## Doing what matters for our people, clients and communities

"At Avanade, our purpose is to make a genuine human impact for our people, our clients and our communities. We do this by being responsible in everything we do. Never has that been more important than right now, as we cross the threshold of a technological revolution.

Organizations of all kinds – from nonprofits to global enterprises – are embracing the transformative power of AI to create a better future for us all. As we innovate, we must keep responsibility, trust and transparency at the center of our work.

We are proud of the progress we made in 2023, which fuels our commitment to the work that lies ahead."



**Pamela Maynard** Chief Executive Officer Avanade



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### A message from our Responsible **Business Lead**



**Innes Grant**, ESG and Responsible Business Lead, Avanade

The growth of artificial intelligence over the course We also continue our important work as corporate And we're locking arms with clients through our of 2023 has offered glimpses of a very different citizens to create a world where access to digital Better Together program to make positive change world – one where people's lives and businesses technologies gives everyone the opportunity to in our communities. are transformed by the power of AI copilots and thrive. In 2023 – in partnership with universities We've expanded our commitments as a responsible generative AI, ushering in an unprecedented era and other nonprofit organizations – we enabled business without our digital ethics and Responsible of innovation. At the same time, we've witnessed a record 1.226 million youth and people from AI programs, tapping into our experience as an underrepresented backgrounds with laptops, a series of devastating events across the globe, early innovator with generative AI to lead the AI from the ongoing war in Ukraine and conflict in the mentoring and digital skills, preparing them to lead transformation of our own organization and that of Middle East to the catastrophic impact of climate with success in the digital era. our clients, ethically and responsibly. change and natural disasters. All of these factors Our employees have dedicated more than 32,000 Our ambitious environmental, social and demand our focused attention on economic and hours to volunteer for the causes they hold dear governance achievements were recognized for environmental sustainability.

- a record for our organization - while fundraising As the world grapples with these opportunities to help the people of Turkey impacted by and challenges, our purpose at Avanade hasn't earthquakes, Ukrainians displaced by war and the victims of Maui's tragic wildfires, among others. changed: to make a genuine human impact for our employees, clients and communities.

Rooted in our belief that diverse perspectives and people are critical to ensuring a sustainable An integral part of bringing our purpose to life world, we continue to build the inclusive is to be responsible in everything that we do. I'm pleased to share our 2023 Environmental, and diverse organization that serves as an Social and Governance (ESG) Annual Report, example for the technology industry to follow, achieving double-digit growth in new hires from which details our commitments and the progress we've made as a responsible business. underrepresented groups and 100% gender pay parity across the globe in 2023.

We're helping clients like SSE Renewables, Anglian Water, Żabka Group, Duke Energy, Synagro, CSIRO and many others embed sustainability into their technology infrastructures and harness the power of data to transparently monitor and report on their sustainability agendas. Through our partnership with the Green Software Foundation, we're building a trusted ecosystem of people, standards, tooling and best practices for green software to further sustainability goals.

Since 2015, we've supported more than 400 women STEM scholars at 20 universities worldwide to narrow the gender gap in technology. We're focused on creating systemic change for nonprofits through Technology for Social Good and with nonprofit organizations like Prosperity Now, which supports underrepresented entrepreneurs in playing a bigger role in the future economy.

the second year in a row with a silver rating by EcoVadis, which puts us in the 92nd percentile of all companies assessed.

We're proud of our achievements but recognize that we have much more work to do. We look forward to taking ambitious steps toward the future - together with our people, our clients and our communities – as we work to build a more sustainable world.

### Our approach as a responsible business

### Aligning our sustainability agenda with the United Nations Sustainable **Development Goals**

Avanade has aligned its ESG commitments and its responsible business priorities with the United Nations Sustainable Development Goals (UN SDGs), the global framework for driving progress toward a more sustainable future.

To make the biggest impact on our environment, in our society and within our own organization, Avanade is closely aligned with the eight UN SDGs most relevant to our business.

Using each of these SDGs as a guidepost, we aim to amplify our efforts as a responsible business through strong partnerships with our clients, people, nonprofit organizations and partners.





Empowering the next generation



Public private partnership



Inclusion and Diversity

**9** INDUSTRY, INNOVA AND INFRASTRUCT 13 CLIMATE ACTION  $\mathbf{C}\mathbf{O}$ 

> Sustainable climate positive actions

#### **Avanade's ESG metrics**





Governance Compliance Data Privacy & Security Transparency & Disclosure



### **Our ESG Scorecard 2023**

<b>Environmental</b>		
	Target FY23	B Actuals
Climate; Carbon net zero by 2030		
Net zero emissions by 2025 (aligned to Accenture)	Monitor and manage progress towards 25% net zero emissions by 2025	
Adoption of the Avanade Environment Policy*	100%	96%
Sustainability by Design in Client Engagements		
Embed sustainability into overall Avanade Solutions portfolio	25%	50%
Progress Responsible Business agenda of clients by accelerating their ESG commitments	20 stories	21

\*Percentage of Avanade and Accenture offices worldwide that have adopted Avanade Environment Policy

# **Social**

#### luman Capital

Vomen Hiring

enior Women Representatior

Inderrepresented groups in Director + employee population

nclusion Score (% favorable inclusion index questions ir urvey)

mployee Health and Well-be % favorable responses to We ndex questions in employee

#### Community Impact

Youth and Underrepresented Enablement (# young people from underrepresented comn enabled for the digital era)

Employees achieving voluntee

#### Community Investment

\*\*Director+ comprises the directors, senior directors and executives that make up our business leadership



Target FY23 Actuals

	45%	43.4%
n	25%	24.4%
our ion**	26%	23.5%
responses n employee	80%	71%
eing ell-being survey)	71%	76%
l Entrepreneur e and people munities	1.25M	1.226M
ering target	20%	23%
	\$5M	\$6M

	Target FY23	Actuals
Compliance		
Ethics and Compliance Training (% employee timely completion)	100%	99%
Data Privacy and Security		
Data Privacy and Security	Maintain ISO/IEC 27001 and 27701	Managed and maintained
Transparency and disclosure		
Commitment to UN SDG – (commitment to UN Global compact)	Maintain	Maintain
EcoVadis certification	Silver	Silver

## What matters to SSE Renewables is accelerating sustainable innovation

To help inform responsible wind farm installations, assess offshore assets and support workers, employees at SSE Renewables are using digital solutions such as an ecological digital twin concept and AI species recognition and monitoring.

