

Delivering Safe and Sustainable Performance
Sustainability Report 2013



Sustainability at Invensys means:

Providing efficient and safe products and solutions

For our customers, we offer a portfolio of products and business solutions that helps improve sustainability performance by increasing efficiency, safety, productivity and profitability.

We incorporate efficiency into our product design, manufacturing and supply chain programmes, focusing on resource consumption, material selection and life cycle considerations.

Operating efficiently and safely

We minimise our environmental footprint by measuring our energy, water, waste, fleet and business travel impacts and setting reduction targets at our manufacturing sites.

We improve workplace safety at our facilities and our customer sites by setting safety performance targets, implementing effective injury/illness prevention programmes and engaging in behaviour-based safety measures.

Investing in our employees and communities

We strive to attract and retain the best employees and to make Invensys a place where high-performing people choose to be, where they can enhance their careers and are motivated to perform at their best.

We are committed to investing in the communities where we live and work and understand that these interactions are best coordinated locally and customised to local needs.

Executing responsibly

Our Invensys Values, the Invensys Code of Conduct, our Supplier Code of Conduct and our approach to governance ensure the highest standards of ethical and honest behaviour in everything we do.

Engaging stakeholders

We continue to communicate our sustainability performance through the Invensys Annual Report and Accounts, our Sustainability Report and our Sustainability website.

We continue to be listed on the FTSE4Good Index Series and the Dow Jones Sustainability Indexes, which have recognised us for our economic, environmental and social performance.

We continue our commitment to the United Nations Global Compact (UNGC) to advance 10 universal principles in the areas of human rights, labour, environment and anti-corruption.

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2013 Performance Highlights

-3%

Reduction in energy use in our manufacturing locations

-3%

Reduction in CO₂e¹ emissions in our manufacturing locations

-3%

Reduction in CO₂e emissions from our manufacturing, office, fleet and air travel activities

-7%

Decrease in non-hazardous waste generation in our manufacturing locations

-29%

Decrease in hazardous waste generation in our manufacturing locations

-9%

Reduction in water use in our manufacturing locations

-14%

Reduction in total recordable case incident rate across all locations over the past four years

31

Invensys locations that achieved one million hours worked without a recordable injury by year end

119,153

Hours of on-line training by our Learning and Development Centre of Expertise by year end

Our Sustainability Policy commits us to focus on:

- Delivering offerings that improve the efficiencies of our customers
- Designing our products and services responsibly
- Reducing our environmental footprint
- Mitigating and repairing environmental impact
- Supporting the well-being of our employees and communities
- Enhancing the sustainability performance of our suppliers



CARBON DISCLOSURE PROJECT



¹CO₂e represents carbon dioxide equivalent units based on the global warming potential of greenhouse gases emitted.

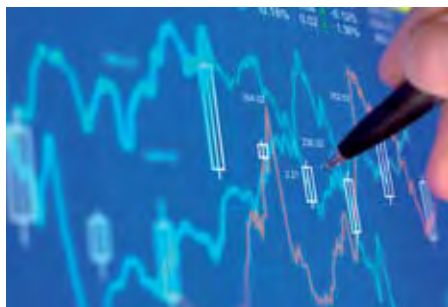
Company Profile

Invensys is now a focused supplier of industrial software, systems and control equipment, delivering state-of-the-art technologies to the world's major industries.

From oil refineries and power stations to mining companies and appliance manufacturers, everything that we do is about enhancing our customers' productivity and boosting their safety and sustainability performances.

Invensys is headquartered in London and listed on the London Stock Exchange, with 20,934 employees at fiscal year end in more than 50 countries.

Invensys has a truly global customer base: our solutions are used in more than 180 countries worldwide.



Software

15% of Group¹ revenue
£260m revenue

Our Software business is one of the world's leading developers and suppliers of industrial software with strong positions in process design, simulation and optimisation, real-time operations management and asset management.



Industrial Automation

53% of Group revenue
£948m revenue

Our Industrial Automation business is a global supplier of control systems, safety systems and instrumentation to customers operating some of the world's largest and most complex industrial plants, such as oil refineries, power stations (both fossil fuel and nuclear) and petrochemical plants.



Energy Controls

14% of Group revenue
£253m revenue

Our Energy Controls business designs and manufactures a range of process, heating, temperature and remote monitoring controls used in industrial, residential and commercial applications.



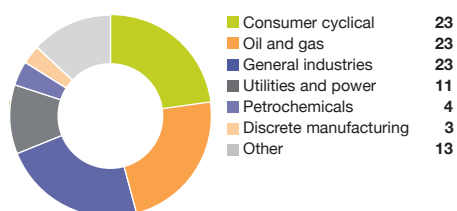
Appliance

18% of Group revenue
£331m revenue

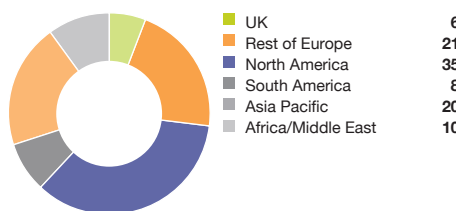
Our Appliance business designs and manufactures components and systems that control the operation of appliances, including cooking, refrigeration, laundry and dishwashing, in both the residential and commercial sectors.

Breakdown of Group¹ revenue and employees

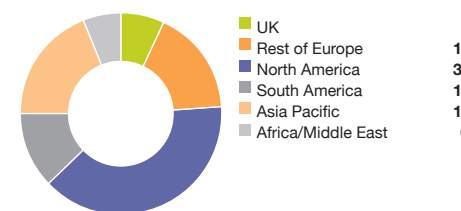
Revenue by sector (%)



Revenue by destination (%)



Employees² by geography (%)



¹ All financial numbers relate to continuing operations. Continuing operations exclude Invensys Rail.

² Employee breakout by percentages exclude Invensys Rail.

Financial performance for continuing operations¹

The Group has performed well against a backdrop of fragile economic conditions and ended the year with £268 million of net cash.

Orders (£m)

£1,700m



Order book (£m)

£1,094m



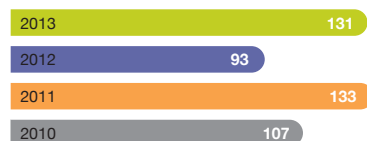
Revenue (£m)

£1,792m



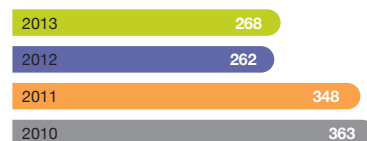
Operating profit (£m)²

£131m



Net cash (£m)

£268m



- Order intake was £1,700 million (2012: £1,759 million), down 3% (down 2% at CER³)
- Revenue was £1,792 million (2012: £1,764 million), up 2% (up 3% at CER)
- Operating profit rebounded to £131 million (2012: £93 million), up 41% (up 40% at CER)
- Net cash for the Group at year end (before receipt of Invensys Rail disposal proceeds) was £268 million (2012: £262 million)

A full set of our financial key performance indicators (KPIs) is included in the Key Performance Indicators section of our Annual Report and Accounts 2013 available on our website.



¹ All numbers relate to continuing operations. Continuing operations exclude Invensys Rail, whose disposal was completed on 2 May 2013.

² Unless otherwise stated, references to operating profit (OPBIT) are arrived at before exceptional items.

³ Unless otherwise stated, % change is measured as the change at constant exchange rates (CER) as a percentage of the 2012 adjusted base and is calculated based on underlying amounts in £000s.

Chief Executive's Statement

“At Invensys, everything we do is about enhancing our customers’ productivity. Our technologies speed up their processes, improve accuracy, save time, cut waste and boost their safety and sustainability performances.”

I am pleased to present our fifth annual Sustainability Report which highlights our sustainability efforts over the past year and the work we have undertaken to meet the goals we have set.

Commitment

Invensys remains committed to supporting the principles of economic success, environmental stewardship, diversity and social responsibility. We believe that success in these areas will enhance our reputation as a partner of choice and allow us to continue growing profitably in our chosen markets.

Reducing our environmental footprint and working safely remain high priorities for our businesses. We have identified several key performance indicators (KPIs) to help us measure and improve our progress. However, it is through our products and services that we can achieve significant benefits beyond our own footprint by enhancing our customers’ sustainability performance. We believe that collaboration with our customers will further enhance our own performance and reputation.

