

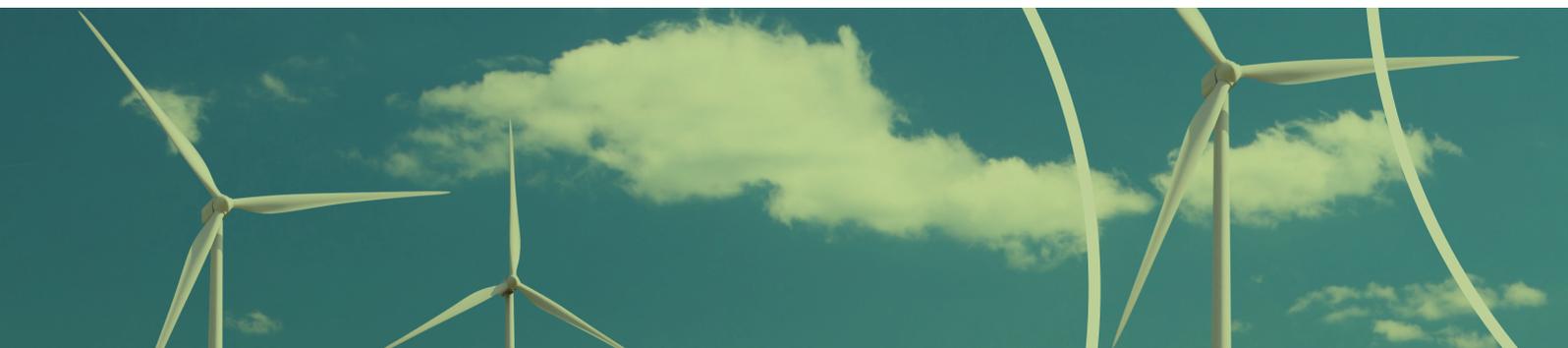


Integration Case Study: Governance integration at Autodesk



GOVERNANCE

2022



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Integration Case Study:

Autodesk (ADSK)



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Company Description

Autodesk is a global leader in 3D design, engineering, and entertainment software and services. With expertise across architecture, engineering, construction, design, manufacturing and entertainment, Autodesk offers innovative technology products. It is spread among major geographic regions with the U.S. being its biggest single market. The core of its strategy is to provide valuable automation and insight into customers' design.

Sustainability thesis

Autodesk provides cloud software solutions that significantly improve efficiency and reduce waste in two main verticals: Architecture, Engineering & Construction (AEC) and Manufacturing. Autodesk's AEC software suite enables customers to improve efficiency and reduce waste in construction. Through Autodesk's software offering, it enables customers to design more energy efficient buildings. Autodesk's manufacturing software suite digitalises the design, simulation and manufacturing process, thereby significantly improving industrial efficiency. It has already successfully achieved net zero emissions goals ahead of schedule.

Sustainability profile

Autodesk anchors its business model to sustainability. Its sustainability policies have a few areas of focus: energy efficiency, digital transformation, increasing resilience and prosperity of global communities. They have led Autodesk to become a net zero GHG emissions company across the business and value chain. In 2020, 100% of office and data center electricity was from renewable energy sources. They have set new science based GHG emissions reduction targets to be aligned with the latest climate science 1.5 degrees pathway. They continue to engage with customers and suppliers to help them decarbonise.

UN SDG commitment

Autodesk is focused on maximising positive impact through its operation, products and philanthropic activities. It contributes to environmental goals including 7 and 13 by having already achieved net zero GHG emissions target across the business and value chain. Additionally, it has committed to using 100% renewable energy in all the operations.

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Governance factors taken into consideration in the investment analysis:

There are two main areas of governance that we consider: corporate governance and corporate behaviour. Within the first area, the annual update from the shareholder meeting documents and annual reports are generally the most important sources; we also track voting results, director changes, material ownership changes and governance controversies.

The Board is composed of members from various backgrounds, knowledge and critical skills to enhance the oversight of different aspects of the business. Their backgrounds include technology, leadership, academic and international expansion. 90% of the Board is independent, 50% is female or diverse, and the CEO and Chairman are separate. The company has also updated the compensation policy to include ESG considerations with the aim to drive the achievement of its ESG goals.

The main factors to consider in corporate behaviour include business ethics, company policy on anticompetitive practices, bribery and anti-corruption management, human rights related policy, and tax transparency practices, among others. We analyse the related company policies, public engagements and flag potential controversies. During our investment period, we have not identified any severe controversies for Autodesk. It has an adequate Code of Business Conduct and Human Right Policy to avoid any violation of the International Bill of Human Rights.

Autodesk is strongly committed in building trust with employees, customers, communities and other stakeholders. The company is actively engaged with policy makers to promote public policies that have a positive impact. For example, the company collaborates with policymakers and other companies to promote more sustainable construction and manufacturing practices including carbon reporting and reduction policies.

As Governance is a very important area of focus for proxy voting, we conduct in-house research on the items and express our conclusions through the votes. In 2021, for Autodesk we voted FOR all the proposals, which related to election of directors and executive compensation.

Important disclosures



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