Gender and Ethnicity Pay Gap Report 2022

Embracing an inclusive culture
This report consists of a detailed and accurate depiction of our pay gap progress in both gender and ethnicity exclusively for the UK. Later this year, we have committed to publishing a new report to cover our seven major global locations, along with deeper data analysis.

Indeed, at AVEVA, data is foundational to everything we do. We harness data to provide essential insight and knowledge for our customers to inform their decision making. So, it is natural for us to take a data-informed focus on gender and ethnicity, which is infused in our Diversity, Equity, and Inclusion (DEI) focus areas and drives our efforts to create an environment built on respect and dignity. It is these essential ingredients that can promote wellbeing and high performance.

While I am pleased to see the progress made in closing the gender pay gap, which was reduced in the UK from 14.9% in 2021 to 14.3% in 2022, we still have a long way to go. It is essential that we continue to implement innovative actions to ensure we provide fair pay and opportunities for all.

When I talk of fairness, I speak not only to current but also prospective employees, ensuring that we are inclusive in all stages of the recruitment process so we can attract top talent and be an employer of choice for all candidates.

You cannot deliver change in isolation; therefore, I am grateful to the efforts of our eight Employee Groups, regional DEIW networks, and our wider AVEVA community. We have much to do, and I look forward to realising our ambition for an inclusive culture where all belong.

Caspar Herzberg
Chief Executive Officer
What does Diversity, Equity and Inclusion mean to AVEVA?

We strongly believe in treating people fairly, equitably, without bias, and in creating safe spaces and favourable conditions that understand, value, and encourage inclusion, respect, dignity and belonging. This leads to increasing levels of wellbeing and general satisfaction that our entire organisation is exactly where they belong.

Year after year, we find more studies that present the same argument: Across practically all fields, there is a positive relationship between DEI, productivity, and innovation. To further promote sustainable growth within our organisation, it is essential that we capitalise on the wide array of talented people at our disposal and continue eradicating obstacles that have historically held certain social groups back to fulfil their true potential.

Diversity and inclusion are fundamental to supporting the culture we want to promote at AVEVA: a culture of respect, dignity, safety and belonging. When we can attract and retain talented employees – with the goal of building a diverse environment that reflect the communities we operate in – we work further towards achieving employee satisfaction and pride in working for AVEVA. Furthermore, by ensuring that all colleagues feel seen, heard, and valued, we know that this will foster support amongst not only our teams, but our customers.
Moving towards our goals set for 2030, we continue to solidify our commitment to monitor, measure, and provide transparency across our DEI performance goals and targets so that we can continue to evolve, learn, take action and hold ourselves accountable for progress.

In this report, we provide the data and insights across the following:

**UK gender pay gap reporting**
We are required to publish our UK gender pay figures. In the UK, gender pay gap reporting data looks at the average for all women and all men in all roles in the UK. Moreover, we also plan to report our global gender pay gap that will include our largest countries by employee population at a later date.

**UK ethnicity pay gap reporting**
This report also provides data on the company’s ethnicity pay gap for the UK. This includes a comparison against the demographics of the UK’s national workforce and the technology sector workforce. We will also be reporting our ethnicity pay gap for the US later in the year.

**Learning together**
We also set out our learnings and progress, our continuous improvement approach including our long-term targets, and our Employee Groups.
What is the pay gap?

The pay gap is defined as the percentage difference between average earnings of demographic groups within the company, spanning all levels of seniority.

Quartiles show the proportion of demographic groups that makes up the company by splitting colleagues into four pay bands: lower, lower middle, upper middle and upper. These help to depict how differences in representation within higher paid roles contribute to the pay gap.

The example below illustrates how the gender pay gap percentage is calculated, using a hypothetical organisation with 42% women overall. The diagram shows the proportion of men and women in each quartile.

On the scale, the green and blue triangles show the average pay of women and men respectively in the organisation; the gap between these triangles is the gender pay gap.

