capture, utilization and storage (CCUS).

With the support of Emerson, we have accelerated our ability to acquire new offerings. Inmation, a leader in industrial real-time information management software, enables customers to generate insights that improve operations and drive their sustainability programs. We also announced an agreement to acquire Micromine, a global leader in design and operational solutions for the mining industry.

To accelerate the development of our long-term sustainability vision and align our product plans with this vision, we recently hired a Chief Product and Sustainability Officer.

FROM OUR PRESIDENT & CEO

AspenTech is also evaluating pathways to achieve net-zero emissions across our own operations. We are developing an environmental sustainability program to reduce our carbon footprint, informed by an assessment of our global emissions.

Environmental sustainability is only part of the picture. AspenTech is also committed to helping our global organization thrive by embracing diversity, equity and inclusion and providing continuous development opportunities for current and future generations of the workforce.

Diversity and inclusion have always been important to me. I was born and raised in Latin America and my heritage is a critical part of who I am. I have always believed that the diversity of AspenTech employees is among our greatest strengths and as our workforce has grown significantly in the past year, we have placed even more emphasis on our corporate value around Diversity, Equity and Inclusion (DEI). We have also made strides in the representation of women and the ethnic / racial diversity of both AspenTech's executive team and the Board of Directors.

Because we recognize that our employees are critical to everything we do, we invest significantly in our own culture of operational and organizational excellence, in training and educational programs and in developing the next generation of leaders.

We understand that our work on diversity, equity and inclusion can never be complete. I — and AspenTech as a whole — am dedicated to continuing our efforts, because we know we are stronger and more successful when we celebrate and appreciate the unique qualities of each employee.

I am honored to serve alongside a talented, experienced and passionate Board of Directors who oversee and support AspenTech's Environmental, Social and Governance (ESG) initiatives, which are a key part of our strategy. More than three

quarters of the Board members are independent, including the Board Chair. Following the close of the Emerson transaction, we took steps to further strengthen our corporate governance including adopting a code of business conduct and ethics for directors, officers and employees and establishing new charters for our committees.

As a software company, we recognize the importance of cybersecurity. Through rigorous processes, advanced tools and continuous employee training, we aim to deliver secure products and help protect our customers so they can securely operate critical infrastructure, like the electrical grid, oil and bio refineries and chemical plants.

It's been an exciting year at AspenTech, one in which we transformed our capabilities to address the Dual Challenge and made significant progress in our ESG initiatives. It is important for me to recognize that our employees, customers and partners deserve a large measure of the credit. With their talents, passion and innovative spirit, I look forward to continuing our leadership role in achieving a more sustainable future.



Antonio


Antonio Pietri President & CEO

Our Business

Over 40 years ago, AspenTech was founded, developing first-of-its-kind software to enable process manufacturers to achieve new levels of operational efficiency and performance, which quickly proved critical to addressing the challenges industry and society faced.

Today, as the world confronts the challenge of climate change, our technology and expertise are more important than ever before.





Our unique portfolio of solutions enables our customers in a range of asset-intensive industries to optimize performance across their value chain, improve resource efficiencies, accelerate energy transition and decarbonization, and create new pathways towards a circular economy.

AspenTech's strategy is focused on digitally transforming the industries we serve by optimizing their assets to run safer, greener, longer and faster. Our industry-leading software is founded on first principles of engineering and deep expertise in engineering modeling, simulation and optimization. Our innovative use of artificial intelligence and machine learning helps drive greater insights to increase throughput, predict potential equipment failures or process issues before they impact operations, enabling companies to meet their sustainability and operational goals.

Over the past year, we completed several strategic transactions and enhanced our partnership with Emerson, extending our offerings into new markets and applications which will play important roles in sustainability progress for decades to come.

Today, AspenTech has approximately 3,700 talented employees in 40 countries who share a deep commitment to helping over 3,000 customers reach their operational and sustainability goals now and for the future.

The world is facing a very real and urgent challenge in climate change, one that demands dedication and innovation and AspenTech is ready to take on this challenge.

AspenTech Has Undergone a Transformation

Over the past year, we completed several transactions that extend our technology leadership and enhance our position in industries that will play critical roles in creating a sustainable future.

May 2022

Closed the transaction with Emerson, created a partnership between a global industrial automation leader and an industrial software leader. This unique combination enables the companies to jointly provide innovative sustainability solutions to our shared customers.

The transaction also brought the talented teams from OSI and Subsurface Science & Engineering into AspenTech.

Digital Grid Management from OSI provides the critical capabilities for modernization and resiliency of electricity transmission and distribution, including the growth of renewables into the grid.

Subsurface Science & Engineering suite provides advanced capabilities for modeling and simulation of geological structures and materials, essential for carbon storage and geothermal energy.



October 2022

Acquired Inmation and created AspenTech DataWorks providing a comprehensive industrial data management solution and enabling customers to create actionable insights to improve operations and sustainability programs.