Challenges

Strong sustainability performance will continue to underpin our business growth. We recognise that many of our customers face significant challenges and we are committed to helping them improve their energy and raw material use, eliminate waste and reduce their total life cycle costs while maintaining the highest safety standards. We believe that our businesses have a number of core attributes that position us

well to meet our customers’ demands for safe and efficient solutions. We address these challenges by creating the technical solutions to provide new products and to deliver smarter and faster solutions. Within our own operations, the need to act responsibly and sustainably continues to be a priority and we remain focused on reducing our environmental impact.

Accomplishments

During the year, we exceeded our 2% environmental KPI reduction targets at our manufacturing sites for energy use, carbon emissions, water and waste generation. In addition, we have maintained our leadership position in safety performance relative to our peers with injury/illness incident frequency rates that reflect our effective management systems.

In the United Kingdom, Invensys was again listed on the FTSE4Good Index Series, which identifies companies that meet recognised standards of corporate responsibility. For the fourth consecutive year, Invensys was listed on the Dow Jones Sustainability Indexes (DJSI) in recognition of our economic, environmental and social performance. Invensys renewed its participation in the United Nations Global Compact (UNGC) and we again reported our greenhouse gas emissions to the Carbon Disclosure Project (CDP). Lastly, our UK operations continue to be certified for our reductions in carbon emissions under the Carbon Trust Standard.



The future

The key to sustainability at Invensys is our ability to help our customers operate profitably, productively and safely. Furthermore, we execute our business strategies while guided by our Invensys Values and our Code of Conduct, which highlight the need for responsible, ethical and honest behaviour.

This Report demonstrates how we have continued to perform safely and sustainably for both our customers and within our own operations. We have made progress reducing our environmental footprint and improving our efficiency. We will continue to challenge our partners and suppliers to conduct business in an ethical and responsible manner.

In the year ahead, we will focus on accentuating the positive sustainable

benefits that many of our products and services help to deliver in the marketplace. We will seek to reduce further our environmental footprint and look for other ways to keep our employees safe and improve our safety record.

Further, we will continue to invest in the development of our people and strive to ensure that all employees have the opportunities and guidance to support our sustainability goals. Finally, we will continue to encourage our businesses and employees to make a positive contribution to the communities in which they live and work.

I am excited about our future and look forward to more success in this area.

Wayne Edmunds
Chief Executive

Providing Efficient and Safe Products and Solutions

Invensys designs and supplies advanced technologies that optimise customer operational performance and profitability.



At Invensys, everything we do is about enhancing our customers' productivity. Our efforts improve our customers' quality and reliability, speed up their processes, improve accuracy, save time, cut waste and boost their safety and sustainability performances.

We also incorporate efficient and safe operating performance criteria into our product design and manufacturing and supply chain programmes, with a focus on reducing resource consumption, improving material selection and evaluating the life cycle implications of the use of our solutions.

Product stewardship

Invensys has a long history of partnering with customers to deploy a variety of innovative, efficient and safe technologies that have been recognised as industry-leading solutions.

We recognise that businesses must now take on new responsibilities to reduce the environmental footprint and health and safety impact of their products and services while improving quality and performance.

In the past year, we did not receive any notices of violations related to non-compliance with laws and regulations concerning the provision, use or marketing of our products and services.

Supply chain

We recognise that our influence on sustainability extends beyond our own engineering decision-making and manufacturing operations to include our supply chain.

Our online Supplier Self-assessment Tool allows us to evaluate the sustainability performance of our suppliers in a more structured manner.

Our Supplier Code of Conduct includes many of the governance and compliance requirements represented in our Invensys Code of Conduct. These tools are available to our businesses to allow them to meet their unique supply chain risks and the demands of their markets.

We seek to have all suppliers comply with the Supplier Code of Conduct (or have in place a similar code of conduct of their own), committing them to act with the highest standards of integrity and in an ethically, socially and environmentally responsible manner.

In developing our Supplier Code of Conduct, we recognised that, although there are local and national differences in business and regulatory standards, there are a number of minimum standards that must be achieved by all. The Invensys Supplier Code of Conduct will be available on our website.

The Supplier Self-assessment Tool considers our suppliers approach to:

- Quality systems
- Business systems
- Design and production technology
- Process management
- Training and human resources
- Materials management
- Approach to business continuity
- Corporate citizenship practices
- Operational eco-efficiency
- Adherence to our Supplier Code of Conduct principles

As part of our supplier selection process, Invensys may give preference to those suppliers who are socially and environmentally progressive and who comply with the letter and spirit of the Supplier Code of Conduct. Additionally, non-compliance with the Supplier Code of Conduct may result in supplier disqualification.

Providing Efficient and Safe Products and Solutions continued

These examples demonstrate how we help our customers improve their sustainability performance across our business segments and lines of business:

Software

Our Software business segment, under the SimSci™, Wonderware® and Avantis® brands, is one of the world's leading developers and suppliers of industrial software with strong positions in process design, simulation and optimisation, real-time production management and asset management.

We help our end users to lower raw material use, reduce energy and water use, decrease emissions and operate more productively, profitably, reliably and safely.

Industrial Automation

Our Systems and Nuclear lines of business, under the Foxboro® and Triconex® brands, include control and safety systems that enable the safe and reliable operation of a variety of industrial plants.

Our engineering teams continually improve the processing capacity and reduce the physical and energy footprint of our product designs, striving to reduce raw material use and improve total life cycle costs.

Our Field Devices line of business, under the Foxboro and Foxboro Eckardt™ brands, focuses on continually reducing the energy use of our flow and controls measurement devices, many of which use millivolts of electricity.

Every redesign they undertake is oriented towards reducing power consumption as well as increasing processing capability.

Energy Control

Our Industrial line of business, under the Eurotherm® brand, delivers process control and temperature control solutions for the life sciences, heat treatment, plastics and glass sectors, where reducing our customers' energy use is critical to their business success.

Our Commercial line of business, under the Eliwell® and Ranco® brands, designs and supplies a range of controls that optimise the refrigeration, heating, ventilation and air-conditioning capabilities of our customers' equipment and facilities, allowing end users to use energy efficiently and maintain food quality.

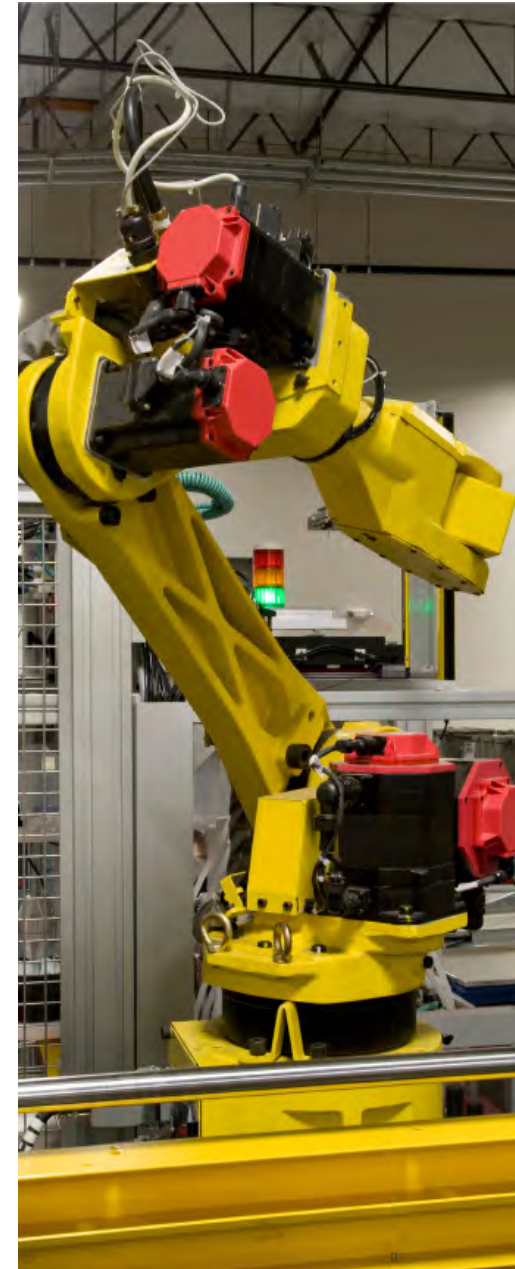
Our Residential line of business, under the Drayton®, Eberle® and Robertshaw® brands, designs, manufactures and distributes thermostats, thermostatic radiator valves and various controls that enable the efficient and reliable air conditioning and heating of homes.