Because there are more women in the lower pay quartiles of the organisation, and more men in the upper quartiles, average pay for women is lower than average pay for men. This can happen even though pay parity is achieved, ensuring people are paid the same for the same work.
What is the difference between pay parity and the pay gap?

Pay parity ensures that all people are compensated the same for performing the same, substantially similar, or roles determined to have the same value, regardless of geographic location.

To determine this, job roles are usually analysed according to objective, neutral factors that differentiate an employee’s skills, efforts, accountability and working conditions.

The pay gap is the difference in the mean or median pay between demographic groups across all employees in an organisation in a specific country, regardless of the function they work in, experience or seniority / level in the organisation. This differs from pay parity because all roles and job levels are included.

Relationship between pay parity and the pay gap

Pay parity is often the biggest explainer of the pay gap. There are several key reasons why a pay gap may exist; an organisation can achieve 100% pay parity, for example, by comparing jobs and determining them to be of similar or equal value. This, however, does not mean that a pay gap no longer exists. In the case of gender, for example, male and female employees who do similar or the same roles may get paid the same, but overall male employees may earn more as a group. This could be due to gender differences in higher-paying positions.

Pay parity is much more quickly addressed than the pay gap but changes in representation take longer and require short and long-term solutions in place. AVEVA’s goal in terms of gender advancement – along with key activities such as the implementation of number workstreams to boost our global hiring of women, reviewing our talent acquisition procedures, job descriptions, and advertisements – has been to ensure a gender pay parity gap of less than 1% by 2030 and to continue to reduce the pay gap year on year through increasing representation of diverse talent at all levels and functions of the organisation.
What is gender pay gap reporting in the UK?
Gender pay gap reporting data looks at the average for all women and all men in all roles in the UK.

There are four requirements for UK gender pay gap reporting:

1. Gender pay gap (mean and median averages)
2. Gender bonus gap (mean and median averages)
3. Proportion of men and women receiving bonuses
4. Proportion of men and women in each quartile of the organisation’s pay structure

The median looks at the midpoint for women and midpoint for men when ranked from the lowest paid to the highest paid.

It is important to recognise that the gender pay gap is not about equal pay for men and women doing the same job, this is pay parity where it is in our control to ensure that there is no gap. The gender pay gap, as reported here, reflects different representation across roles and levels of the organisation. We are focused on ensuring equal opportunities and improving representation across the organisation as set out further in this report.

As part of our regulatory commitments in the UK, we are required to publish our UK gender pay gap figures.

**UK regulatory gender pay gap reporting**

GENDER PAY GAP REPORTING

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**Mean gender pay gap in 2022**

14.3%

**Percentage Points (%pts) reduction in overall UK gender pay gap between 2017 and 2021**

11.9% pts
Gender pay gap 2022

The gender pay gap is an equality measure comparing the earnings of men and women across all jobs. The mean data shows the difference in average earnings between men and women. The median data shows the difference between the midpoints in the ranges of hourly earnings of men and women.

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<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
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<tbody>
<tr>
<td></td>
<td>2022 Improvement since 2017</td>
<td>2022 Improvement since 2017</td>
</tr>
<tr>
<td>Pay gap</td>
<td>14.3% -11.9%pts</td>
<td>15.6% -10.4%pts</td>
</tr>
<tr>
<td>Bonus gap</td>
<td>54.8% -35.4%pts</td>
<td>47.5% -33.4%pts</td>
</tr>
</tbody>
</table>

Analysis by quartile

The proportion of men and women within each pay quartile of the company

Bonus entitlement

The proportion of men and women eligible for bonuses

Change in female representation since FY21

Our findings show that the female representation within the organisation has increased from 28% in 2021 to 30% in 2022. Female representation has increased in the top three pay quartiles while slightly decreasing in the lowest quartile, showing progress towards rebalancing our workforce.