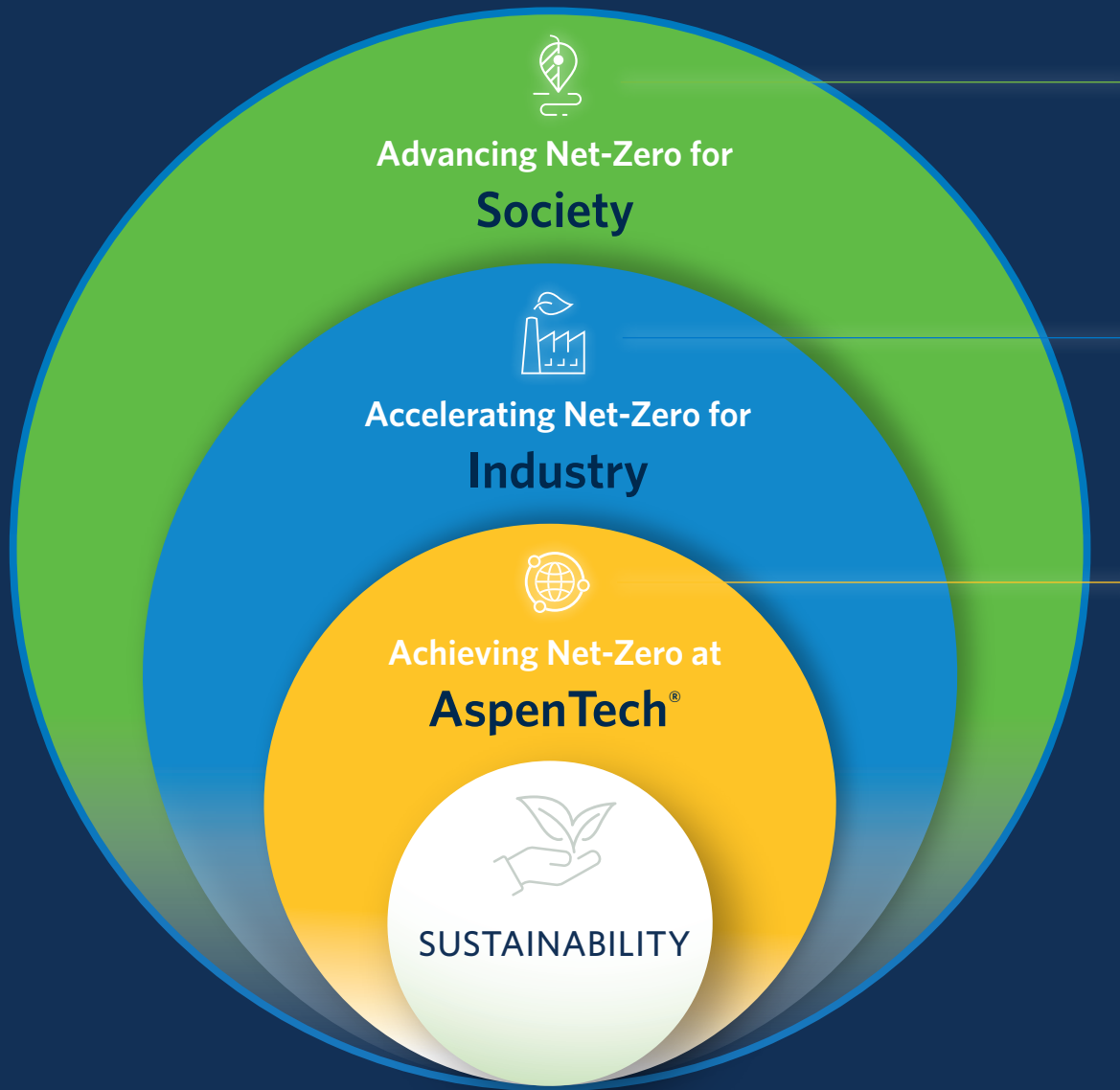
Environmental Sustainability

Over the past year, AspenTech has made significant progress in our sustainability journey for our company, industry and society.

As a software company our environmental footprint is relatively small. However, our solutions help customers in the asset-intensive industries make significant strides in improving the sustainability of their operations while maintaining profitability. We are collaborating and co-innovating with customers and partners around the globe to achieve a more sustainable future.



AspenTech Sustainability Framework



We collaborate and co-innovate with stakeholders and organizations to advance sustainability pathways and help society achieve a net-zero world.

We work with our customers to help make their sustainability goals a reality. AspenTech's innovative solutions enable asset-intensive industries to reach their net-zero goals.

We are driven to create a more sustainable future. AspenTech is committed to improving our environmental performance towards net-zero operations.

At AspenTech, sustainability is a commitment and a passion and will remain at the core of our work in the critical decades to come.

The Dual Challenge

The catalyst driving AspenTech's sustainability efforts — our mission — is the Dual Challenge: helping our customers meet the increasing demand for resources from a growing population with rising standards of living, while also addressing their sustainability goals.

The importance of finding a solution to this challenge will only grow more urgent. By 2050, global demand for energy is expected to increase by 50 percent according to Energy Information Administration (EIA) forecasts¹. Electricity generation is predicted to grow by 75 percent, with as much as 90 percent of the increase coming from renewable sources.² To accommodate the growth in renewable energy, spending on electrical grids is expected to increase from \$320 billion today to more than \$740 billion by 2030². As electrification increases, demand for metals such as lithium may increase up to fortyfold by 2040 and demand for cobalt could increase by 25 times.³

(1) International Energy Outlook 2021, EIA, October 2021
 (2) World Energy Outlook Report 2022 — IEA Rev November 2022
 (3) Lithium supply from mineral will lead the growth, Wood Mackenzie, March 2022

Sustainability in Action

Achieving Sustainability at AspenTech

Over the past year, working with an independent third-party consulting firm, we have measured our global greenhouse gas emissions. As a software company we have a relatively modest environmental footprint. Scope 1 and 2 emissions predominantly result from the use of natural gas and electricity in our office workplaces. Procured goods and services, business travel and employee commuting are the greatest contributors to our Scope 3 emissions.

tCO ₂ e	2019	2020	2021
Scope 1	723	711	689
Scope 2	6,074	6,508	7,064
Scope 1 + 2 Intensity / Sq Ft.	0.015	0.014	0.013
Scope 1 + 2 Intensity / Employee	2.091	2.024	2.133

AspenTech's GHG inventory aligns with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and Scope 2 Guidance.

We have established a new leadership role which will be responsible for developing clear and actionable plans to reduce our emissions globally, utilizing both internal resources and external specialists. Cross-functional teams will identify and prioritize emissions reduction initiatives.

AspenTech employees and management are passionate about our sustainability focus and their active engagement in our programs will help to make our goals a reality.

Accelerating Sustainability for Industry

Thousands of companies in asset-intensive industries rely on our world-class software to optimize the performance of their operations while making them more sustainable. Our commitment to sustainability is not new; it has been a key focus since the founding of the company. For more than four decades, AspenTech has applied its expertise to create solutions that enable industrial facilities to run safer, greener, longer and faster.

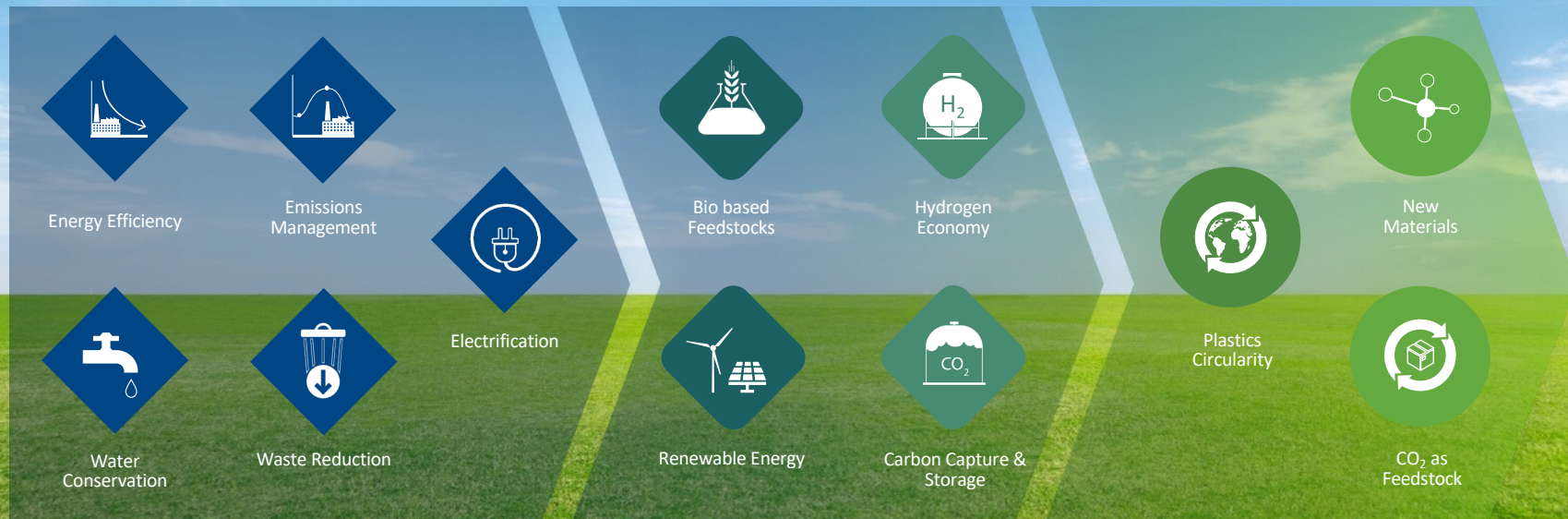
Our software incorporates some of the most advanced engineering knowledge in the world and is at the core of how asset-intensive industries design, operate and maintain their operations. Those capabilities are proven to optimize productivity, reduce energy usage and emissions, and minimize waste. Today, they are also at the forefront of enabling major advancements in sustainability such as upgrading refineries to process bio-feedstock and produce green fuels,

capturing and utilizing carbon dioxide and the scale-up of renewable energy to integrate into the electrical grid. We are also pioneering new, innovative solutions to support sustainability by collaborating and co-innovating with customers around the world on topics such as new processes for green hydrogen, as well as plastics and battery circularity.