IMServ™ provides energy data measurement, visualisation and control services for large industrial, commercial and retail energy users, enabling the more efficient use of energy across their customers' facilities.

Centeron™ state-of-the-art radio and sensor technology is used to remotely monitor storage tanks to optimise the supply chain delivery and use of petroleum, propane, chemicals and agricultural products

Appliance

Our Appliance business segment designs and supplies innovative components and systems that enable the safe and reliable performance of cooking, refrigeration, laundry and dishwashing appliances in residential and commercial sectors while also reducing energy and water use.



Providing Efficient and Safe Products and Solutions continued

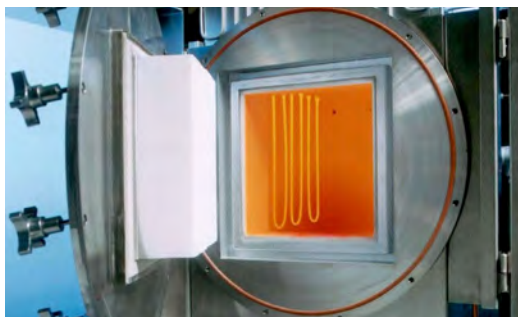


Invensys Wonderware helps UK food processor reduce water use

Branston, a leading UK-based potato processor, works closely with some of the countries most progressive potato growers to ensure they bring forth the best of Britain's potato crop to their customers. To conserve the use of water, improve their processing efficiency and assure their ability to comply with applicable environment standards, the Seavington site in the southwest of England looked to upgrade their potato processing and wastewater treatment operations.

Using manufacturing automation software products from Invensys Wonderware, Branston installed a membrane bioreactor wastewater treatment system with activated sludge treatment, enhanced liquid-solid separation and carbon absorption filters to treat water used during processing.

Branston now recycles up to 90% of water used at the site while improving their ability to monitor water use and treat wastewater effluent to meet local discharge standards. Heiko Gramsch, Branston's Development Project Manager, stated, "By working with several local agencies, we have successfully created a water recycling unit, which after just a few months of being up and running, has reduced our public water usage by 52%."



Invensys Eurotherm partners with Kanthal Heaters to optimise heat treatment technology

Kanthal, a world-recognised brand in industrial heating technology, have successfully applied features of the Invensys Eurotherm EPower™ Controller to their Kanthal Super heater element to improve heater performance and reduce electrical energy use.

A key aspect of the Super's performance is the measurement of the relationship between the impedance and temperature of the heater. The EPower Controller supplies continuous information about the heater impedance that enables the unit's controller to prevent it from overheating, which ultimately extends the lifetime of the heater.

The precise information on energy-consumption-over-time supplied by the EPower allows the accurate analysis of energy costs, and the Predictive Load Management option actually anticipates future energy usage and employs power limiting strategies to better distribute energy across multiple heaters. This useful feature can save energy and associated costs by preventing customers from exceeding peak use rates.

Eurotherm's innovative approach to improving the efficiency of power applications in industries such as Heat Treatment received an Engineers' Choice Award and an award for Innovation from The Franco British Business Awards sponsored by Barclays Bank.



Invensys refrigerated beverage controllers recognised for innovation

Many global beverage companies are more keenly focused on energy use and greenhouse gas emissions across their value chains, especially for plug-in refrigerated cabinets in retail settings where their products are sold. These market factors are increasing the demand for controllers that can reduce energy consumption while maintaining proper beverage temperature.

Our Invensys Eliwell EWPlus™ EO™ smart controllers can now monitor door openings to determine when retail locations are closed to reduce energy usage, sense when warm product is placed in cabinets to adjust the temperature regulation. Plus they have expanded data management algorithms that enable improved overall cabinet energy management.

Customer testing of our EWPlus EO smart controllers has shown that they can deliver up to 20% energy savings when compared to other electronic controllers. Further, this past year, our EWPlus EO smart controllers were recognised by *Environmental Leader* magazine's 2013 *Excellence in Technology and Innovation Product Review*.





Invensys Environmental KPIs include:

- Energy used
- CO₂e emitted
- Water used
- Non-hazardous waste generated
- Hazardous waste generated

We continue our commitment to reduce our environmental footprint and work safely.

Management approach

We take a life cycle approach to environmental sustainability by considering the environmental impacts associated with our business operations and then incorporating those considerations into our sustainability strategy and decision-making processes.

This broadly-focused view of the environment is captured both internally through the development of goals, performance metrics, policies, responsibilities and training programmes, and externally through our supply chain initiatives and the design and delivery of our products and services.

Our environmental footprint

We selected our environmental KPIs and reduction goals based on external

guidance, benchmarking and careful consideration of our own business-specific objectives.

For our manufacturing facilities, environmental KPIs include energy use, CO₂e emissions, water consumed, non-hazardous waste generated and hazardous waste generated. Energy use and CO₂e emissions data are also collected from non-manufacturing facilities, and we continue to measure CO₂e emissions associated with our global fleet and business air travel.

While we believe it is important to understand the impact we have across our operations, reduction targets are currently only set for our manufacturing locations, since these locations have the largest impact coupled with the best opportunity for facilitating meaningful reductions.

Environmental KPI targets are set for a three-year period in alignment with our overall Strategic Plan. The past year was the last year in a three-year plan to reduce our KPIs by 2% each year. Moving forward, each of our business segments will focus on Continuous Improvement (CI) of energy, CO₂e and hazardous and non-hazardous waste results.

Our site-level CI teams and Kaizen programme help us identify KPI reduction projects to support our efforts. This past year, the Group led seven KPI reduction-focused Kaizen events and we implemented 150 energy efficiency projects that reduced CO₂e emissions by over 4,300 metric tonnes.

Also this past year, we exceeded our annual 2% reduction targets for energy use, CO₂e emissions, water use and waste generation

through the implementation of KPI reduction projects and the consolidation of some of our manufacturing operations.

Environmental performance

The Chief Executive continues to be briefed on Group environmental performance and receives regular reports on KPI reduction progress and any violations or environmental releases that occur.

In the past year, there were no environmental releases or fines related to environmental regulations. In the United States, one notice of violation was received for failing to register equipment under local air regulations. All deficiencies were corrected.

Operating Efficiently and Safely continued

Environmental KPIs

Year ended 31 March	Unit	2013	2012	2011	% change 2013/2012	% target
Energy use¹						
manufacturing ²	MWh	143,897	148,804	162,426	(3%)	(2%)
non-manufacturing ³	MWh	55,092	54,340	43,658	1%	nm ⁶
CO₂e emissions						
manufacturing ^{2,4}	tonnes	52,389	53,990	59,057	(3%)	(2%)
non-manufacturing ^{3,4}	tonnes	25,749	25,274	20,707	2%	nm
global fleet	tonnes	10,620	12,640	12,502	(16%)	nm
business airline travel	tonnes	23,041	23,937	24,530	(4%)	nm
Carbon intensity ⁵	tonnes/£ (mil)	44	46	47		nm
Water consumed	m ³	295,611	323,820	366,602	(9%)	(2%)
Waste generated (non-hazardous)	tonnes	6,344	6,805	6,738	(7%)	(2%)
Waste recycled (non-hazardous)	tonnes	4,606	5,149	4,993	(11%)	nm
Waste generated (hazardous)	tonnes	881	1,234	1,196	(29%)	(2%)
Waste recycled (hazardous)	tonnes	102	803	784	(87%)	nm
Total waste generated	tonnes	7,225	8,039	7,934	(10%)	nm

¹ Energy as defined here includes electricity, natural gas, heating oil.

² Based on 31 sites in 2013, 34 sites in 2012 and 39 sites in 2011.

³ Based on 112 sites in 2013, 116 sites in 2012, and 98 sites in 2011.

⁴ CO₂e emissions have been recalculated using newly published emissions factors for electricity purchases.