*Lower % receiving bonus than in FY21 due to high proportion of new starters in FY22, so not yet eligible for bonuses
Combined AVEVA entities in the UK

Gender pay gap 2022
The following data includes the combination of all AVEVA legal entities in the UK.

<table>
<thead>
<tr>
<th></th>
<th>Mean 2022</th>
<th>Median 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay gap</td>
<td>14.6%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Bonus gap</td>
<td>55.6%</td>
<td>48.4%</td>
</tr>
</tbody>
</table>

Analysis by quartile
The proportion of men and women within each pay quartile of the company

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Male</th>
<th>Female</th>
</tr>
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<tbody>
<tr>
<td>Lower quartile</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>Lower middle quartile</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>Upper middle quartile</td>
<td>74%</td>
<td>26%</td>
</tr>
<tr>
<td>Upper quartile</td>
<td>78%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Bonus entitlement
The proportion of men and women eligible for bonuses

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>Female</td>
<td>70%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Yes | No
There continues to be no requirement to report on ethnicity pay gaps in the UK. However, AVEVA remains committed to data transparency and to publishing its findings.

Collecting data on ethnicity and race is complex not only due to our ever-evolving social and cultural dynamics, but because of its sensitive nature. Moreover, there is no global consensus on how to define both ‘ethnicity’ and ‘race’. However, we believe that obtaining this data is a crucial process to measure our progress, identify opportunity areas, and build effective and meaningful strategies to continue improving. By listening to the story behind the numbers, we can closely direct and monitor our actions toward long-term change around representation in key areas such as recruitment, advancement, retention, among others.

As part of this report’s methodology, and echoing our previous report, we have adopted definitions, language, and basic concepts specifically to the UK. We asked employees to disclose their ethnicity and race voluntarily, resulting in a collection of data representing 83% of our UK business. We are pleased to continue to have high response rates from our employees.

**Methodology**

When collecting company data, we included a wide category breakout that includes White (British), White (Other), Black, Asian/Asian British, Multiracial, and Other.

Although we have grouped together some of our employee ethnicities that make up smaller proportions of the workforce to retain confidentiality, we felt the breakdowns we have presented provide better disclosure on the make-up of our organisation.
ETHNICITY PAY GAP REPORTING

UK data

Ethnicity in the UK refers to long shared cultural experiences, religious practices, traditions, ancestry, language, dialect or national origins. It is broader than ‘race’ and is more commonly used and asked about within diversity questionnaires in the UK. We have adopted this term to discuss the UK data and followed the ethnic group categorisation recommended by the UK government.

As we did in our previous report, we have divided White-British and White-Other into separate categories as we are aware non-British white colleagues may experience additional challenges and fewer privileges in the workplace. It is also worth noting that we are now reporting across the whole of the UK organisation, comprising AVEVA Solutions Limited and OSIsoft UK Limited.

These figures, representing the data self-reported by 83% of our population, show the difference between the mean and median pay of all white British employees compared to:

- Asian and Asian British employees\(^1\)
- Black, multiracial and other backgrounds\(^2\)
- White-Other backgrounds\(^3\)

<table>
<thead>
<tr>
<th>Ethnicity pay gap</th>
<th>Ethnicity bonus gap</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Asian/Asian British (1)</td>
</tr>
<tr>
<td></td>
<td>Black, Multiracial and Other (2)</td>
</tr>
<tr>
<td></td>
<td>White-Other (3)</td>
</tr>
<tr>
<td>Mean</td>
<td>10.1%</td>
</tr>
<tr>
<td>Median</td>
<td>4.5%</td>
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<td></td>
<td>0.4%</td>
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<td></td>
<td>6.4%</td>
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<tr>
<td></td>
<td>6.6%</td>
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<td></td>
<td>8.4%</td>
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</tbody>
</table>

\(^1\) Asian and Asian British includes: Bangladeshi, Chinese, Indian, Pakistani, any other Asian background

\(^2\) Black, multiracial and other backgrounds includes: African, Caribbean, White and Asian, White and Black African, Arab, any other multiple ethnic background, any other ethnic group

\(^3\) White-Other includes: Irish, any other white background
**ETHNICITY PAY GAP REPORTING**

**UK data**

**AVEVA UK workforce vs UK population vs UK tech sector**

The proportion of each ethnic group within AVEVA’s UK workforce compared to the UK population and UK tech sector.