To help customers identify and implement the sustainability pathways that will be most impactful to their operations, we established a new Sustainability business group. This group brings together deep domain expertise and technology to co-innovate solutions with customers. This effort has already produced the first commercial solution.

We have also developed more than 100 sustainability models aligned with these pathways based on existing capabilities in our products to help customers accelerate progress towards their net-zero goals.

Sustainability Pathways to Address the Dual Challenge



We engage in strategic partnerships across the industry to develop cutting-edge solutions. In December 2022, AspenTech announced a partnership with Aramco, one of the world's leading integrated energy and chemicals companies to provide a unique modeling and optimization solution for Carbon Capture and Utilization (CCU). Under the agreement, AspenTech licensed the technology and will incorporate it as part of our broader capabilities to reduce carbon emissions. The combined solution will enable customers to adopt carbon management strategies that optimize and accelerate sustainable operations.



Aramco and AspenTech will combine their strengths to bring together integrated modeling and optimization to help make informed decisions on carbon strategies and ultimately to help meet sustainability targets."

DR. BASHIR DABBOUSI
DIRECTOR OF TECHNOLOGY STRATEGY
AND PLANNING, ARAMCO

Sustainability is a rapidly evolving space and we have created multiple forums for the exchange of ideas between AspenTech and our customers as we learn from each other. Our Innovation Clubs bring together dozens of customers each month to discuss the application of our technology to solve their top challenges, including sustainability. Our Sustainability Advisory Boards are industry- and region-specific groups of customers who provide detailed input on their sustainability objectives and requirements and help guide our innovation.

We were proud to be recognized by Fast Company in its top 10 list of The Most Innovative Companies in Manufacturing of 2023, for our role in making asset-intensive manufacturers more efficient and sustainable.

Advancing Sustainability for Society

At AspenTech, sustainability is not simply a buzzword — it is our purpose. We are committed to helping achieve a net-zero world. As part of that commitment, we actively engage in thought leadership events and contribute our deep expertise to advance solutions to the urgent challenge of climate change.

This past year, we had a significant presence at ADIPEC, the world's largest gathering for the energy industry and COP27, shorthand for the 27th Conference of the Parties to the United Nations Framework for Climate Change. The biggest takeaway from both — and a key reason for AspenTech's engagement — was the resounding message that asset-intensive industries are among those best able to contribute to greenhouse gas reduction and innovate the pathways to a more sustainable future.

To help customers and partners make their sustainability goals a reality, AspenTech created a Sustainability Competency Development Program — 18 courses designed to provide up-to-date knowledge on how to leverage digital technologies to create sustainability solutions. To date, more than 2,000 individuals have completed the program and AspenTech supports participants after they have concluded the courses, as they integrate the lessons learned into their operations.

Creating the “New” AspenTech

This past year was among the most transformational in AspenTech’s history, resulting in an expanded portfolio serving new industries and applications.

The transaction with Emerson, completed in May 2022, created a partnership between a global industrial automation leader and an industrial software leader. This unique combination enables the companies to jointly provide innovative sustainability solutions to our shared customers.

The Emerson transaction also brought two new software businesses to AspenTech — Digital Grid Management and Subsurface Science & Engineering.

The Digital Grid Management suite provides the critical capabilities for modernization and resiliency of electricity transmission and distribution. Renewables, such as wind and solar, are the

fastest-growing sources of electricity globally, but their output is variable and presents challenges in matching supply and demand. New demands for clean electricity to power electric vehicles, homes, business and industry must be satisfied reliably. And the proliferation of distributed energy resources (DERs) such as solar panels on homes and businesses means that traditional consumers are now also producers of electricity. AspenTech’s Digital Grid Management software is at the center of addressing these highly complex and critical challenges of managing today’s electrical grid.

Combining the Digital Grid Management capabilities with AspenTech’s proven expertise in process modeling and operations is also accelerating green hydrogen and ammonia projects, including offshore wind-to-hydrogen facilities at scale.



The Subsurface Science & Engineering suite provides advanced capabilities for modeling and simulation of geological structures and materials. Traditionally used to optimize hydrocarbons exploration and production, these technologies are critical to many new sustainability solutions. Much of the carbon dioxide captured at either industrial facilities or through Direct Air Capture (DAC) will be stored underground, requiring a thorough understanding of subsurface structures. The technology is also used in the development of geothermal energy projects.

Our enhanced partnership with Emerson also allowed us to be more acquisitive to further enhance AspenTech's existing industry-leading solutions.

In October 2022, AspenTech announced the acquisition of **Inmation**, a provider of enterprise data management solutions that enable customers to integrate, manage and contextualize the vast amounts of data they collect and connect it to real-time insights that can drive improvements in operations and sustainability.

We have also announced an agreement to acquire **Micromine**, which will give AspenTech the ability to deliver end-to-end optimization solutions for the metals and mining industry. With technologies that address everything from geological modeling to mine planning and scheduling to design and operational management, these solutions are critical to responsibly and sustainably deliver the resources required for global electrification and energy storage.



CASE STUDY

SOCAR

Effective Waste Heat Recovery Reduces Emissions by 5%

The Challenge and Opportunity

SOCAR has a corporate goal to reduce greenhouse gas emissions by 35 percent by 2030. As part of this initiative, they targeted their acrylonitrile (ACN) process, which consumes a significant amount of energy. ACN is a basic chemical that is used to produce fibers and rubber products.

SOCAR saw an opportunity to recover waste heat from the process, use it to generate steam and thereby improve the plant's energy efficiency by reducing gas consumption and associated emissions.

The Solution

With AspenTech's modeling software, SOCAR developed an end-to-end model of the ACN process, equipment design and operating limits. The software combines engineering first-principles with artificial intelligence. An integrated model like this enables SOCAR to evaluate all the variables simultaneously and determine the best way to operate the facility to maintain production while optimizing energy efficiency.



The Result

36%

Improved waste heat recovery

5%

Reduction in plant's overall emissions



Aspen AI Model Builder (AIMB), part of Aspen Hybrid Models, takes it to the next level. With Artificial Intelligence you will obtain results closer to reality. And by adding the model to the simulation, we can evaluate the effect of the reactor in other equipment. Aspen Hybrid Models help to easily create kinetics using plant data. The model is very quick, creating a model in just a few days."

AYTAC DEMIRELLI
SENIOR PROCESS ENGINEER, SOCAR



Energy Efficiency



Emissions Management

CASE STUDY

Salt River Project

Modernizing the Electrical Grid and Delivering Renewable Energy

The Challenge and Opportunity

The third-largest public utility in the U.S., the Salt River Project (SRP) provides reliable electricity to more than 1 million customers in the greater Phoenix, AZ area. SRP manages a vertically integrated generation, transmission and distribution network.