These tools, which provide more accurate insights into puffin counts, salmon migrations and more, are designed to protect the local wildlife and enable net ecological gains.



7

## Creating a sustainable world together with our people, clients and partners

"For both Avanade and for our clients, we encourage an approach to sustainability like any other transformation: focus on continually evolving, not just the end goal."

#### **Jillian Moore**

Avanade Advisory Global Lead Executive Sponsor, Sustainability



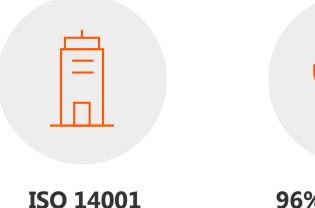
### **Our journey to environmental sustainability**

Creating a sustainable world that will enable future generations to thrive takes a concerted effort from all of us, which is why Avanade takes a holistic approach to sustainability within our own organization and with our clients and partners.

To that end, in 2023, Avanade achieved 96% Environmental Sustainability Policy compliance, with nearly all Avanade locations adopting operations, commuting and tech recycling practices that lower our carbon footprint.

We continued to advance our partnership with the <u>Green Software Foundation</u> to build a trusted ecosystem of people, standards, tooling and best practices for green software. In 2023, nearly 1,000 of our employees completed Green Software certification, infusing Sustainability by Design into client engagements and across our portfolio of solutions and services. These certifications give our professionals practical tools and resources for decarbonizing software, improving our collective capability to lead sustainability initiatives.

We also continue to work closely with Accenture, our parent company, to create the data points needed for Avanade to fully track our organization's progress against a key Accenture goal: achieving net zero emissions by 2025.



in majority of our offices 96% adoption

of Avanade Environmental Policy





8

## Leading by example: Putting environmental sustainability into action

Our 60,000 professionals across the world channel our purpose of making a genuine human impact through volunteer initiatives, grassroots environmental programs and events that demonstrate our commitment to sustainability.

In 2023, Avanade launched the Green Forward Program, providing a platform for Avanade employees to volunteer for environmental sustainability in their communities. The program is aligned with the United Nations Sustainable Development Goals Climate Action 13.3, which aims to improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

In addition, our employees in Brazil, Japan, Poland, the Netherlands and the U.S. organized a wide range of activities focused on environmental sustainability. Participants organized events such as digital cleanups in Switzerland, promoted the re-use of products and composting in Brazil, planted trees in Australia, and rallied participation in Earth Hour in Japan, the U.S. and Brazil.

Our employees in Europe organized Green Week, which encompassed various community activities, including clean-ups, low carbon buffets, seed markets and bike workshops as well as webinars educating teams on how to reduce software carbon emissions with eco-design or use digital technologies to reduce carbon emissions in industrial processes. And through our "Sustainability Hour" workshops in the U.S., U.K. and Australia, we taught young people design thinking methodologies to tackle sustainability challenges at home, in their school and in their communities.









### Helping our clients take smarter sustainability actions now

### Infusing sustainability into every digital transformation program for measurable impact

Organizations across the world seek to use their digital technology investments to not only achieve operational efficiencies and productivity gains but to make measurable progress on their sustainability agenda.

That's why we apply a sustainability lens to client engagements – whether the goal is to reimagine the future of work or to make the most of their journey in the cloud.

Through the power of the Microsoft technology ecosystem and by applying sustainability best practices, we help our clients measure their progress on ESG goals so they can be more transparent in reporting their efforts to their employees, customers and communities. We believe sustainability wins can be realized on top of digital investments made by companies. To that end, we continuously seek to innovate with digital tech, data and AI to help our clients reduce their emissions footprint and drive circularity strategies.

A shining example of using software to advance sustainability is through our Avanade Cloud Impact tools, which provide insights-driven recommendations for clients to optimize costs on Azure, which in turn provides energy savings and emissions efficiencies.

"At Avanade, we believe that digital technology has the power to help our clients transform their organizations while also achieving their sustainability goals. To that end, we look to ensure sustainability value comes through with the work that we do."

#### Miranda Hill

Avanade Sustainability Lead





What matters to **Anglian Water is** delivering clean water using digital twin and **AI technology** 



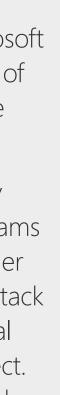
We're working with Anglian Water and Microsoft to test the world's first ecological digital twin of a chalk stream for the River Stiffkey using the Microsoft Azure platform.

The aim is to protect biodiversity, particularly since this is one of only about 300 chalk streams in the world. The solution brings data together from across several sources in a connected stack so Anglian Water can digitally model a spatial river catchment map to show cause and effect. AI can then be used to run simulations based on the data that flows through the model.

The Anglian Water team now knows more about the River Stiffkey system and its history. With data all in one place, they can protect river health and provide clean water for people in the region.

"We can now drive new solutions to improve river health that can benefit our operational colleagues who are managing assets day-to-day. We can do it more cheaply, more effectively, and with a smaller carbon footprint as well."