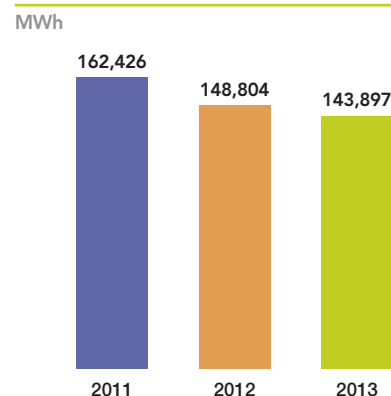
⁵ Carbon intensity represents total carbon emissions from manufacturing, non-manufacturing, global fleet and business airline travel per total Invensys revenue.

⁶ nm = not measured.

Progress on Carbon Reductions

Our combined manufacturing and non-manufacturing CO₂e emissions have decreased by 2% over the last three years, while group revenue has increased by 3%.

Energy use (manufacturing)



We consumed 143,897 MWh of energy at our 31 manufacturing locations and our use decreased by 3% this year, exceeding our 2% reduction target. Longer term, our manufacturing site energy use has decreased 11% over the past three years. Over 70% of the energy used at manufacturing sites is from electricity purchases.

Renewable energy

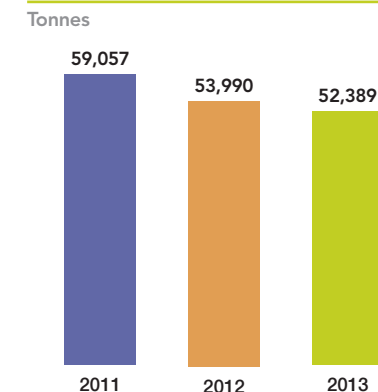
With regard to renewable energy, at most locations, Invensys does not have the ability to choose the source of purchased electricity, as it is regulated by the local utility companies. We believe the CO₂e emission factors associated with our electricity purchases best reflect the renewable energy composition of the power provided by the local grid. Where we do have more control, in particular at new facilities or where utility companies provide an option, we are striving to increase our purchase of renewable energy.

Renewable electricity purchases

For our Eliwell facility in Belluno, Italy and our Rail operations in Spain, 100% of the electricity purchased was supplied by certified renewable energy electricity purchasing programmes.

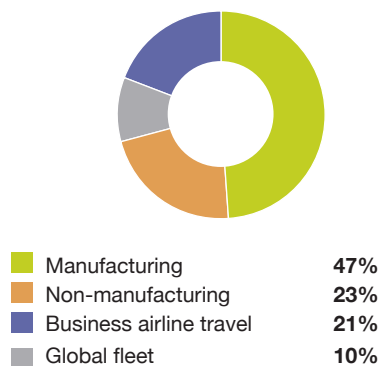


CO₂e emissions (manufacturing)



Greenhouse gases (GhGs) arising from the direct combustion of fossil fuels and purchased electricity at our manufacturing sites totaled 52,389 tonnes of CO₂e, a decrease of 3% over the past year, exceeding our 2% KPI reduction target. Longer term, CO₂e emissions at our manufacturing sites have decreased 11% over the last three years.

2012 CO₂e emissions by source

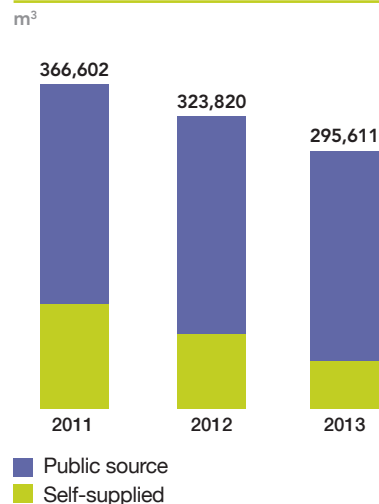


At our non-manufacturing sites where we collect data, we generated 25,749 tonnes of CO₂e from direct fossil fuel combustion and electricity purchases, an increase of 2% over last year with a 1% increase in building square footage reported.

We again measured CO₂e emissions associated with business airline travel and global fleet vehicles. Our business airline travel contributed 23,041 tonnes of CO₂e, a 4% decrease over last year. Our global fleet contributed 10,620 tonnes of CO₂e over the previous year, a 16% decrease in global fleet CO₂e emissions. Our decrease in fleet emissions is due to fewer vehicles, fewer miles driven and deployment of more fuel-efficient vehicles.

As always, we continue to encourage the use of video teleconferencing where appropriate to limit the cost and emissions associated with air travel.

Water consumed (manufacturing)



We consumed 295,611 cubic meters of water at our manufacturing locations this past year. Our water use represents a reduction of 9% over the prior year and exceeds our 2% reduction target.

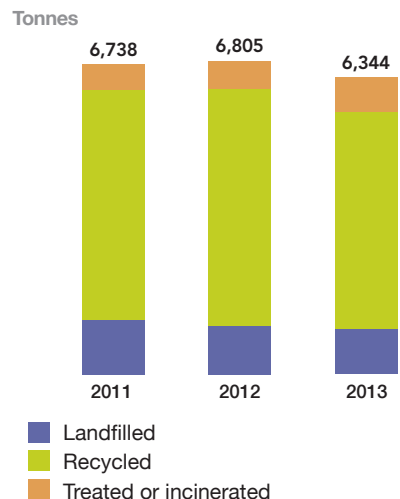
Water Use at Invensys

Invensys' manufacturing processes are not water intensive. Over 70% of our water use at manufacturing sites is for sanitary purposes, with 50% of the process water we use occurring at our two largest manufacturing sites.

Further, we have made in reduced our water use by 19% at manufacturing sites over the past three years and will continue to manage this resource at the site level.



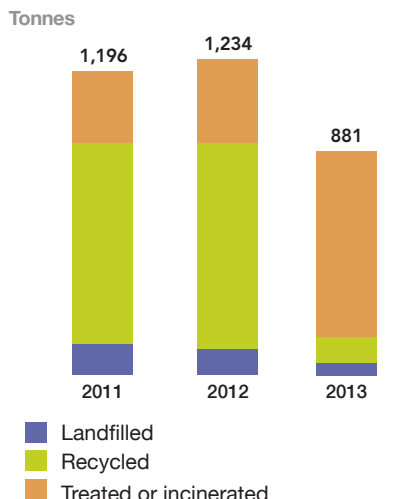
Non-hazardous waste (manufacturing)



We generated 6,344 tonnes of non-hazardous waste at our manufacturing locations this past year, which represents a 7% decrease over the prior year, exceeding our 2% reduction target.

Our non-hazardous waste is down 6% over the past three years.

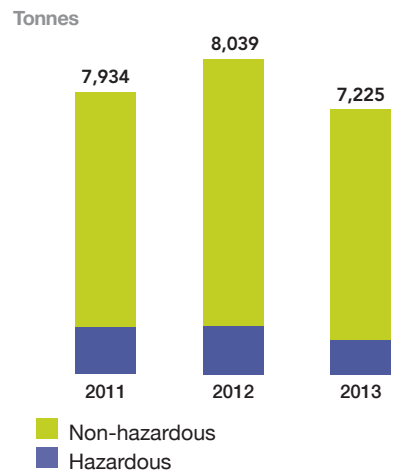
Hazardous waste (manufacturing)



We generated 881 tonnes of hazardous waste this year, which represents a 29% decrease over the prior year.

Since 2011, our hazardous waste is down 26%.

Total waste generated (manufacturing)



We generated 7,225 tonnes of total waste, representing a decrease of 10% over the past year. Longer term, combined non-hazardous and hazardous waste generation has decreased 9% over the past three years.

Recycling and Landfill Diversion at Invensys

At Invensys, we strive to select waste disposal options that reduce environmental impact.

Over the past three years, we have reduced total waste sent to landfills by 20%.

This past year we recycled 65% of our total waste, down from 73% in 2012.

These case studies highlight some of our successes this past year at our manufacturing sites.



Invensys Matamoros achieves waste reduction successes

The Invensys Matamoros facility is our largest manufacturing centre where a variety of waste streams such as scrap metal, plastic and cardboard are generated. In 2012, the Matamoros leadership group challenged the Continuous Improvement and Environment, Health, Safety & Sustainability teams to identify new opportunities to reduce waste.

The teams pinpointed 15 waste reduction projects after conducting a series of Kaizen workshops. These projects included eliminating unnecessary packaging for raw materials purchased, optimising the re-use of scrap plastic from injection molding, standardising the pallets received from suppliers and shipped to customers, and recycling scrap metal to manufacture new parts for several products.