Like many utilities around the world, SRP was faced with the challenge of managing rapidly-expanding renewable energy resources — like solar and wind — and handling bidirectional power flow and integration of intermittent power sources in the overall system.

The Solution

Using AspenTech's Digital Grid Management software, SRP now has an advanced energy management system that includes transmission, distribution and outage management. The company is also working to deploy an advanced distribution management system (ADMS) by March 2024. The solution adds grid resiliency today and positions SRP to integrate significant additions of renewable sources in the future. SRP employees are also trained using an operator training simulator.



The Result

1M+

Customers served with reliable electricity

2,800

Square miles covered in providing visibility and management

480+ MWs

Of distributed energy resources managed, with plans for significant expansion of renewables



OSI — now AspenTech — has been our partner since 2006 in reliable and secure electric operations and in enabling grid modernization technologies such as distributed energy resource management."

SALT RIVER PROJECT, ARIZONA, US



Renewable
Energy

CASE STUDY

Hindustan Petroleum (HPCL)

Modeling of Bio-Based Feedstock to Produce Green Diesel Blend

The Challenge and Opportunity

The growing demand for green fuels is driving refineries around the world to begin processing bio-based feedstocks. The different chemical properties of these feedstocks present many challenges to the way refineries operate.

HPCL, which runs one of the most modern and complex refineries in India, sought to incorporate a bio-based feedstock — used cooking oil — into their operations as part of their sustainability initiative to produce greener fuels. Their goal is to process 10% of all used cooking oil in India.

The Solution

Using AspenTech’s molecular modeling capabilities, HPCL created a detailed model of their entire refining operation, including the hydrodeoxygenation (HDO) unit, allowing them to characterize the used cooking oil feedstock.

HPCL could then optimize refinery operations to process the cooking oil together with other conventional feedstocks to produce green fuel.



The Result

5%

Green diesel blend in reliable production



The need of the industry is to accelerate the deployment of technology and scale it economically. In our (efforts) to achieve this, we have extensively used AspenTech simulation technology and molecular-based reactor models for our process development studies, design and production optimization."

JITALAXMI BHARALI
MANAGER PROCESS DESIGN & SCALE-UP, HPCL



Bio based
Feedstocks

Social Impact

The transformation of AspenTech over the past year was not limited to our portfolio and capabilities. It also significantly changed the composition of our company.

Welcoming our new colleagues from Emerson's Digital Grid Management and Subsurface Science & Engineering organizations, along with Inmation, we now have approximately 3,700 employees located in 40 countries around the world — all of whom play an invaluable part in enabling our success and partnering with customers to deliver value through our solutions.

Through these changes, we remain committed to our culture, core values and ongoing investment in our employees' professional and personal growth.

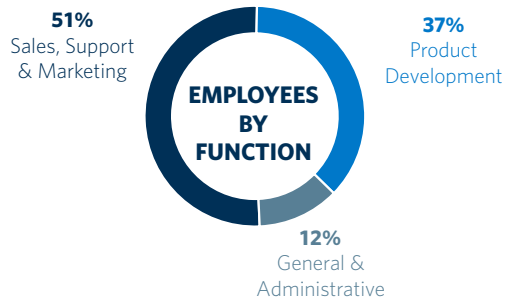


Our Workforce

As of Dec. 31, 2022

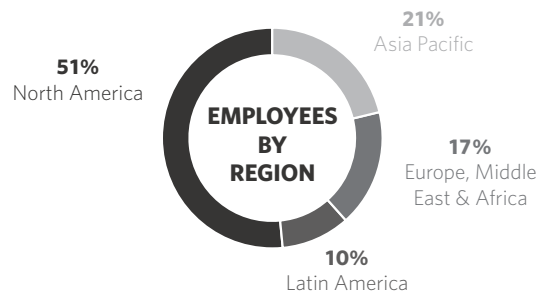
~3,700

Total full-time employees



~40

Countries



AspenTech Corporate Values

At AspenTech, we strive to live by our corporate values every day. These form the foundation of our culture and provide the guiding principles that help employees make the best decisions to achieve our overall mission.



INTEGRITY

Follow through on commitments, be responsible for your actions and words, act with honesty and respect and always do the right thing.



CUSTOMER FIRST MINDSET

Our customers are central to our success and supporting their goals informs decision making at all levels of our organization.



DIVERSITY, EQUITY AND INCLUSION

Promote an inclusive culture; be an advocate of equal opportunities for all and support your peers through actions, not just words.



INNOVATION

Use your intellectual curiosity to explore new ideas, reimagine tomorrow and create future value for our customers.



COLLABORATION

Encourage fresh ideas to make better decisions, seek alignment and work together for better results.



COMPETITIVE SPIRIT

Always be learning and improving, refuse to lose, work to accomplish your goals and deliver results.



ENTREPRENEURIAL THOUGHT AND ACTION

Assess and take risks, identify and seize opportunities, expand your horizons and grow from the experience.



EXECUTION

Pay attention to the details, empower others to do their best work and act with speed and purpose to achieve success.

Diversity, Equity and Inclusion

We recognize that the source of our innovation and expertise is our employees and the novel and impactful ideas result from people with varying backgrounds, experiences and perspectives working together. Our Diversity, Equity and Inclusion (DEI) initiative combines company-led programs with employee-led activities and focuses on employee development and retention, as well as recruiting. We recently hired a dedicated Diversity, Equity and Inclusion leader to accelerate these efforts.

Building a diverse and inclusive workforce is a pillar of AspenTech’s culture. Through our DEI efforts, we are committed to increasing the representation of women and minorities in our workforce and in managerial positions globally, with an understanding that a more diverse workforce will enhance innovation and employee engagement.

As of Dec. 31, 2022

Gender Representation of Global Employees (%)			
	FEMALE	MALE	NOT DECLARED / BLANK*
Management	25%	73%	1%
Technical Staff	25%	72%	2%
All Other Employees	32%	67%	1%

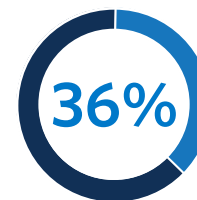
*Not Declared / Blank = Employees who have chosen to not declare their representation or response left blank

As of Dec. 31, 2022

Racial / Ethnic Group Representation of U.S. Employees (%)						
	ASIAN	BLACK OF AFRICAN AMERICAN	HISPANIC OR LATINO	WHITE	OTHER*	NOT DECLARED / BLANK*
Management	21%	2%	4%	66%	0%	7%
Technical Staff	30%	3%	2%	56%	2%	7%
All Other Employees	17%	5%	8%	60%	2%	8%

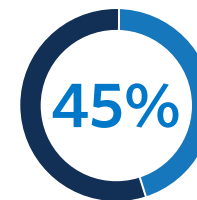
*Other includes the classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races"
*Not Declared / Blank = Employees who have chosen to not declare their representation or response left blank

As of Mar. 1, 2023



CEO Direct Reports that are Women

As of Mar. 1, 2023



CEO Direct Reports that are of Diverse Race/Ethnicity

Diversity, Equity and Inclusion Pillars

- 01** Proactively identify, attract, engage and retain a globally diverse workforce.
- 02** Promote DEI training, external engagements, development opportunities and total rewards.
- 03** Foster an environment where every employee feels responsible for advancing diversity and inclusion excellence.
- 04** Measure DEI effectiveness and ensure accountability of inclusion across AspenTech.