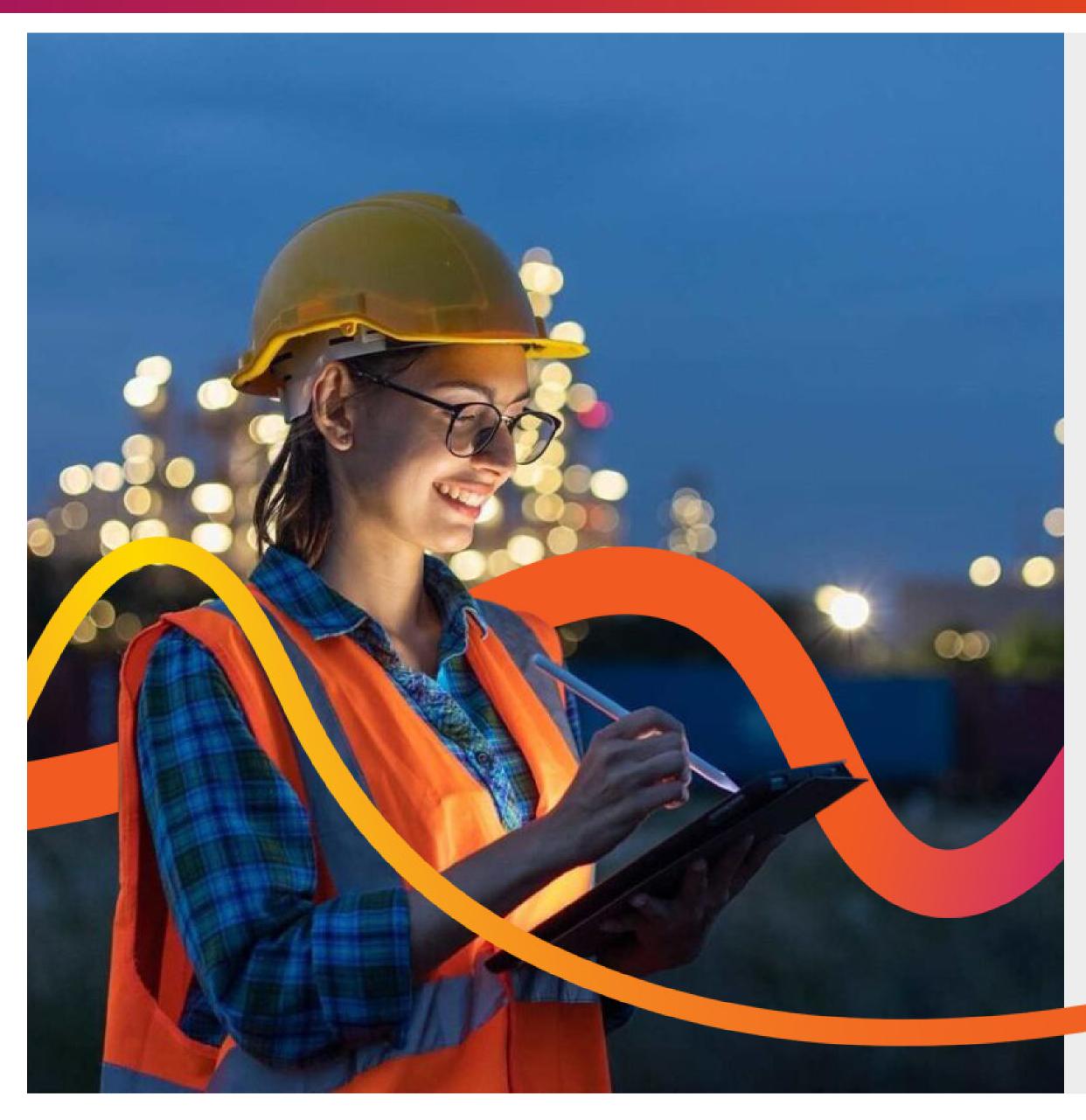
- Chris Gerrard, Catchment and Biodiversity Manager, Anglian Water







**Duke Energy** develops pioneering methane emissions program with **Accenture and** Avanade

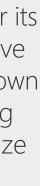


Duke Energy, one of the largest U.S. energyholding companies, set an ambitious goal for its natural gas utility business, planning to achieve net-zero methane emissions by 2030 for its own operations. Reaching that goal requires going beyond current industry practices, which utilize calculations to estimate methane emissions and periodic physical inspections to detect and monitor potential leaks.

Seeking a more rigorous, end-to-end approach that would lay the foundation for leak detection, emissions measurement, expedited remediation and predictive maintenance, Duke Energy worked with Accenture, Avanade and Microsoft to tap the deep technological expertise needed to achieve its goal. Together, we developed a first-of-its-kind methane emissions monitoring and remediation solution on Microsoft Azure and Microsoft Dynamics 365.

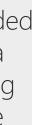
"This platform will reimagine how natural gas local distribution companies calculate methane emissions and perform leak surveys and improve the expediency in which leaks may be repaired, resulting in dramatically lower methane emissions."

– Brian Weisker, Senior Vice President and Chief Operations Officer, Natural Gas, Duke Energy















**Helping our clients** optimize their digital technology investments to advance their sustainability goals

#### What matters to Żabka Group is achieving its decarbonization targets

Żabka – a large chain of convenience stores in Poland – conducts detailed carbon reporting and publishes extensive annual ESG reports. The retailer needed deeper analysis and monitoring for its carbon footprint and sought a comprehensive ESG data management system.

In response, we created a single data collection application which incorporates Microsoft Sustainability Manager to measure and analyze carbon footprint and customized reporting which supports improved decision making. With this solution, Żabka can now quickly monitor its decarbonization target achievements and has the customization capabilities it needs to support more sophisticated business requirements.

Learn more about this story

#### Synagro charts a path to a greener world

To better serve its municipal customers, Synagro employees needed a more detailed understanding of the company's own carbon emissions along the operations chain.

In searching for an automated solution that could ingest large amounts of data from multiple sources and perform complex modeling of this data on a regular basis, company leadership turned to the Microsoft Sustainability Manager (MSM) and asked us to help them unlock its full value.

Learn more about the story

### What matters to CSIRO is delivering data visualization faster, making climate actions easier

Responsible businesses need reliable, easily sourced data to make ethical decisions that protect the environment and their investments.

In Australia, they rely on the Commonwealth Scientific and Industrial Research Organization (CSIRO), a government agency with expertise in climate research, data science and modeling. Using the agency's resources, businesses can better understand climate change impacts and manage and mitigate their climate risks.

We helped the agency significantly shrink its solution development time with the creation of the first-of-its-kind enterprise Climate Intelligence Platform (CIP). Every feature of this platform – built on Microsoft Azure – was underpinned by market research and improved by feedback.

Learn more about this story





## **Advancing Avanade's** own sustainability agenda – in the cloud and one laptop at a time

"As we continue to grow, we've significantly reduced our carbon footprint by investing in the same sustainable software and best practices that we advise our clients to adopt."

#### **Ron White**

Avanade Chief Information Officer

### Achieving sustainable cloud optimization

Working with our parent company, Accenture, our cloud optimization efforts allow us to operate at a faster pace and meet business demands, while substantially reducing our environmental impact. Today, 100% of Avanade applications are supported by the platform economy.

#### **Responsibly disposing of assets while supporting women and children** in need

Our process for asset disposal puts both security and sustainability at the center. Avanade IT partners with nonprofit laptop disposal vendors to discard obsolete workstations and computer accessories. Before being sent for disposal, Avanade IT has a set of measures in place that ensure safe and secure data disposal, including BitLocker encryption on all machines.

In the U.S. alone, Avanade donated 1,451 laptops over the course of 2023 through our partnership with Interconnections, providing young people with access to digital technologies. Working with several vendors in Brazil, we recycled 1,233 laptops, 129 of which were donated to people in need.