The implementation of these projects resulted in the reduction of over 200 metric tonnes of non-hazardous waste and a 3% improvement over the prior year. "Our focus was to apply a rigorous yet innovative approach to non-hazardous waste reduction this year," said Ivan Rodriguez, Invensys Appliance Operational Excellence Manager. "The results we achieved reflect our dedication to continuously improve our operating efficiencies and to instill a sustainability culture."



Invensys Foxboro achieves significant lighting reductions

The Invensys Foxboro complex is one of Invensys' largest energy users and the site team is continually looking for innovative ways to reduce our energy use as part of our environmental KPI reduction programme.

This past year, the Foxboro team replaced nearly 90 energy-intensive outdoor incandescent, high-pressure sodium and halogen light fixtures with more energy-efficient induction lighting fixtures, reducing energy used for outdoor lighting at the complex by more than 60%. Further, the Foxboro team took advantage of local incentives as well as an "on-bill financing" option from National Grid.

"We were not only able to put together a successful energy efficient project, but by leveraging National Grid's financing option, we completed the project with no out-of-pocket cash expenditures. This approach was quite well received by the local management team," said David McMillan, Environmental Manager with Invensys.



Invensys implements innovative manufacturing solution

Invensys Appliance manufactures printed circuit boards for the electronic controls that are integrated into our solutions for the white goods industry. To continuously improve our manufacturing processes, Appliance organised a High-Speed Electronic Council (HSEC) to identify and implement a more efficient, flexible and standardised electronics production system across our global operations.

Based on the Council's recommendations, Appliance implemented a new high-speed electronics manufacturing line which improves board design flexibility, uses 29% less energy, and generates an average of 40% less scrap parts than previous configurations. In addition, the new line's automated insertion and inspection capabilities help increase production throughput with improved quality performance.

"Our goal was to optimise our electronics production system with the proper balance of speed, flexibility and precision while increasing efficiency, equipment utilization and quality. We are quite excited about the successes we've achieved to date," said Ivan Rodriguez, Invensys Appliance Operational Excellence Manager.



Operating Efficiently and Safely continued

Working safely at our own operations and customer sites remains our highest priority.

Health and safety performance

Working safely is not only a priority, but also presents an opportunity for competitive advantage in the marketplace given the nature of our business. We are pleased to report that we have maintained our strong health and safety performance, as reflected in our injury/illness incident frequency rates.

From April 2012 to the end of March 2013, our Total Recordable Case Incident Rate (TRCIR) and Lost Workday Case Incident Rate (LWCIR) remained constant at 0.18 and 0.05, respectively. Over the past four years, our TRCIR has fallen 14% and our LWCIR has fallen 38%. We continue to look for ways to improve our safety performance.



Our Chief Executive reviews health and safety performance data, including any violations or major incidents, on a monthly basis. In addition, site leaders and management teams review each recordable incident to fully understand the root causes of accidents and ensure adequate corrective actions are implemented.

We are pleased to report that there were again no work-related fatalities during the year. During inspections by government officials, we received safety-related citations at six sites in five countries related to deficiencies in safety programmes, including emergency response, machine guarding, electrical requirements and ergonomics. No fines were incurred and corrective actions are being taken.

Invensys safety recognition programme

Invensys has an internal recognition programme for safety excellence at our operating locations. Awards are granted for intervals of one million hours worked without a recordable incident.

As of 31 March 2013, 31 locations reached the safety milestone of one million hours or

more worked without a recordable incident. Of these locations, our Matamoros, Mexico facility has now worked over eight million hours without a recordable incident.

Travel safety and security

Invensys is committed to protecting the safety and security of our employees as they travel worldwide.

This past year, the Invensys Global Security team leveraged our previous security assessment work to develop standards outlining minimum security requirements for all Invensys sites. Further, Global Security is refreshing our security assessments at key sites to ensure effective risk management is applied consistent with ISO 31000:2009.

Using advice and information provided by external advisers, Global Security regularly evaluates and refreshes the risk ratings assigned to various countries. Travellers to high- and extreme-risk countries receive on-line and classroom-based training related to working in hostile environments, daily check-in support, travel approval expectations and assistance with local security escorts when necessary.

Total Recordable Case Incident Rate



Our Total Recordable Case Incident Rate (TRCIR) remained flat at 0.18 this year; over the past four years, however, our TRCIR has fallen by 14%.

Lost Workday Case Incident Rate



Our Lost Workday Case Incident Rate (LWCIR) remained flat at 0.05 this year; over the past four years, however, our LWCIR has fallen by 38%.

Safety and Sustainability Awareness Metric

Our Safety and Sustainability Awareness Metric (SSAM) measures proactive, behaviour-based safety indicators like near misses, completion of training and management-led safety tours. Our consolidated performance on the SSAM for 2013 was 99, exceeding our target of 95 out of 100.

Additionally, Global Security monitors and develops specific journey management plans for travel in high- and extreme-risk countries, detailing localised risk management measures such as preferred hotels, routes, places to avoid and details of emergency contacts.

This coming year, Global Security will also focus on evacuation planning for Invensys operations in the Middle East and North Africa regions.

These examples highlight the progress of our safety programmes.



Invensys reaches safety milestones

Our safety performance is critical to Invensys' business success and we remain committed to the highest standards of safety performance at our own sites and customer sites.

To recognise our efforts, Invensys grants recognition awards to those locations and business operations that demonstrate consistently strong safety performance.

Earlier this year, our Reynosa, Mexico site reached four million hours worked without a recordable incident and our Matamoros, Mexico site reached eight million hours worked without a recordable incident.

"These results are the outcome of our efforts to understand safe work requirements and work in partnership with the business to analyze risks and create effective solutions," said Steve Sacco, Invensys Senior Vice President, Environment, Health, Safety & Sustainability.



Invensys travel safety programme delivers results

Business travel to high- and extreme-risk destinations presents unique challenges which require our employees to be well-informed and prepared. Our Global Security and EHS&S teams focus on putting the programmes and processes in place to provide an adequate level of safety and security for our travellers. This past year we:

- Had 230 employee trips to high- and extreme-risk locations
- Put 55 employees through Hostile Environment Training for visits to extreme-risk countries
- Developed and deployed new on-line training modules on safe business travel practices for high- and extreme-risk travel
- Reviewed and approved new Meet & Greet travel partners in Iraq and Libya
- Initiated a programme to audit hotels in high- and extreme-risk locations

"This year, we have continued to enable and support our employees in working and travelling safely and to meet the expectations of our employees and our customers," said Adam Honor, Invensys Director, Global Security.



Invensys Foxboro team reduces risk while saving money

As part of their ongoing efforts to integrate EHS&S risk reduction into our Continuous Improvement processes, the Invensys Foxboro's Glass Lab team identified an opportunity to reduce ergonomic risks while also saving time.

Our front-line manufacturing employees routinely lifted and emptied pails of potting compound into assembly fill stations. Given the viscosity of the compound, an excessive amount of time and manual handling was required to complete the necessary steps to empty the pails and replace the compound. Further, the previous approach created ergonomic risks to the line workers.

An integrated EHS&S, Operations and Continuous Improvement team worked in tandem to identify an automated device that reduces the time and labor associated with changeovers while eliminating manual lifting and holding. The combined productivity to date after initial rollout is over five hours per month.

Working Safely: How We Compare

Our safety performance is critical to Invensys' business success. Beyond the manufacturing of our products, we often work to install our equipment systems at our customers' sites.

Our approach is underpinned by our understanding of global safe work requirements and working in partnership with our customers to analyse risks and create effective solutions.

From 2008 through 2011 (the last year for which public data is available), Invensys' total recordable and lost workday case incident rates were on average 86% and 74% lower, respectively, than our peers.¹

¹ Comparison based on publicly available US safety performance sector data for the North American Industry Classification Systems in which we operated in globally for calendar years 2008-2011, prorated by hours worked across our businesses.

Investing in Our Employees and Communities

Our employees are our greatest asset, and providing a safe and supportive work environment remains the highest priority.



* Regional employee breakout reflects percentages following Invensys Rail disposal on 2 May 2013.

Invensys values

Invensys' values – Agility, Innovation, Integrity and Performance – reflect the aspirations of our people and underpin the way we work together. Alignment with these values is considered integral to the performance of our employees, and they are therefore embedded within our performance assessment, internal communications and recognition arrangements.