Our employee-led DEI Forums continue to experience high levels of engagement. The four chapters each organize and lead regular activities for all employees throughout the year, with a focus on educating, encouraging and engaging underrepresented groups across the workforce. All chapters have expanded this year to include members from the new organizations and businesses that have joined AspenTech.

The Women’s Leadership Forum (WLF)

The WLF focuses on inclusivity and fostering a culture of equality, fairness, safety and respect. This year, the group’s activities included a global workshop on leadership, members attended the Massachusetts Conference for Women and the Houston team hosted an interviewing skills session for women in their local community. We recognized the women engineers in our company during our annual celebration of International Women in Engineering Day.

The Black Leadership Forum (BLF)

The BLF works closely with AspenTech’s talent acquisition team on partnerships with HBCUs (Historically Black Colleges and Universities) to support the recruiting of top talent. They also advise Human

Resources on the unique challenges Black colleagues face. Among the events featured this year was a workshop on unconscious bias, along with a dedicated e-learning path for reinforcement.

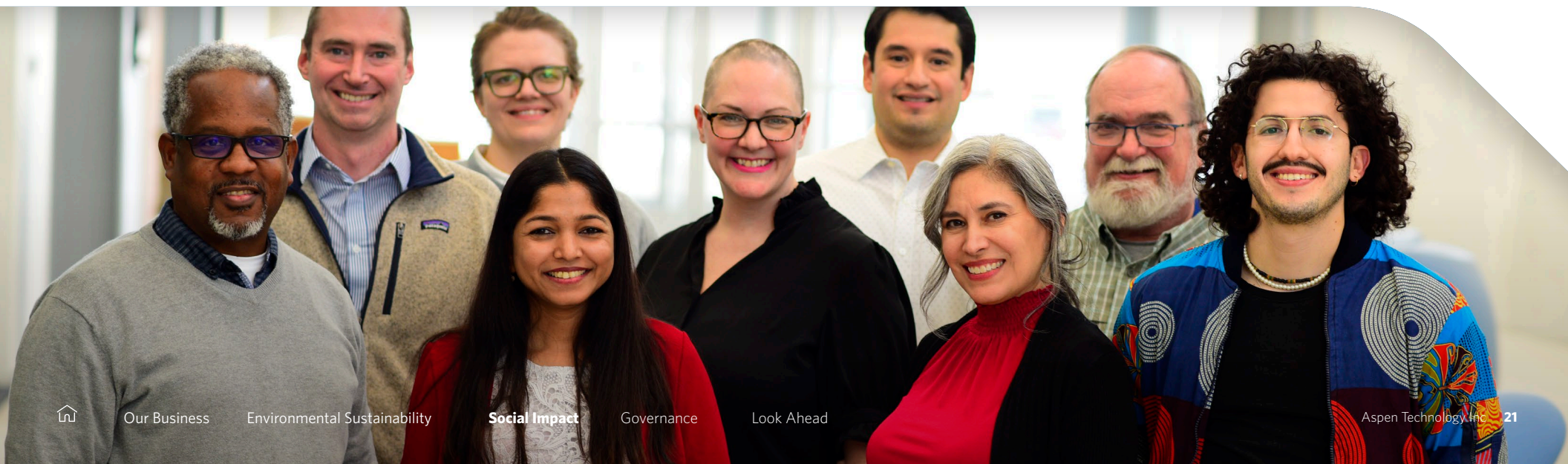
The LGBTQ+ Forum

The LGBTQ+ Forum works to provide a culture at AspenTech that leads with respect and integrity. Those efforts were particularly reflected during Pride Month in June 2022. The group also worked to promote a Pride Summit at the Mexico City offices of AspenTech as part of an effort to support and attract the local LGBTQ+ community.

Latinx Forum

The Latinx Forum’s active engagement at AspenTech reflects our significant presence in Latin communities, most notably Mexico City. This year featured celebrations of Mexican Heritage month around the world and workshops on career development for Latinx employees.

AspenTech is actively working with employees to support and grow the DEI Forums.



Growing Within — Talent Development at AspenTech

For those who join the AspenTech team, there are myriad opportunities for skills enhancement and leadership development.

Over the last five years, AspenTech has made significant investments in our learning and talent development programs, with a particular focus on building the skills of current managers and those who have ambitions of growing into management positions. Our goal is to foster a culture of lifelong learning and a desire for top performers to stay at AspenTech. Our key programs for talent development include:

Emerging Leaders — In partnership with Cornell University, this nearly year-long course gives participants the opportunity to apply various business fundamentals to the AspenTech business and culminates in a presentation to the CEO and executive team. Since 2018, more than half of program participants have been promoted and we have improved employee retention among this group.

Leadership 2.0 — This program focuses on building the people skills of management, including motivation, communication, goal development and giving feedback. It provides a deeper understanding of the differences between management and leadership and how to balance these two skills for a successful career at AspenTech.

Women in Leadership Program — Created to support the leadership journey of some of our highest potential women, the program focuses on building skills as a cohort through Cornell University. Based on the positive experience, the program will be expanded in the coming year.



Coaching and Mentoring — Mentorship is widely recognized as one of the keys in employee development, relationship building and career success. Our mentorship program enables employees at all levels and skills to be a mentor, be mentored, or both.

LinkedIn Learning & e-Learning — Through our partnership with LinkedIn Learning and our internally-created e-Learning programs, we offer over 15,000 courses to all employees. This enables self-paced and self-guided learning and skills development. Over the past year, employees participated in more than 3,500 courses and viewed more than 7,000 hours of e-Learning content.

As we continue to grow and evolve as a company, we continually enhance our training and development programs to meet the needs of our employees and build the critical skills required to propel AspenTech into the future.

Educating and Inspiring the Future Workforce

In addition to providing educational opportunities for our employees, AspenTech also provides a wide range of competency development and organizational excellence programs for customers and students. Under the AspenTech University banner, we offer training and certification on the use of our solutions and products, best practices, industry domain expertise and sustainability competencies.