In addition, Avanade partnered with the Executive Women's Forum to donate laptops to a group of women in forced displacement situations who had lost access to a personal laptop during their relocation, supporting them in continuing their education and careers in the safety of their new locations.

Worldwide, Avanade in 2023 donated more than 6,000 laptops to nonprofit organizations whose missions align with ours.





Making a sustainable impact on young people, underrepresented **communities and** on our environment through Corporate **Citizenship** 

### From STEM scholarships to humanitarian relief to inspiring the next generation of technology industry innovators

Through our Corporate Citizenship initiatives, we aim to make a sustainable impact on young people, underrepresented communities and our environment. We bring this to life in four ways:

- We work with partners to equip underrepresented youth for the digital era, creating STEM Program, which provides a holistic experience to young people
- and play a role in the new future economy
- policies and action
- hold dear

Our Corporate Citizenship programs soared to new heights in 2023, reaching a record number of youth, achieving our highest-ever number of employee volunteer hours, raising record matching funds for humanitarian efforts across the world and supporting more young people than ever on their journey to learning critical technology skills.



opportunities through training, mentoring, events, internships, financial support and our Avanade

• We create opportunities for entrepreneurs from underrepresented communities to build businesses

• We encourage environmental sustainability across our ecosystem through awareness, education,

• We provide a number of ways for our people to give back with initiatives like Avanade Gives, including a match fund of \$250 and eight hours per employee to volunteer their time to causes they

"Our Corporate Citizenship programs are rooted in our genuine concern and care for the people and places where we work – and we want to make an impact by inspiring the business and technology leaders of the future."

#### Heba Ramzy

Avanade Corporate Citizenship Lead



### **Our Corporate Citizenship mission in action in 2023**





#### **Emerging talent**

1.226M people enabled for the digital era

/ Avanade executives on Junior Achievement boards

Global Technology Partner Junior Achievement Worldwide

350+ STEM Scholars and mentees

20 STEM scholar university mentees

27 STEM alumni joined Avanade

### 14,305

young people given access to computers in FY23



#### **Investing in communities**

32,524 Employee volunteer hours in FY23

2,567 employees participating in volunteering activities

### 6

Global giving campaigns in FY23 (Pakistan, Hurricane Ian, Turkey Earthquake, Earth Day, Holiday campaign and Maui wildfires)

\$6M in donations in FY23 (cash and in-kind)

> 146 Citizenship Champions



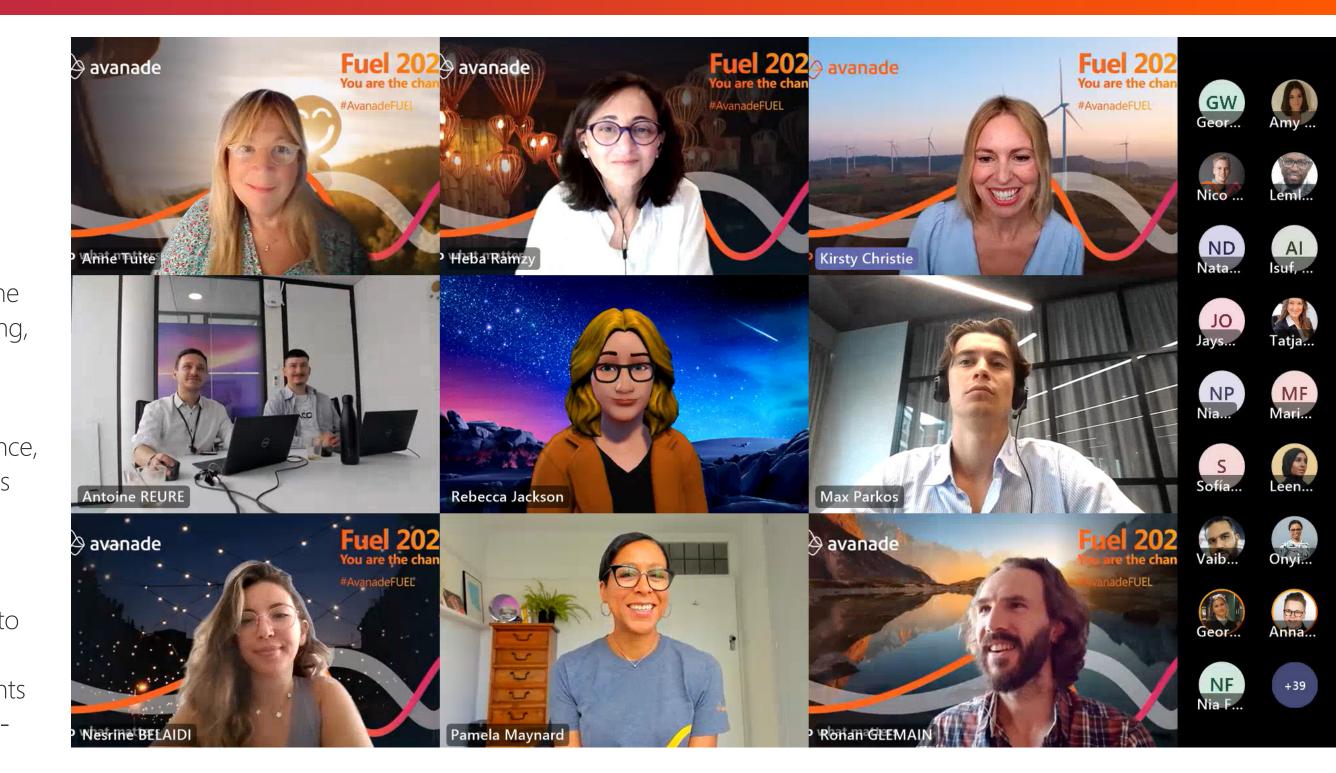
**Fueling growth** and inspiring innovative ideas for underrepresented youth across the world

A key component of Avanade's Corporate Citizenship mission is to make a sustainable impact on young people and underrepresented communities.

To bring this mission to life, we work closely with partners to equip underrepresented youth for the digital era, creating opportunities through training, mentoring, events and STEM scholarships.

One such example is Avanade's annual FUEL: Innovation, Leadership and Technology conference, which brings together our STEM scholars, interns and young people with innovators, technology experts and leaders to inspire their futures and build their networks for the future. A key component of our program is providing access to Avanade mentors and real-world experience to technology via our hackathons, where participants learn how to apply critical thinking and problemsolving to sustainability challenges.