![AVEVA UK Workforce chart]

- White-British: 18.6%
- White-Other: 12.7%
- Asian/Asian British: 3.5%
- Black: 3.4%
- Multiracial: 1.4%
- Other: 1.4%

![UK Population chart]

- White-British: 74.4%
- White-Other: 4.2%
- Asian/Asian British: 9.6%
- Black: 2.2%
- Multiracial: 3%
- Other: 1.8%

![UK Tech Sector chart]

- White-British: 60.4%
- White-Other: 22%
- Asian/Asian British: 10%
- Black: 7%
- Multiracial: 2%
- Other: 2%

Representation in some groups is very low, and in order to maintain individual confidentiality we have reported the pay gap for these groups collectively.

*BCS Diversity Report 2020 ONS Analysis*

**Analysis by quartile**

The proportion of each ethnic group within the pay quartiles of the company.

**Lower quartile**

- White-British: 20%
- White-Other: 16%
- Asian/Asian British: 8%
- Black, Multiracial and others: 2%

**Lower middle quartile**

- White-British: 56%
- White-Other: 58%
- Asian/Asian British: 13%
- Black, Multiracial and others: 7%

**Upper middle quartile**

- White-British: 65%
- White-Other: 64%
- Asian/Asian British: 16%
- Black, Multiracial and others: 11%

**Upper quartile**

- White-British: 65%
- White-Other: 64%
- Asian/Asian British: 16%
- Black, Multiracial and others: 13%
Our plan: five strategic themes

Foster inclusion
- Formally and regularly engage senior leadership on progress

Develop capability of leaders
- Training on unconscious bias for leaders
- Introduce Executive Sponsorship for all DEI areas and Wellbeing

Measure performance impact
- Continue to publish the Gender Pay Gap Report
- Publish our first Ethnicity Pay Gap Report
- Ensure legal compliance
- Set targets with commitment to progress

Improve diversity demographics
- Review recruitment practices
- Enhance community outreach
- Proactively work to close gaps

Improve DEI communications and external management
- Ensure all our media has regular and more diverse and inclusive content
- Improve the diversity of our conference panels, company spokespeople, imagery

“It’s great to witness AVEVA committing to provide a diverse and inclusive environment. Being transparent with our ethnicity pay gap data, year to year, is a clear example on how we strive to close that gap. AVEVA welcomes talent from multi-cultural background regardless race, skin colour, language and more. The closer we achieve equity and equality, the faster we achieve great success in the future.”

Maamira Liyana Mior Ishamuddin, Consultant, Presales and DEI Regional APAC Network Lead
Learning together

To ensure that we continue to progress our Diversity, Equity and Inclusion programme and drive meaningful change, we are analysing and understanding the data that we have collected.

We are all responsible for promoting diversity and inclusion within the organisation at all levels. We continue to work hard and focus on a multidimensional approach for DEI to become fully embedded in our culture.

We have chosen a few examples to reflect some of the actions we have taken over the last year and are continuing within the business.

Giving employees a voice
- Three new Employee Groups: Disability@AVEVA, Belief@AVEVA and Generations@AVEVA, making a total of eight Employee Groups.

Continuous learning
- Training programmes for Leaders in inclusive leadership and on unconscious bias; development programmes for colleagues from under-represented groups and coaching for Employee Group leads.