120+

Curriculum Courses

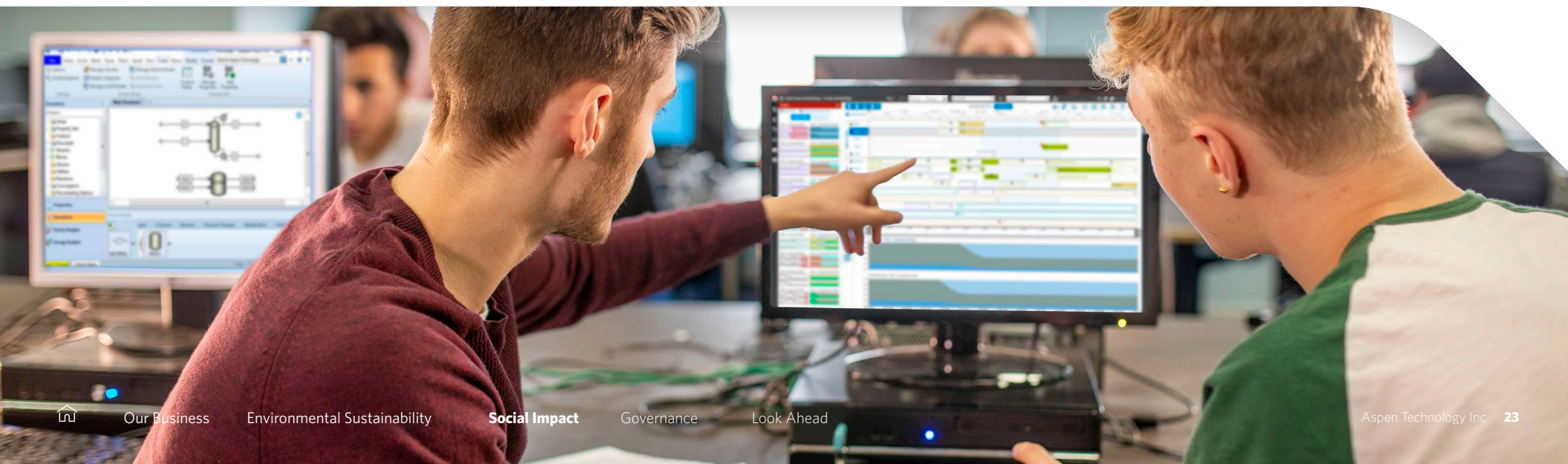
18

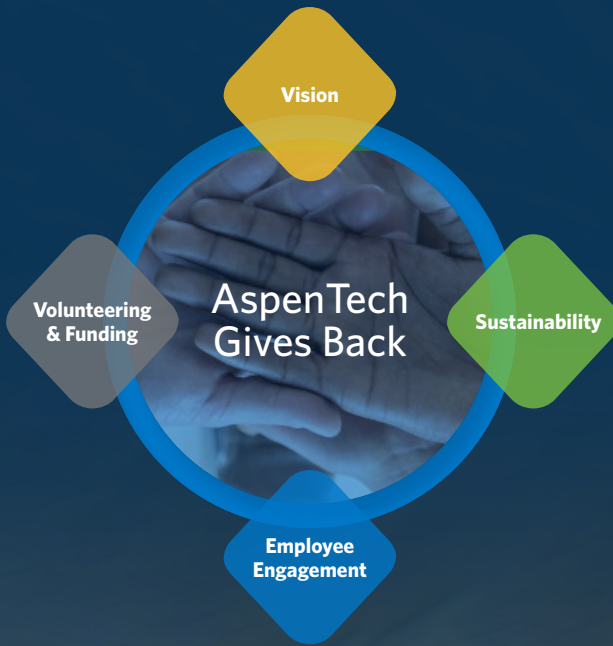
Sustainability Courses

330+

eLearning Modules

Each year, AspenTech University trains approximately 10,000 individuals through more than 1,000 classes, which are offered through a variety of flexible learning options, including public training in classrooms, virtual, or on-demand format, private training tailored to individual needs, e-Learning and one-on-one coaching.





College Student Program

For decades, AspenTech has actively supported the development of the next generation of engineers and scientists, educating them on the tools used by asset-intensive industries to design, operate and maintain processes and assets.

Over 1,300 universities in more than 80 countries utilize AspenTech software, along with more than 140,000 active student users. Through access to our applications and training modules designed specifically for students, we are helping ensure tomorrow's workforce is not only knowledgeable in their field but is also able to apply that knowledge through the latest technology.

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. As part of this initiative, employees are encouraged to take a paid day to volunteer as a team or individual to help their community.

We optimize our impact by focusing AspenTech Gives Back on environment-related initiatives and we connect our efforts to a broader ecosystem of businesses and organizations that share our passion for sustainability.

In September 2022, employees participated in World Cleanup Day, a now annual activity for AspenTech. Around the world, our employees worked to clean up their local environment. Their effort complements AspenTech's work with the Alliance to End Plastic Waste and showcases our employees' commitment to providing a more sustainable future.

AspenTech locations around the globe also celebrated Earth Day. As part of the events, employees heard from Jo Ruxton, founder of @OceanGeneration, visited the FUTURES exhibit at the Smithsonian Institution in Washington D.C. and helped educate future generations about Earth Day at Siem Reap, Cambodia.

A Few Examples of AspenTech Gives Back Activities Throughout 2022 Include:

In March 2022, AspenTech Gives Back donated \$100,000 to GlobalGiving in support of Ukrainian relief efforts. In addition, employees donated another \$15,000, which was matched dollar-for-dollar, bringing the total amount to \$130,000.

Our Singapore team volunteered at Food from the Heart where they brought and packed food to be delivered to the local community, reducing food insecurity in their immediate area.

The Houston AspenTech Gives Back team held a coordinated volunteer event with Buffalo Bayou Partnership, during which employees planted trees and cleared invasive plants to preserve native vegetation. The group also donated funding to help support green activities in the Houston area.

AspenTech employees in the Boston area volunteered at Cradles to Crayons, a local organization that ensures children from birth to age 12 have the essentials they need for home, school and play. Our team helped complete all outstanding orders for year-end 2022 — providing warm clothes, diapers, boots, books and more to those in need.



Around the World: AspenTech Gives Back donated \$100,000 to GlobalGiving.



Singapore: Volunteered at Food from the Heart.



Houston: AspenTech Gives Back team volunteered with Buffalo Bayou Partnership.



Boston: Volunteered at Cradles to Crayons.



Singapore: The local team participated in a Clean4Change beach cleanup.



Boston: The Bedford team hosted a local cleanup day.

Governance

Refreshed governance ensures robust independent ESG oversight.

Our Board of Directors provides independent oversight of management's execution of our business strategy and maintains corporate governance practices to drive outcomes that are aligned with stockholders' long-term interests.



The Board is committed to ensuring direct, independent oversight of management's execution of our business and ESG strategies that we believe will create sustainable value for all stakeholders. Our Board has established corporate governance practices that facilitate effective oversight while ensuring outcomes are aligned with stockholders' long-term interests."

JILL D. SMITH
INDEPENDENT BOARD CHAIR

In May 2022, our strategic transaction and enhanced partnership with Emerson was completed. As part of that transaction, Emerson acquired a controlling interest in our company by contributing cash and complementary software businesses. As a result, AspenTech qualifies as a controlled company under Nasdaq rules and is therefore not required to have a majority independent board. Despite this exemption, the AspenTech Board believes that providing independent oversight of management is critical and took several actions in 2022 to represent the interests of our stockholders, especially those independent of Emerson.

Independent Board Chair

The Board believes that an independent Board Chair can enhance the effectiveness of the Board as a whole and facilitate the objective evaluation and oversight of management.

Jill D. Smith, independent Board Chair, has the authority, among other things, to determine the scheduling of meetings or stockholder meetings, chair stockholder meetings and call a special meeting of stockholders, if necessary.

Substantial Majority-Independent Board

The Board comprises of seven independent directors plus Antonio J. Pietri, President & CEO of AspenTech, and Ram R. Krishnan, EVP & COO of Emerson.

These directors were selected so that the Board, as a whole, has the necessary skills and expertise in light of AspenTech's strategic plans to create sustainable stockholder value.

Annual Director Elections

To provide accountability to stockholders, the Board determined that all directors should be elected for one-year terms beginning with the December 2022 annual meeting of stockholders.

Directors are elected by majority of votes cast standard and are subject to the policy that any director who receives more withheld votes than votes for such election in an uncontested election must submit an offer of resignation to the Nominating and Corporate Governance Committee, which shall consider all relevant facts and circumstances and recommend to the Board the action to be taken with respect to such offer of resignation.

Board Committee Assessment

The Board reviewed and refreshed the Committee Charters for each of the Audit, Nominating and Corporate Governance and Human Capital committees.