Designed by Avanade in collaboration with Cal Poly Pomona University's College of Business in 2019, FUEL celebrated its fifth year in 2023 with record attendance in a four-day virtual conference in three separate time zones.





#### Fuel 2023 – new this year

750+

50% increase in

STEM scholars, interns,

and new for this year:

students from Avanade

50 x 15–18-year-old

participants –

employees

200+

Universities, institutions, charity partners, panel experts including our own people and MVCs

3

Separate time zones: North America, Canada, Brazil, Europe, and SE Asia, Japan, and Australia – spanning 23 countries

Hackathon themes – Path to net zero and AI-First World

### **Amplifying impact** with our partners

### **Junior Achievement + Avanade = Empowering youth for the digital era**

We believe that inclusivity, education and entrepreneurship are integral components of a sustainable world, where everyone has an opportunity to use their talents and voices to make an impact.

Our partnership with Junior Achievement Worldwide puts that commitment into action by helping youth develop skills for the digital era. We've partnered with JA since 2016, and with every year our collaborations and impact grow stronger.

In 2023, we focused our efforts on supporting programs to teach young people – the business leaders of the future – about technology, leadership, entrepreneurship, and ultimately themselves.

Through our worldwide technology partnership, Avanade dedicates expertise, resources and skills to help Junior Achievement accomplish more with the power of digital technologies, including support for Gen-E, the organization's annual entrepreneurship festival.

At this year's Gen-E event in Turkey – which attracted more than 72,000 young attendees – we presented the Avanade Digital Innovation Award to Oslo Analytic, a Norwegian start-up founded by two university students that offers sustainable solutions for website analysis and optimization. We worked with Oslo Analytic's team to provide mentorship while supporting the development and commercialization of their idea, which can help businesses achieve 40% less  $CO_2$  emissions and 80% better website performance using certified renewable energy.







**Empowering women** of color to take the lead in the technology industry of tomorrow

It's no surprise that the technology industry has always struggled to attract women, particularly women of color. Making the industry more inclusive, equitable and diverse requires effort from multiple vantage points – including at the very beginning of their career journey when young women are choosing their fields of study. The barriers to STEM careers for many underrepresented women are often the same: a lack of resources, support and the ability to see leaders in the industry who look just like them. To commemorate our 15th anniversary in 2015, Avanade created a program to tackle the

problem from the outside in by giving women from underrepresented groups the support and resources they need to pursue STEM careers. That first year, we offered scholarships to 15 women around the world to pursue their studies in STEM-related fields. Since then, we've helped provide internships, scholarships, mentoring and a support network to more than 400 women, helping them complete their education and begin their careers. And we've expanded to 20 university partners worldwide.

We're proud that some of those STEM scholar graduates have since joined Avanade as employees, where they not only innovate on important client work by bringing their unique perspectives and experiences to their teams but serve as role models for the next generation of young women.



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## **Engaging our** employees in making a genuine human impact

From easing the human impact of devastating natural disasters and displacement from war to making a sustainable impact on young people, underrepresented communities and our environment, Avanade's 60,000 professionals dedicate their time and resources to supporting the causes they hold dear.









**32,524** employee volunteer hours in FY23



2,567 employees participated in volunteering activities





6 global giving campaigns in FY23 (Pakistan, Hurricane Ian, Turkey Earthquake, Earth Day Campaign, Holiday Campaign and Maui wildfires)



**\$6M in donations** in FY23 (cash and in-kind)



**146** Citizenship Champions





### We're better when we're changing the world together

Avanade's Better Together program partners with clients like Federal Home Loan Bank of Chicago, AQA and many others to collaborate on community-based projects around the world, scaling our efforts for greater impact.



### Nurturing the next generation of STEM professionals with AQA

STEM education is a key element to driving sustainability, but attracting top talent to STEM fields – particularly candidates from underrepresented groups – has been a longstanding challenge for the technology industry.

To generate interest in STEM careers early in life, Avanade partnered with its U.K.-based client AQA to organize a day of service for 25 primary school students at the Friends of the Upminster Windmill, creating awareness on how sustainability and STEM are interconnected.

"We were delighted to have the support of volunteers from Avanade to deliver an innovative and groundbreaking sustainability event. Avanade and AQA volunteers left feeling invigorated by the quality of interaction and engagement from the children and we all look forward to further collaborative events."

– Justin Coombs,

Director of Assessment Technology, AQA









### **Transforming the** social sector with **Tech for Social Good**

Avanade's <u>Technology for Social Good</u> harnesses organizations with digital technologies, including Avanade's decades of expertise in digital most recently generative AI. transformation to help nonprofit and non-Additionally, it is our ethos to create shareable IP governmental agencies make a greater impact so the solutions we co-create with our nonprofit through the power of digital technologies. clients can be leveraged across the wider sector. This approach enables us to continually evolve, We work closely with Microsoft's Tech for Social Impact team to increase the impact of our work build and harvest solutions that can be quickly applied to other nonprofit organizations to with these organizations, assembling the skills, accelerate our work and deliver value faster. technologies and expertise needed to fulfill their

missions.

Since inception, Avanade Tech for Social Good has helped more than 75 nonprofit clients like <u>UNICEF</u>, The Felix Project, SOS Children's Villages and the International Rescue Committee transform their



In 2023, Avanade celebrated the fifth anniversary of its Tech for Social Good program, first launched at the NetHope Summit in Dublin in 2018. In celebration, we made a splash as a sponsor of the NetHope Global Summit in Munich in 2023.

#### **Project Harmony – transforming the** way evidence is managed towards a more just world

Avanade, Accenture, and Microsoft came together in 2023 to work with the Office of the Prosecutor at the International Criminal Courts to build a new Evidence Management Platform. Called Project Harmony, the project delivers an efficient, intelligent and secure platform, which allows the Office of the Prosecutor to collect, store, preserve, analyze and review increasing quantities of complex evidence from multiple sources, in different formats, quickly and efficiently.

Using cloud capability and artificial intelligence, the platform offers rapid pattern identification, automatic translations, facial identification, image enrichment, translation of media files, targeted searches of source material, automated transcription, video, and imagery analysis, along with improved online accessibility to upload and process information, which is leading to increased productivity through faster digital evidence processing.

Project Harmony will enable the Office of the Prosecutor to deliver increased success in court, and faster investigations and prosecutions. It will also give greater access to victims and witnesses, make more effective use of resources, strengthen partnerships and increase efficiency of trials.