Leadership engagement
- Securing Executive sponsorship for all five DEI focus areas and all eight Employee Groups.
Learning together

Acting on race/ethnicity

- In 2022 we signed the ‘Change the Race Ratio’ and the ‘Race at Work Charter’. We were also delighted to support, for the first time, the ‘Black Talent in Tech Achievement Awards’.

Data and external benchmarks

- We were pleased to agree internal goals and targets for all five of our focus areas and monitor progress regularly.
- We continue to benchmark our DEI progress externally e.g. the FT Diversity Leaders Index.

“Doing this type of research is a crucial starting point to address inequal pay in the workplace, which directly impacts companies when they’re trying to attract top talent. As an organisation it is very important for AVEVA to recognise this, and I am looking forward to seeing how we can use this information to fill in any talent gaps that we have due to unequal salaries.”

Brittany Patterson, Presales Consultant and Black Voices@AVEVA Chair
Rebalancing our talent

Increasing workplace diversity has long been promoted as the right thing to do, but the benefits are much more than the moral ones.

Evidence provided from not just a social justice standpoint, but from different fields such as economics and mathematics, have determined diversity as one of the key components to help navigate through complex environments and, therefore, to provide smarter solutions and make us better as organisations.

By building balanced teams with people from diverse backgrounds, identities, thought patterns, problem-solving approaches and perspectives, we are creating strategic assets and skills that not only have normative and practical benefits. In other words, differences in identity and perspective found in who we are, and how we think, allow us to provide a wide range of knowledge and approaches to problems, thereby delivering more possibilities and solutions.
Our targets

We aim to have a maximum of 70% of any gender in leadership roles by 2030 and to have a maximum of 60% of any gender in management roles by 2030. We have also agreed goals and targets for all five of our DEI focus areas (see page 3). These are our targets for gender:

<table>
<thead>
<tr>
<th>Representation targets by 2030</th>
<th>AVEVA’s pay commitment by 2030</th>
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<tr>
<td><strong>50%</strong> Women new hires</td>
<td><strong>&lt;1%</strong> Gender pay parity gap</td>
</tr>
<tr>
<td><strong>40%</strong> Women managers</td>
<td></td>
</tr>
<tr>
<td><strong>30%</strong> Women in leadership</td>
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To support these targets, a global pay parity exercise is being conducted. This will inform the annual budget process to ensure sufficient central funds are allocated to close any gaps.

“Inequality in the professional world must be addressed by all companies as it is proven that by driving a diverse and inclusive environment, everyone prospers in all its forms, creating a more productive and conducive society. We believe that by closing the equality gap at AVEVA is as important as improving our products and services for our customers, along with a healthy and happy workforce within the business.”

Yasser Khan, Senior Manager Inside Sales and Renewals, DEI EMEA Regional Network Co-Lead
In February 2022, AVEVA revised its Global Diversity and Inclusion Policy, applicable to all employees. We continue to use it as a basis for our dealings with customers, contractors, partners, and suppliers.

Resources

**Employee Groups**

Our Employee Groups play an important role in promoting diversity and inclusion across AVEVA. We have sought the support of these Groups to ensure that our approach reflects the needs and concerns of our people. In 2022, we continued to support Groups through an ‘Impact Fund’, so they have autonomy over their programmes.

**AVEVA’s positive actions**

We have been focused on increasing female representation at all levels, ensuring that our recruitment and promotion practices support our diversity ambitions and inclusive culture. This has also helped to narrow the gender pay gap by increasing the mean and median pay of women.

Annual salary reviews ensure pay levels are monitored annually. A central fund is allocated to ensure pay parity and close any known gaps.

We introduced pay scales for roles to ensure people are paid the market rate and any historic disparity, such as gender, race, or ethnicity, does not influence pay for new hires as well as internal promotions, minimizing any future pay gaps.

If you would like to find out more about our work in Diversity, Equity, Inclusion and Wellbeing, please get in touch with the team at: di.global@aveva.com