To protect the interests of unaffiliated stockholders, the Board established a rigorous review process for certain material transactions between AspenTech and Emerson.

Appropriate Board Composition

The Nominating and Corporate Governance Committee of the Board, at least on an annual basis, performs an assessment of the skills and the experience needed to oversee the interests of the company, keeping in mind the Board’s commitment to diversity of skills, experience, perspectives and background, including geographic location, nationality, culture, gender, sexual orientation, ethnicity, race and age.

As a result of this rigorous process, we have assembled a world-class Board with a diversity of skills, expertise and perspectives to provide independent oversight of management.

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.

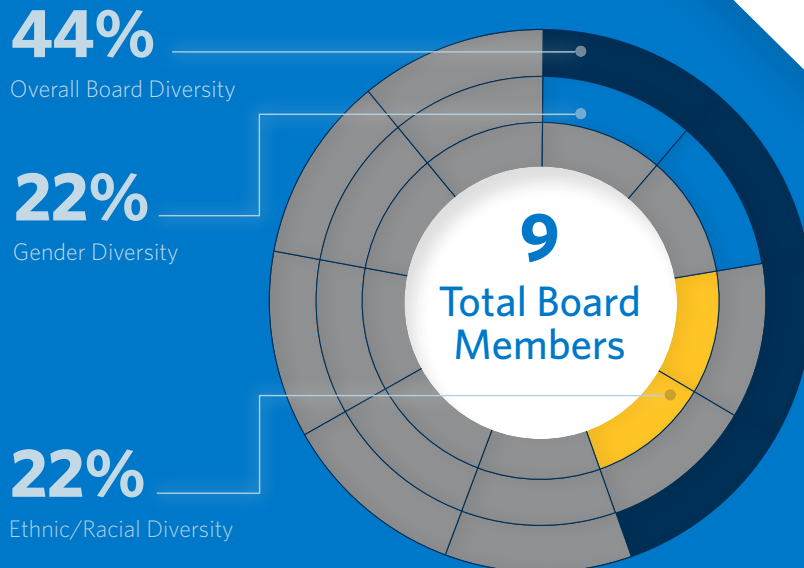
The Human Capital Committee approves executive compensation as well as corporate incentive plans and compensation policies.

The Audit Committee provides oversight of the accounting and financial reporting processes of the company to support the company’s use of accurate and transparent accounting practices.

Directors are elected by majority of votes cast standard and are subject to the policy that any director who receives more withheld votes than votes for such election in an uncontested election must submit an offer of resignation.

Related-party transactions are governed by written policies and procedures to provide independent oversight of potential conflicts of interest. A related person who proposes to enter into a related-party transaction must report the proposed transaction to our general counsel under the terms of our policy. The policy calls for the proposed related-party transaction to be reviewed and, if deemed appropriate, approved by the Audit Committee.

Summary of Board Diversity



ESG and Risk Oversight

Full Board of Directors

The Board is responsible for assessing and overseeing overall risks facing our company. Oversight of the company's ESG matters is designed to identify, prioritize, assess and monitor our ESG policies and initiatives. Key Board Committees provide additional risk oversight within their specific areas of responsibility.

Audit Committee

- Oversees the company's policies for risk assessment and management, including ESG related risks.
- Oversees the company's internal accounting controls for financial reporting, the Company's Code of Conduct and Ethics and disclosure controls and procedures.
- Reviews and oversees the implementation of our policies and procedures related to cybersecurity risk assessment and management.
- Oversees the company's independent auditors and reviews our audited financial statements and other financial disclosures in addition to overseeing the performance of our audit function.

M&A Committee

- Reviews the company's M&A strategy.
- Reviews specific transactions.
- Reviews the integration of closed transactions.

Human Capital Committee

- Periodically reviews the company's overall executive compensation principles and structure.
- Reviews and assesses risks arising from the company's employee compensation policies and practices and ensures that our pay-for-performance philosophy does not inadvertently encourage employees to assume unnecessary or excessive risks.
- Periodically reviews that the level of equity ownership of executive officers and non-employee directors is appropriate.
- Oversees our human capital management, including diversity, equity and inclusion initiatives.
- Periodically reports to the Board on succession planning for the CEO and such other executive officers as the Board may request or the committee determines is appropriate.

Nominating and Corporate Governance Committee

- Develops and recommends to the Board a set of corporate governance principles.
- Develops and maintains a director succession plan for the Board.
- Reviews and considers the company's position on issues of corporate social responsibility that are of interest to the company's stakeholders such as social and environmental matters.
- Oversees the ESG strategy, including reviewing any social responsibility report issued by the company.
- Considers factors relevant for director nominees, including in light of applicable diversity objectives of the company.
- 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.

Management's Role in ESG

Management implements the company's ESG strategy and provides the Board with regular progress updates

ENVIRONMENTAL

Designated executive responsible for assessing global emissions footprint and evaluating programs to achieve carbon-reduction goals.

Regular updates are provided to the Nominating and Corporate Governance Committee.

Added a dedicated Sustainability Director to lead environmental initiatives.

SOCIAL

Designated executive responsible for reporting on such matters as diversity metrics, talent acquisition, talent retention, employee engagement, critical roles and succession planning.

Regular updates are provided to the Human Capital Committee.

Added a dedicated Director DEI to lead Diversity, Equity and Inclusion initiatives.

GOVERNANCE

Designated executive responsible for managing corporate governance and legal matters.

Regular updates are provided to the Nominating and Corporate Governance Committee.

Designated executive responsible for managing M&A activities.

Regular updates are provided to the M&A Committee.

Cybersecurity and Data Privacy

At AspenTech, we are continuously advancing and investing in our cybersecurity and governance program, led by a Chief Information Officer & Chief Information Security Officer. We have adopted the NIST security framework and we are focusing on people, process and technology. AspenTech has created a structure and governance model to track and benchmark against industry best practices, which our Chief Information Security Officer works with the Chief Financial Officer and the Audit Committee to incorporate into AspenTech's Enterprise Risk Management systems.

AspenTech's internal assessment indicates strong data protection controls, data privacy, incident detection and secure software development lifecycle. These findings are corroborated by the company's increasing cybersecurity rating as measured by an external party — BitSight. This expanded focus has allowed AspenTech to continue to pursue ISO 9001 and ISO 27001 certifications, as well as SOC 2 certification for Cloud solutions.

AspenTech has adopted comprehensive measures that are designed to comply with applicable laws, evolving government data protection standards, regulations, guidelines and customer / vendor contracts, and 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.
- Creating a culture of security so all employees participate in the protection of information assets.
- Training employees on best practices in information security and privacy and publishing newsletters and bulletins to keep them informed.
- Providing information technology security personnel with advanced training.
- Developing, documenting and testing 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.
- Regular review of current cyber defenses, identification of possible new defenses and the Privacy and Security policy posted on our website [aspentech.com](https://www.aspentech.com).

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 across all business functions internally and we also expect all our partners to adhere to the same standards.

We remain 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, cybersecurity, data privacy, anti-bribery/ Foreign Corrupt Practices Act (FCPA), non-discrimination and sexual harassment.