Project Harmony is enhancing the quality of international justice and transforming the way evidence is managed to shape a more just world.











## **Every voice matters: Leading Inclusion & Diversity at Avanade** and in our industry

"We're taking a holistic approach to inclusion, diversity and equity at Avanade. Through our inclusion, diversity and well-being commitments, we're setting actionable goals to drive meaningful change."

#### Hallam Sargeant

Avanade Chief Inclusion & Diversity Officer



### **Creating an inclusive and diverse** culture that puts people and their well-being first

As the world's leading innovators on the Microsoft platform, we know that solving the world's biggest challenges requires all of us. The more diverse perspectives and people we include at the table, the more innovative our approaches to climate change, environmental sustainability and the application of emerging technologies like generative AI will be.

Avanade's Inclusion & Diversity vision focuses on three pillars: increasing representation, culture and recognition.

We know that we must not only focus on the numbers behind our vision but continue to examine how our policies, processes and systems all work together to create more equitable outcomes. Through our programs, we have moved beyond solely gender representation to focus on race and ethnicity, disability, sexual orientation and gender identity. We partner with a number of external organizations – including the Autism Resource Centre, ColorinTech, DisabilityIN and Out and Equal – to advance these strategic priorities, helping us reach more diverse talent communities and strengthen our inclusive culture.

We also seek to create a culture where everyone feels safe to bring their full, authentic selves to the work they do and where communities provide support, resources and encouragement to ensure their well-being. For the first time in 2023, Avanade is tracking our inclusion and well-being indices as part of our annual employee surveys, using the data to inform new programs and actionable improvements.

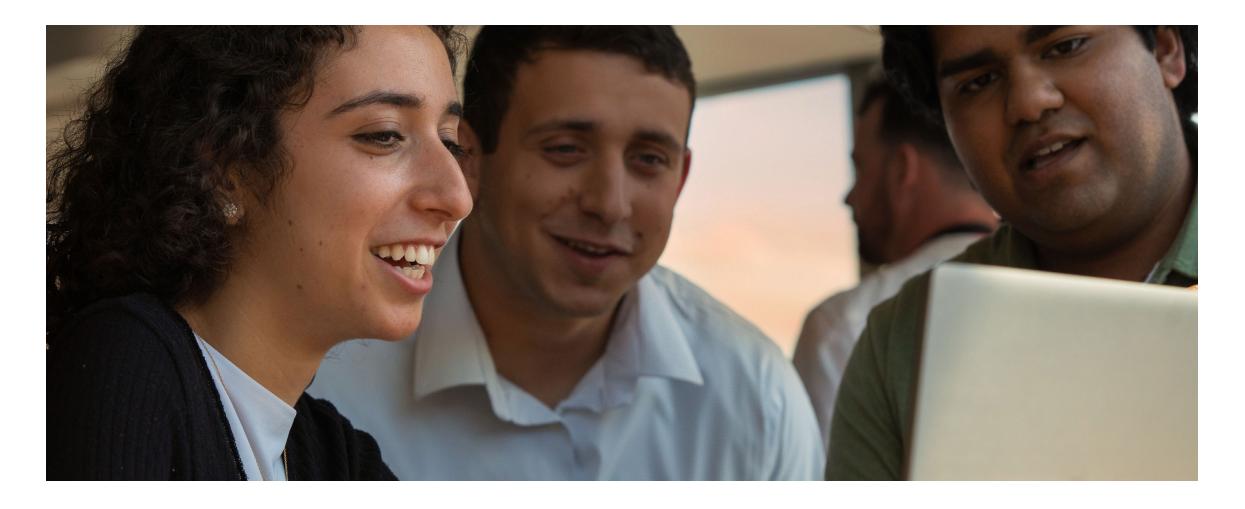


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**Bringing Inclusion** & Diversity to life through our **Employee Networks** 

Our commitment to inclusion and diversity comes Our Employee Networks not only create through in many ways, but perhaps none more communities but lead by example with programs and events throughout the year, including: visible than through our Employee Networks. Avanade's 14 Employee Networks promote an • **Prism**, Avanade's LGBTQ + Employee Network, inclusive culture and work experience by creating communities where we embrace and celebrate more than a decade every person's unique capabilities, perspectives • The Women's Employee Network leads a and voice.

More than 3,000 employees are members of at least one Employee Network at Avanade. Each Employee Network is supported by an Executive Committee champion who serves as a visible and active ally within the communities they sponsor.



- has led Avanade's Pride Month celebrations for
- number of International Women's Day events across the globe
- The Veterans Employee Network has played an active role in fundraising for the paws4vets Assistance Dog Placement Program, which provides veterans, service members and military dependents with physical, neurological, psychiatric or emotional disabilities with a dog trained to support their disability