Employee diversity

Invensys seeks to recruit the best individual for every position regardless of gender, ethnic or national origin, religion, sexual orientation or any personal characteristic, including disability, not relevant to their work. The Group seeks to ensure that fair consideration is given to applications for employment received from people with disabilities and we offer

continued employment, training and advancement where possible to employees who are or become temporarily or permanently disabled.



A talented and engaged workforce is the lifeblood of any organisation, and Invensys views its employees as its highest-priority resource.

Maintaining the right work environment and providing the right development tools for employees are essential to keeping employee engagement at high levels.

Employees¹ (as of 31 March 2013)

2013	20,934
2012	20,959
2011	20,664
2010	20,044

¹ Employee head count including Invensys Rail.



Inclusion in the workforce

Invensys fosters an inclusive culture where anyone with the skills and abilities to perform is treated fairly. We embrace the diversity of our employees and the greater effectiveness a diverse workforce allows us to offer our customers. We continue to respect and support the principles of the European Convention on Human Rights and the United Nations Global Compact by ensuring we comply with the labour laws of the countries in which we operate and by creating an inclusive and respectful culture for our diverse workforce.

Invensys is committed to equal opportunities and supports the recommendations of Lord Davies and the Financial Reporting Council regarding diversity. This is reflected in the wide range of international backgrounds and skills of our directors, as well as the appointment of two female directors to the Board.

We also recognise the importance of diversity below Board level and have launched a number of diversity initiatives, including an independent diversity assessment intended to highlight issues

and opportunities across the business.

In addition, the Invensys Women's Exchange is an established resource group that provides support, education and networking opportunities within Invensys and with our customers.

Engagement with employee representatives and employees

Regular and open communication is vital to maintaining engaged teams, and Invensys uses media such as regular updates from our Chief Executive,

an Invensys-wide intranet, global "All Hands" calls and local communications networks, including site-level briefings, smaller face-to-face meetings and employee newsletters.

Invensys has established blogs through initiatives such as "iShare" and is increasingly using social networking technologies to facilitate fast and open communication between employees and to realise the performance advantages of sharing knowledge and best practices across the Group.

We also recognise our obligation and the benefits arising from consulting through more formal channels such as the Invensys European Employees Forum (IEEF), which promotes dialogue between elected employee representatives and senior management. The annual meeting between IEEF representatives and senior management has been running for 14 years.

Remuneration and benefits

Invensys strives to offer competitive remuneration and benefits in each of our markets through a system of differentiated base pay, cash and equity bonuses based solely on the individual's contributions to Invensys' success and not subject to any pay discrimination. Collective bargaining is allowed and we identified no at-risk Invensys operations or Tier 1 suppliers related to freedom of association and collective bargaining over the past year.

Investing in Our Employees and Communities continued

Aligning our people with the Group's goals and objectives

During the year, we use our goal deployment and performance management tools and processes to help our employees understand Invensys' goals and objectives and align them with their own. Line managers are required to hold annual performance reviews with their employees to discuss their performance, set personal objectives for the coming year and create personal development plans. Approximately 11,000 managerial, professional and technical employees participated in our on-line performance management processes last year. Other employees, such as those in manufacturing, participate in local performance management processes.

Developing our leadership and our talent

We continue to focus on growing our capability and enabling internal career moves through our Organisational Capability Review (OCR) process. This process takes place across Invensys and over the past year has led to the creation of robust succession plans for 50 senior leadership roles. OCR has also enabled the identification of key talent across the Group with 53 individuals considered to be "High Potential" or "High Professionals." Each of these employees has an individual development plan, completion of which is tracked and actively supported to achieve their potential through quarterly talent reviews with our Group Leadership Team. We also have range talent development programmes including our "Programme for Action Learning and Mentoring (PALM)" and "Functional Expert to Business Partner" across our Finance and Legal functions.

We continue the work started in 2010 on our new set of Invensys competencies, which drew on external benchmarking and internal research from over 200 of our own high-performing leaders. These competencies are now embedded in our performance management system and form the basis for the assessment of our top talent.

Investing in our leadership and delivery capability

Our Learning and Development Centre of Expertise (CoE) has become well-established and has delivered 119,153 hours of on-line training this year, in seven languages. We also launched a new development programme for our Senior Leaders called "Leadership Essentials," which supplemented our core programmes "Leading Leaders" and "Leading Execution." This year, the CoE has focused increasingly on fundamental Invensys capabilities

with the delivery of our new Project Management Development Curriculum, containing over 60 learning modules. We also launched an assessment of project management skills, which has resulted in a new suite of related programmes, with a particular focus on commercial and contract management.

Employee engagement

We conducted an Invensys-wide Employee Engagement Survey in November 2012, which achieved a healthy response rate of 76%. We were pleased to see our employee engagement levels compare favourably with our global external benchmarks and that overall our people feel increasingly positive about their work with Invensys. The results have been communicated transparently, and we are now implementing action plans to build on the feedback.

The Women's Exchange (WE)

The Women's Exchange (WE) is an established resource group that provides support, education and networking opportunities within Invensys and with our customers. The Women's Exchange provides an opportunity for employees to collaborate, to understand our diversity, and leverage talents to work on projects that focus on mentoring, development, business growth and community involvement. WE members are able to demonstrate leadership in a unique and rewarding way and this programme is evolving to provide career development for employees and business value for Invensys.





Invensys Matamoros' Culture of Excellence Engagement Week

Invensys Matamoros celebrated their first *Culture of Excellence Week* with a series of employee engagement activities highlighting the talent, creativity and technical depth of the local team and focused on themes of *Safety, Health and the Environment; Innovation; Continuous Improvement, Teamwork, Sustainability and Education.*

Activities included a review of key projects from manufacturing, engineering and finance, a wellness presentation on how to manage stress, and the First Annual *Environmental Parade*, which included a fashion show highlighting creative garments made from recycled materials and songs with adapted lyrics that supported the importance of health, safety and protection of the environment.

Over 800 Invensys employees participated in the festivities, which were capped off by a celebration and recognition of the site's strong record of working safely. "Our *Culture of Excellence Week* was a ringing success that recognised our employees for their efforts to deliver quality products for our customers." said Ivan Rodriguez, Invensys Appliance Operational Excellence Manager.

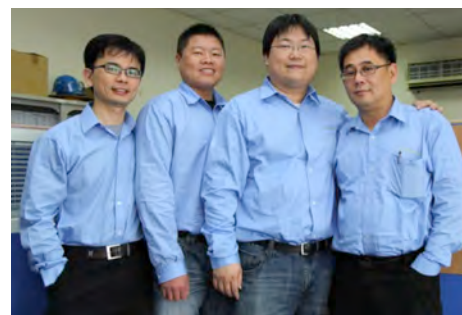


Invensys' Women's Exchange Mentoring Pilot programme

This past year, Karen Hamilton, Invensys Women's Exchange Executive Sponsor, and Janet Gerard, Invensys Human Resources Director, led a *Women's Exchange Mentoring Pilot* programme, which was designed to help female Invensys employees acquire knowledge and skills, develop techniques for networking and collaborate more confidently in their day-to-day activities.

"We believed that one way to make this programme truly impactful was to have engaged mentors who were more than just an adviser. We wanted mentors to provide wisdom, assistance, support, empathy and respect throughout the programme and beyond. Mentoring has assisted Invensys women to understand how their ambitions fit into their work roles and career choices," noted Ms. Hamilton.

The coming year will bring additional learning, networking and mentoring opportunities for women at Invensys. The *Women's Exchange* committees are looking forward to assisting our Invensys colleagues globally by enriching the work lives of women.



Invensys account team receives engineering excellence award

The Invensys *Engineering Excellence Programme* provides a mechanism for recognising and rewarding members of the global Invensys community for outstanding engineering achievement in design quality, product and process innovation, project execution, and outstanding customer satisfaction.

This past year, Invensys recognised our project delivery team in Taipei for their extraordinary response to a production outage at our customer's refinery due to a fire. The engineering focus during the outage was challenging, requiring Invensys to identify, clean, replace and inspect all damaged parts within a very short customer timeframe. Our customer recognised the local Invensys team's critical role in helping the plant revert to normal operation on time.