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. A copy is available 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. 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, equity and inclusion is reflected in who we are, what we do and the value we deliver to our customers. 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. That said, our commitment extends beyond just meeting the letter of law. We believe that ensuring the dignity and respect for every employee ensures a safe, inclusive and welcoming working environment. To further promote inclusivity, healthy working relationships and enable high-functioning workplaces, we also provide unconscious bias prevention training for managers.

More information on corporate governance provisions and practices can be found on the [Investor Relations section](#) of our company website and under the [Corporate Governance](#) and the [SEC Filings](#) sub-sections.



AspenTech Supports the UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are 17 interconnected objectives that provide a shared blueprint for peace and prosperity for people and the planet, now and into the future.

As an industrial software leader, AspenTech continually works to develop new technologies and solutions that address global challenges, including climate change, environmental degradation, inequality and more.

Following are examples of our actions and the SDGs to which they relate. Descriptions of our activities and additional examples can be found throughout this report.



- AspenTech was founded over 40 years ago, built upon the research developed at the Massachusetts Institute of Technology ASPEN Project.
- Academic Program provides software and training to over 1,300 universities in more than 80 countries; more than 140,000 active student users.
- AspenTech University trains 10,000 professionals each year through more than 1,000 classes.



- DEI programs overseen by Human Capital Committee of Board of Directors.
- Women's Leadership Forum employee resource group focuses on inclusivity and fostering a culture of equality, fairness, safety and respect.
- Women in Leadership competency development program.
- Annual non-discrimination and sexual harassment training for all employees.





- Our software enables production of clean fuels including processing bio-feedstocks and efficient production of hydrogen from water.
- Digital Grid Management software provides critical capabilities for modernization and resiliency of electricity transmission and distribution systems.
- Our software addresses the complexity of managing renewable and distributed energy resources, along with meeting new demands for electricity in homes, business and industry.



- Equal Opportunity/Affirmative Action employer.
- Unconscious bias prevention training promotes inclusivity, healthy working relationships and enables high-functioning workplaces.
- Our software supports the design, operation and maintenance of asset-intensive industries to run safely, reliably and to have less impact on the environment.



- Our software enables safe and sustainable production of critical products including energy, chemicals, pharmaceuticals, metals and minerals.
- Digital Grid Management software supports resilient operation of electricity infrastructure.
- Our software helps customers to accelerate product and process innovations.



- Our software enables development and production of more sustainable products including fuels and chemicals made with bio-based feedstocks and green hydrogen.
- Advanced chemical engineering solutions help tackle the challenge of plastic recycling, such as using pyrolysis to convert waste plastic to petrochemical feedstock.
- Our manufacturing and supply chain software enables integration of pyrolysis oil and bio-feedstocks in refining and chemical operations.



- We are driven to address the Dual Challenge — meeting increasing demand for resources while achieving sustainability goals.
- Our software enables asset-intensive industries to simulate, monitor, optimize and report emissions and improve energy efficiency.
- We are advancing solutions to address climate change including carbon capture, utilization and storage (CCUS).



- Our software helps avoid incidents that can lead to marine pollution.
- Actively engaged with the Alliance to End Plastic Waste, bringing our expertise and technology to create and scale innovative solutions.
- Our employees participate in World Cleanup Day that targets the global waste problem.



- Our software helps protect natural habitats by avoiding environmental incidents and reducing emissions.
- We help the metals and mining industry to optimize processing operations resulting in higher recovery yields, lower emissions and reduced energy consumption.



- We collaborate and co-innovate with customers to accelerate the development and implementation of sustainability solutions.
- We partner with thought-leaders and contribute our expertise to advance knowledge-sharing and innovation.
- Through the Energy Transitions Commission, we engage with leaders from across the energy landscape to accelerate the transition to a zero-emissions future.

Look Ahead

As we look to the year ahead and beyond, we are energized by the role AspenTech will play in supporting the energy transition and in achieving a more sustainable future. Through our unique combination of deep domain expertise and innovation, asset-intensive industries can run safer, greener, longer and faster.

Our technology and solutions are proven to deliver significant value to customers and accelerate progress towards their net-zero commitments. With our expanded portfolio we not only help customers decarbonize their existing operations, but also design new, more sustainable processes and products. Through deep collaboration and co-innovation we will create the solutions that enable asset-intensive industries to address the Dual Challenge — meeting the growing demand for resources while achieving their sustainability goals.

And as a thought leader and industry steward, we will expand our engagement in organizations that are advancing strategies for energy transition, circular economies and a net-zero world.

At AspenTech, we are setting our priorities and developing pathways to achieve our own net-zero ambitions. Our focus is on driving meaningful emissions reduction in our operations. Our management and employees around the world are enthusiastic and committed to driving these programs and measuring our progress.

AspenTech's employees are the foundation of everything we do and achieve for our company, for our customers and for our communities. The diversity of AspenTech's global employees is one of our greatest strengths and we are committed to proactively drive ethnic and racial diversity and the representation of women across our organization and in leadership roles. We will continue to invest in training and development of employees at all levels to ensure a vibrant pipeline of talent.

For more than four decades, AspenTech has applied advanced technology and domain expertise to address the critical challenges faced by industry and society. Now, our focus is also on leading the way in sustainability solutions and partnering with asset-intensive industries to implement bold yet pragmatic plans for a more sustainable future.

Safe Harbor

This document contains forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Actual results may vary materially from those indicated or anticipated by such forward-looking statements should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect. These risks and assumptions include, without limitation, delays or reductions in demand for AspenTech solutions due to the COVID-19 pandemic; AspenTech's failure to increase usage and product adoption of aspenONE or other offerings or grow the aspenONE APM, OSI and SSE businesses, and failure to continue to provide innovative, market-leading solutions; declines in the demand for, or usage of, aspenONE software for any reason, including declines due to adverse changes in the process or other capital-intensive industries and materially reduced industry spending budgets due to the drop in demand for oil due to the COVID-19 pandemic; unfavorable economic and market conditions or a lessening demand in the market for asset process optimization software, including materially reduced industry spending budgets due to the significant drop in oil prices arising from drop in demand due to the COVID-19 pandemic; risks of foreign operations or transacting business with customers outside the United States; risks of competition; risks that acquisitions could be difficult to consummate and integrate into our operations, which could disrupt our business, dilute stockholder value or impair our financial results; AspenTech's ability to recover successfully from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, pandemic, security breach, cyber-attack, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during long-term disruptions such as the COVID-19 pandemic; and other risk factors described from time to time in AspenTech's periodic reports filed with the Securities and Exchange Commission. We can give no assurance that such plans, estimates or expectations will be achieved and therefore, actual results may differ materially from any plans, estimates or expectations in such forward-looking statements.

Statements in this report regarding our aspirational purpose, causes, values, and related commitments, goals or targets, including those regarding sustainability and related goals, diversity, equity and inclusion or other initiatives, contain forward looking statements and are also intended to qualify for the protections of the "safe harbor" protections of the Private Securities Litigation Reform Act of 1995. Such statements are intended to help AspenTech adapt and rise to the call of our various stakeholders. Because success in these areas depends on the collective efforts of others and other factors such as competing economic and regulatory factors, technical advances, policy changes, labor markets, availability of candidates, and supplier and customer engagement, there may be times where actual outcomes vary from those aimed for or expected. While we strive to make a positive impact on society while continuing to advance toward our commitments, sometimes challenges may delay or block progress and we cannot assure you that the results reflected or implied by any such statements will be realized or achieved.



info@aspentech.com
aspentech.com