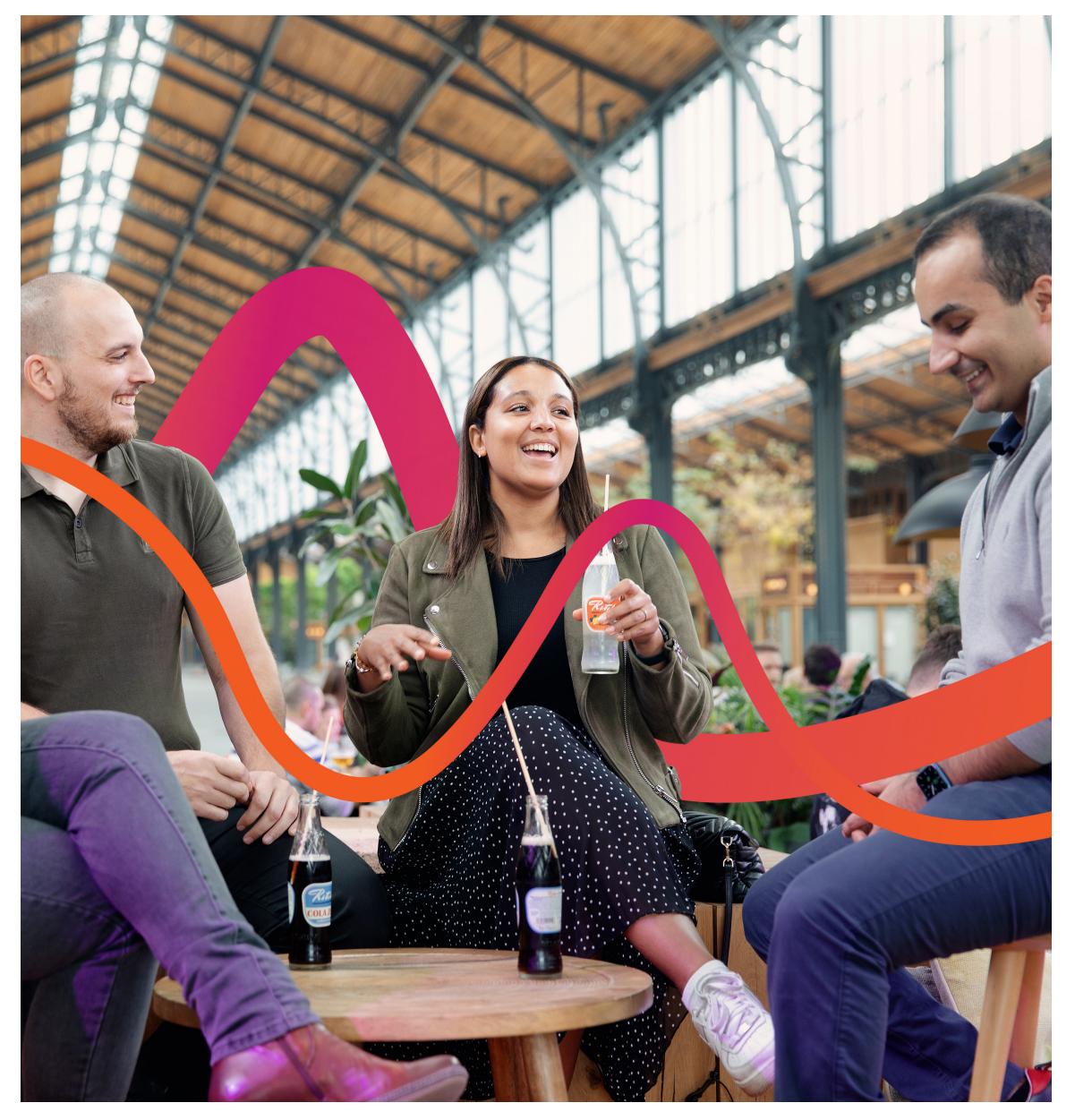
- Our North America DiversAbility Employee **Network** continues to hold a regular "This is my story" webinar series, exploring topics like invisible disabilities, multiple sclerosis and neurodiversity
- The Adelante Latinx Employee Network launched a mentoring program in 2021 and supports numerous programs throughout the year, including events that celebrate Latin culture and social issues as part of Hispanic Heritage Month
- Our INSPIRE Black Employee Network supports several programs throughout the year, including Black History Month and Juneteenth events and INSPIRE talks, a podcast that covers topics like preparing for promotion and ID&W at Avanade

## **Spotlight** on employee well-being

"When Well-being and Inclusion & Diversity work hand-in-hand, we shape a workplace where we see the whole person, not just the employee."

**Emily Warren** Avanade Global Well-being Lead





We want our people to thrive at Avanade and do their best work, so we're focused on cultivating a high well-being environment across all areas of the business. Our employees are encouraged to utilize flexible working programs – like building a nontraditional schedule that suits their work style and lives – and our leaders are held accountable to a well-being metric as part of our company scorecard.

In 2023, our well-being strategy evolved to take a more integrated approach by joining forces with the Inclusion & Diversity team. Working in collaboration has allowed us to reach more employees and explore the intersection of inclusion, well-being and belonging.

One of our goals this year was to further cultivate empathetic, thoughtful leadership. We launched our "Winning with Well-being and Inclusion" workshop in seven languages to help leaders identify practical ways for creating high well-being in their teams, offering tools for having sensitive and inclusive conversations at work.

We also seek to build community and solidarity around a variety of life experiences, including difficult and isolating subjects, and our well-being events this year reached more than 7,000 attendees. By opening the floor for discussion on topics like stress, disability, cancer, men's health and menopause, we promote a stigma-free environment in which people feel supported in all aspects of their lives. And our work gained recognition at awards ceremonies throughout 2023, including Wellbeing Leader 2023 for Emily Warren, Avanade Global Well-being Lead, at the InsideOut Awards in London.













**Creating a more** inclusive and equitable business climate: Avanade partners with **Prosperity Now** to close the racial and economic wealth divide

Through our partnership with Prosperity Now, Avanade seeks to create impactful systemic change and a more equitable world, especially for those who have been historically excluded: young Black, Indigenous and underrepresented entrepreneurs. This group is disproportionately impacted when it comes to economic access and opportunity. At today's pace of change, it will take 200-250 years to reach wealth equality.

The Avanade/Prosperity Now partnership seeks to help underrepresented entrepreneurs sustain, grow and scale their businesses in three areas:

- serve more entrepreneurs through expanded funding opportunities.
- The Rise Challenge provides opportunities and incentives for individuals and groups to
- necessary for helping entrepreneurs sustain their businesses and grow them to scale.



• Reimagining a Credit Box that Works for All. We're innovating in the Community Development Financial Institutions (CDFI) sector by creating a new algorithm to establish a systematized practice that builds greater capacity and enables more equitable lending decisions. It will equip CDFIs with technology-driven solutions to compete with financial technology organizations, enabling CDFIs to

create actionable, innovative ideas for transformative change in the ecosystem that supports underrepresented entrepreneurs in creating wealth for themselves and their communities, using crowdsourced ideas to pilot and test to reach more entrepreneurs of color through systems change.

• The Ideas Marketplace provides a unique central platform connecting the networks that empower underrepresented entrepreneurs and entrepreneur support organizations. This hub integrates existing platforms, resources and information to address gaps in capital, business support and other tools

"The biggest roadblock underrepresented entrepreneurs face is the lack of access to resources, credit and capital. As one of the few Black women CEOs in the technology industry, I know how difficult it can be to have a level playing field – and I know what a difference it can make personally and professionally. Avanade's partnership with Prosperity Now is one way we can do our part to create a more inclusive and diverse world."

#### **Pam Maynard**

Avanade Chief Executive Officer









## Our commitment to ethics, compliance and governance

"Everything we do at Avanade is rooted in our clear corporate governance structure and a strong Code of Business Ethics that fosters a culture of integrity, transparency, inclusivity and respect for all."

#### **Amy Wright**

Avanade Chief Operating Officer



### Acting responsibly, with integrity and respect

As a responsible business, Avanade is guided by a strong Code of Business Ethics that connects our values and operating principles with policies aligned to how we conduct business every day.