"Our customer challenged us to deliver, and through hard work, creativity and innovative problem-solving, we exceeded their expectations. It took the whole Invensys team working together to achieve this award," said Ben Chang, Manager, Project Delivery with Invensys.



Investing in Our Employees and Communities continued

We continue to seek out opportunities to bring the talents and energy of our employees and business to bear on local community challenges.



Under *InvensysInvolved*, our employees are encouraged to participate in four distinct areas of community service: caring for the environment, supporting civic enrichment, promoting education, and fostering health and safety. Based on a combination of employee input and a review of our business focus and global societal needs, these four focus areas were determined to be most aligned with

Invensys' broader business objectives and offer the potential for the greatest positive impact.

Within these four areas, the *InvensysInvolved* programme focuses on volunteerism, partnerships and/or sponsorships and financial contributions to non-profit organisations that allow us to leverage our competencies and demonstrate our commitment to being a responsible corporate citizen.

Because one size does not fit all situations, the *InvensysInvolved* programme has consistent yet adaptable guidelines so that each location and its employees can address the unique needs of their community in a way that is most meaningful within the *InvensysInvolved* framework.

Invensys conducts community involvement at a local level where employees work, live and best understand local needs. Our businesses provide a variety of programmes, such as matching gifts, sponsorships of activities and paid volunteer time to allow our employees to participate actively in community events. During the past year, Group donations to charities and community causes worldwide were £0.2 million. No donations were made to political parties or organisations or independent election candidates.

In 2011, we developed *InvensysInvolved*, our community involvement programme that combines employee volunteerism and strategically aligned and deployed company resources to address essential needs in the communities where we live and work. The *InvensysInvolved* programme serves as the umbrella under which all Invensys community relations activities can be performed.



InvensysInvolved



Caring for the environment

We support and encourage responsible, sustainable and efficient use of natural resources and maintenance of a healthy environment

Supporting civic enrichment

We support and encourage those institutions that have a track record of providing critical and necessary services to our local communities

Promoting education

We support and encourage responsible education and learning to further the success of individuals and society as a whole

Fostering health and safety

We support and encourage health and safety for all

Global *InvensysInvolved* Programme Rollout

In its first full year of formal rollout, Invensys participated in 93 community engagement activities under the *InvensysInvolved* framework, contributing over 4,000 hours of volunteer services.



Invensys Bangalore makes a difference

Invensys in Bangalore, India has led several initiatives to make a difference in the community where it lives and works.

This Bridge School, supported by the *Concern India Foundation*, located inside the Sobha Sun City premises, provides education for children of migrant workers from Bengal, Bihar, Uttar Pradesh and Orissa. As their parents are constantly on the move, these children face gaps in education and childcare while their caretakers are at work.

Invensys is committed to supporting the school and works directly with the students by means of structured interactions and organised volunteering sessions at the school.



Invensys Foxboro introduces students to engineering

For the past several years, Invensys Foxboro US's *FoxMass Development Center* team has been involved with the local high school's *Introduction to Engineering* class.

The purpose of the class is to expose interested junior and senior students to engineering thinking and help them consider engineering as a career.

Over the past several years, the Invensys Foxboro team has assisted with lesson plan ideas and made presentations to the class regarding engineering-related disciplines in the automation field, the overall value of an engineering degree, and how engineering thinking is applied to solve problems.



Invensys raises awareness of breast cancer in Dubai

The Invensys team in Dubai participated in the BurJuman Pink Walkathon 2012 to increase breast cancer awareness.

The BurJuman *Safe & Sound* campaign is one of the largest, most comprehensive breast cancer awareness campaigns in the Middle East. Launched in 1997 by BurJuman, a large well-known shopping centre in Dubai, this year-round programme focused on the key message of survival through early detection and treatment.

Through numerous events along with outreach initiatives, *Safe & Sound* has encouraged families in the United Arab Emirates to proactively take charge of their health, helping to increase understanding and empower women in the fight against breast cancer.

Safe & Sound focuses all proceeds from fund raising initiatives toward providing further breast cancer awareness services, free mammograms and patient care.



Invensys participates in nationwide run for charity in Germany

The local Invensys team in Nuremberg, Germany, participated in the nationwide B2RUN run/walk event in Germany this past year.

The B2RUN run/walk event has become national in scope and includes events that occur simultaneously across 10 locations with the finishing lines in many of Germany's biggest stadiums. This past year over 20 Invensys employees participated, raising money for B2RUN's children-focused charity partner.

This event, which started in 2009, had over 2,000 participants. "We were happy to have the Nuremberg team participate in the B2RUN event and raise money for such an important cause. We look forward to participating again next year!" said Suzanne Schenkel, Human Resources Manager with Invensys.

Executing Responsibly

We are committed to executing our business strategies with the highest standard of ethical and honest behaviour.

Invensys is committed to high standards of corporate governance and believes that effective practices are essential to business integrity, performance and accountability to shareholders.

Invensys values

Our Invensys values – Agility, Innovation, Integrity and Performance – include Integrity, which guides us to meet our commitments, act ethically and respect other's perspectives and underpins our responsible approach to conducting our business.

The Invensys Code of Conduct

The Invensys Code of Conduct describes and represents our commitment to responsible business and is the foundation of our broader Compliance Programme. Under the terms of the Code of Conduct, our employees undertake to work with integrity as representatives of Invensys and in accordance with both local laws and our own standards of ethical behaviour. Where the Code of Conduct is more exacting than local laws or standards, the Code of Conduct must be followed.

The Board is given regular updates on compliance issues by the Chief Legal Officer and Company Secretary. The Chief Executive and Chief Human Resources Officer receive regular briefings from the Chief Legal Officer and Company Secretary during which any concerns can be raised. Legal and ethical compliance is recognised as a priority for Invensys.

The Code of Conduct is available on the Invensys website and can be read by any customer, shareholder or member of the public.



The Code of Conduct is supported by periodic training for all employees and the Board. All new employees must complete Code of Conduct training within the first month of employment.

To promote the Code of Conduct and our Helpline, Invensys has produced a range of supporting materials including Helpline posters, abridged versions of the Code of Conduct and other presentation materials which are displayed at Invensys facilities and are available in multiple languages on the Invensys intranet.

Investigations are undertaken by the Chief Legal Officer and Company Secretary and any material investigations are brought to the immediate attention of the Audit Committee, which determines appropriate follow-up actions. Statistics on the volume and general nature of calls are reported

annually to the Audit Committee and the Board. In addition, employees can raise concerns through other means, such as electronic or postal mail sent to the Board or management. Such correspondence is investigated in the same manner as concerns raised through the Helpline.

The Code of Conduct, together with supporting Group policies and associated training, forms the core of the latest iteration of the Compliance Programme. No material issues were reported through these processes during the year.

During the past year, we ran training courses on specific areas of compliance in our Learning Management System, highlighting critical areas of the Code of Conduct such as Anti-Bribery, Anti-Harassment/Bullying and Helpline Awareness.

The Invensys Supplier Code of Conduct

Invensys has adopted a Supplier Code of Conduct based on our Code of Conduct, which commits our suppliers to act with the highest standards of integrity and in an ethically, socially and environmentally responsible manner. We seek to have all suppliers comply with it (or have in place a similar code of conduct of their own) as a condition for doing business with us.

Commitment to the UN Global Compact

This past year, we continued our commitment to the United Nations Global Compact (UNGC) to advance 10 universal principles in the areas of human rights, labour, environment and anti-corruption. Each August, we submit a Communication on Progress document outlining our efforts across each principle that is available for download on the UNGC website at www.unglobalcompact.org.

Executing Responsibly continued

Effective governance

The Board is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs to create shareholder value. The Board oversees the Chief Executive's efforts on corporate responsibility and reviews these matters as part of the formal review of the Company's performance and strategy.

As of 1 April 2013, the Board structure consists of one non-executive Chairman, three executive directors (including the Chief Executive), four non-executive

directors and one senior independent director. There is a clear division of responsibilities between the Chairman and the Chief Executive as outlined in our Annual Report and Accounts 2013.

The Chief Executive has overall responsibility for the Company's corporate responsibility strategy, including safety performance, while the Chief Legal Officer and Company Secretary is responsible for environmental and sustainability policies and performance. Our Chief Executive and Chief Legal Officer and Company Secretary each review our business

performance in the areas of environment, health, safety and sustainability.