With our Code of Business Ethics as a foundation, we've built an Ethics and Compliance program that works both globally and locally, providing training and communications in key areas including anti-corruption awareness, data privacy, competition and trade control. We use ethics to guide our use of emerging technologies like generative AI, ensuring that our professionals and our clients are applying these technologies ethically and safely.

In 2023, Avanade achieved 99% Ethics and Compliance training participation among our employees worldwide.





### Leading responsibly with AI and digital ethics

AI has triggered waves of change that have the potential to redefine industries and unleash a new era of economic growth. And as generative AI copilots put the power of AI into everyone's hands, we are at a pivotal moment where technology can supercharge human capability to address some of the world's biggest challenges, such as equity in education and healthcare, gender and racial disparities, and climate change.

With that potential comes a great deal of responsibility, and we must keep trust and transparency non-negotiable in an AI-first world. Because government regulation can't keep pace with the rapid development of the technology, leaders have a responsibility to create ethical guardrails. Our first Chief AI Officer, Florin Rotar, was appointed to lead our global AI strategy, including a laser focus on ethical standards, privacy, and social impact.

We've long had a digital ethics framework in place that considers bias and discrimination, information security and data privacy, sustainability, social implications, and more when using technology – and we were able to extend that framework to include the impact of AI. Avanade continues to be a leader in this space, partnering with Microsoft and Accenture to prioritize – and accelerate – ethical and Responsible AI (RAI) practices, including the formalization of frameworks into policies. Avanade's first-ever Responsible AI policy became effective in 2023, ensuring our key principles for deployment of AI will be:

- for diversity, human rights, and sustainability
- decision-making
- and capture, curate, and process data responsibly
- traceability, and continuous monitoring

We recognize that all our employees, from interns to executives, will require training to help them understand and utilize AI responsibly. In October, we launched our new School of AI training hub with a multi-part learning path on generative AI, including lessons on foundational AI literacy and prompt engineering.

• Human-centered and fair, including representative data sets and inclusive teams to mitigate the potential for unfair bias and other negative unintended consequences, along with promoting our goals

• Trusted and transparent, ensuring visibility into data management, maximizing explainability, soundness, and accuracy and enabling a clear understanding of AI-driven outcomes and informed

• Safe and secure, practicing safety, privacy, and security by design to protect both data and humans,

• **Open and accountable**, embracing responsible AI and data practices to champion accountability,

"Responsible AI usage and governance are not only ethical imperatives, but also strategic advantages. By ensuring that our AI systems are aligned with our values, transparent in their decisions, and accountable for their impacts, we can build trust with our employees, clients and society at large. Responsible Al is not a constraint, but a catalyst for innovation and growth, and a way to ensure that AI-first is people-first."

**Florin Rotar** Avanade Chief AI Officer







## **Our commitment to** being a responsible **business for 2024** and beyond

The world is constantly evolving, and so is our approach to ESG reporting. Governments across the globe are increasing their regulatory oversight, establishing strengthened standards for ESG targets. Meanwhile, continual advancements in AI, and the pressing threat of global climate change, will require close attention to sustainability, digital ethics, compliance, inclusion and diversity and more in 2024 and years to come.

Steps we're taking to advance our responsible business practices in 2024:

- Establishing an ESG Council led by Innes Grant, our ESG and Responsible Business lead, to ingrain responsible business initiatives within our communications, policies and operations
- Enabling our clients to achieve their **ESG goals** by offering solutions that help organizations comply with ESG-related market regulations
- Evolving our Responsible AI framework and helping our clients establish RAI frameworks that address bias, discrimination, information security and data privacy, sustainability and more
- Adding metrics on e-waste and client KPI to our FY24 ESG Scorecard to drive progress and better visibility around our own sustainability performance

We strive to make a positive impact on the world in lockstep with our ecosystem partners, using the power of people and Microsoft to shape a brighter future. As we look toward that future, we are committed to evaluating our responsible business practices and finding new ways to do what matters for our people, clients and communities. This is the right thing to do, and it is core to who we are as an organization.





### **Our ESG Scorecard 2024**

Environmental		Social	
	Proposed FY24		
Climate; Carbon net zeroby 2030		Human Capital	
Net zero emissions by 2025	Establish baseline	Women Joiners (% new hires that are women)	
(aligned to Accenture)	in FY24 and drive to 25% net zero emissions by 2025	Senior Women Representation (% women in Director+* roles)	
Green IT: Responsible eWaste Disposal	100%	Senior Leadership Representation (% representation of US underrepresented groups that are Director+*	
Sustainability by Design in		(race, ethnicity). US only)	
Client Engagements Deliver 'greener services and solutions' for our clients	25%	Inclusion Score (% favorable responses to inclusion index questions in employee survey)	
(% of engineering/software development staff to complete Green Software certification)		Employee Health and Well-being Score (% favorable responses to Well-being index questions in employee survey)	

#### **Community Impact**

Youth and Underrepresented Entrepreneur Enablement (# young people and people from underrepresented communities enabled for the digital era)

Volunteering (% employees achieving volunteering 20% target)

\*Director+ comprises the directors, senior directors and executives that make up our business leadership

	Governance
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	Proposed FY24		Proposed FY24	
		Compliance		
s that are women)	47%	Ethics and Compliance Training	99.5%	
on (% women in	28%	(% employee timely completion)		
		Data Privacy and Security		
ation (% representation ups that are Director+*	25%	Data Privacy and Security	Manage and maintain ISO/IEC 27001:2013, ISO/ IEC 27701:2019	
responses to inclusion survey)	75%		certifications	
	750/	Transparency and disclosure		
eing Score (% favorable ex questions in employee		Commitment to UN SDG (UN Global compact)	Maintain	
		EcoVadis certification	Silver	
d Entrepreneur e and people from ties enabled for the	1.25M			

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#### About Avanade

Avanade is the leading provider of innovative digital, cloud and advisory services, industry solutions and design-led experiences across the Microsoft ecosystem. Every day, our 60,000 professionals in 26 countries make a genuine human impact for our clients, their employees and their customers.

With the most Microsoft certifications (60,000+) and 18 (out of 18) Gold-level Microsoft competencies, we are uniquely positioned to help businesses grow and solve their toughest challenges.

As a responsible business, we are building a sustainable world and helping young people from underrepresented communities fulfill their potential.

Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at <u>www.avanade.com</u>.

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**Do what matters** 