The Chief Executive and Chief Legal Officer and Company Secretary are supported by the Group Leadership Team (GLT), which, as of 1 April 2013, consists of the Chief Financial Officer, the Chief Legal Officer and Company Secretary, the Chief Human Resources Officer, the Head of Mergers & Acquisitions, the CEO & President of Software and Industrial Automation and the Presidents of the Software, Systems, Energy Controls and Appliance businesses.

The Senior Vice President, EHS&S, reports to the Chief Executive and is responsible for establishing the sustainability strategy. The Code of Conduct, which defines how employees should act in their business life, is approved by the Board, and the Chief Legal Officer and Company Secretary is responsible for implementing and ensuring a culture of compliance throughout the entire Company.

Additional details of our corporate governance arrangements are provided in the Governance section of our 2013 Annual Report and Accounts.

Risks and opportunities

Each division and key functional department is required to undertake a formal review of risks which could impact its area of business. Risk registers are produced and reviewed formally on a quarterly basis by each division and these are consolidated on a Group basis.

The Risk Committee has accountability for overseeing the risk management processes and procedures, and reports to the Board through the Audit Committee on the key risks facing the Group. It also monitors the mitigating actions put in place by the relevant operational managers to address the identified risks. The risk management process and our principle risks are outlined in the Risks and Uncertainties section of our 2013 Annual Report and Accounts available on our website.

There are other sustainability-related risks associated with our business which are not considered as significant as these key risks. These potential risks include failing to reduce our operational environmental footprint, and customer risks associated



with their expectations or requirements of us to maintain strong environmental and safety performance. Our sustainability strategy addresses these potential risks to minimise their probability of occurrence and/or impact.

Given our technologies and market focus, there are business opportunities presented to Invensys associated with energy efficiency and sustainability that result in increased demand for our sustainability-related product and service offerings. We strive to effectively communicate our ability to help our customers reduce their operational costs and operate more safely and efficiently both internally and externally.

By coupling our customer focus with our commitment to work safely and reduce our footprint at our own operations, we can improve Invensys' ability to recruit and retain the best employees, minimise business risk and enhance our reputation as a business partner of choice.

Management systems

The Invensys EHS&S management system consists of defined goals and objectives, programmes, standards and assessments as well as management support. The Invensys EHS&S standards define and establish expectations and provide a common base for implementation and planning at all of our global locations and operations.

Continuous improvement in the EHS&S management system enables us to anticipate and respond to constantly changing regulations, social, financial, economic and competitive pressures



as well as EHS&S risks. We operate under a total of 19 key standards that address EHS&S risks associated with our operations. Each manager is responsible for compliance with the standards within his or her area of responsibility.

Some of our businesses have pursued third-party certifications for their EHS&S management systems. This decision is based on local market drivers. At fiscal year end, four

operations are certified to the Occupational Health and Safety Assessment Series (OHSAS) 18001 safety management system standard and eight operations are certified to the ISO 14001 environmental management system standard.

Compliance

Our Compliance Assurance Verification Programme measures compliance with relevant national, regional and local

Over the past year, we completed:

- 32 EHS&S Compliance Audits (including eight at project locations) to evaluate legal and regulatory compliance
- 28 Loss Prevention Audits to identify gaps and improvement opportunities against national, local and Invensys requirements on construction and occupancy hazards, fire protection systems, evacuation and emergency response plans
- 15 Thermographic Safety Audits to identify potential heat/fire sources from electrical and/or mechanical systems

regulations, laws and other government requirements as well as internal Invensys standards. External independent consulting companies are contracted to perform our audits. Routine audits are performed at manufacturing facilities, logistics hubs, project locations and service sites.

Senior managers at the locations provide a commitment letter that outlines the corrective actions and timeframes for closing out any audit findings. All compliance findings and corrective actions are tracked until closure is achieved, and the results are integrated into operational business reviews. These management reviews provide information and top-level support for planning, implementation, and recalibration that supports continuous improvement of EHS&S performance.

Engaging Stakeholders

Success requires working with stakeholders to understand their expectations.



Stakeholder engagement

Invensys' priorities are informed by broad and ongoing engagement with stakeholders across our businesses and their communities. During our annual strategic planning process, our business leaders identify stakeholders with potential material impacts on the success and growth of our business. They then identify the resources required to respond to material requests, impacts or opportunities.

Communication and engagement with employees

Regular and open communication is vital to maintaining engaged teams, and Invensys utilises media, including regular updates from the Chief Executive, an Invensys-wide

intranet, global "All Hands" calls and local communications networks, including site-level briefings, smaller face-to-face meetings and employee newsletters.

Invensys has established blogs through initiatives such as "iShare" and is increasingly using social networking technologies to facilitate fast and open communication between employees and to realise the performance advantages of sharing knowledge and best practices across our divisions.

Our business and functional teams are now implementing action plans created in response to our Employee Engagement Survey in 2012, and we continue to strive

to make Invensys a place where high-performing people choose to be, where they can enhance their careers and are motivated to perform at their best.

Customers

We have active Customer Councils/ Advisory Groups and/or Account Management structures in place for our key product offerings to obtain regular feedback. We conduct periodic customer satisfaction surveys for our customer support and delivery organisations. User conferences are hosted annually in each region to allow customers and business partners to collaborate, share ideas, receive training and provide feedback on our products and services. We have

conducted numerous surveys to gain perspective from the overall market on key trends in the industry. Additionally, our business leaders regularly meet with customers to understand our performance as well as relevant business trends and issues.

Shareholders

Communication with shareholders is at all times given a high priority, and a number of means are used to promote greater understanding and dialogue with the investment community. The Board receives regular reports from the Chief Executive and the Group's Investor Relations team. The Chairman and the Senior Independent Director are available to meet with major shareholders on request. During the year, the Chairman spoke with a number of major shareholders regarding general business topics. In addition, the Chairman of the Remuneration Committee held discussions with major shareholders on relevant matters during the course of the financial year.

Shareholders are informed of the progress of the Group during the course of the year through half-year and full-year results, presentations, interim management statements, capital markets days and other announcements of material developments that are released through the London Stock Exchange and other news services.

The results of presentations made to the investment community are webcast

Engaging Stakeholders continued

and copies of this information and other shareholder information are made available on our website.

The Chief Executive and Chief Financial Officer maintain regular dialogue with the major institutional shareholders and participate in sector conferences. Shareholders can also raise questions directly with the Company at any time by contacting the Investor Relations team, whose contact details are listed on the Group's website.

Additional details of our shareholder communications are in our Annual Report and Accounts 2013 and on our website.

Suppliers

We invite key suppliers to collaborate on new ideas and solutions for our customers. We communicate with suppliers regarding continuous improvement and other expectations. Our Invensys Supplier Code of Conduct communicates our expectations of suppliers to act with the highest standards of integrity and in an ethically, socially and environmentally responsible manner.

Communities

We continue to encourage our business segments and employees to engage with good causes to build relationships in the community and enhance workplace morale and cohesiveness. Invensys believes that community involvement is best focused at a local level where employees work and live and best understand local needs.

In 2011, we developed *InvensysInvolved*; our community involvement programme that combines employee volunteerism and strategically aligned and deployed company

resources to address essential needs in the communities where we live and work. *InvensysInvolved* serves as the umbrella under which all Invensys community relations activities are performed.

Invensys employees are encouraged to participate in four distinct areas of community service: Education, Health & Safety, Civic Enrichment and the Environment.

External recognitions

Several external organisations have recognised our sustainability performance.

For the fourth consecutive year, Invensys was listed on the Dow Jones Sustainability Indexes (DJSI) in recognition of our economic, environmental and social performance.

In the UK, Invensys was again listed on the FTSE4Good Index Series, which identifies companies that meet recognised standards of corporate responsibility.

We continue our commitment to the United Nations Global Compact (UNGC) to advance 10 universal principles in the areas of human rights, labour, environment and anti-corruption.

Invensys again reported our greenhouse gas emissions to the Carbon Disclosure Project (CDP), which we have done since 2007.

Lastly, Invensys maintained our certification under the Carbon Trust Standard for reductions in carbon emissions at our UK operations.

Precautionary approach

Invensys fully subscribes to the Precautionary Approach advanced in Article 15 of the Rio Principles, which states, "Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation." Invensys does not knowingly operate in a manner, or advance a product or service, that poses a threat of serious or irreversible damage to the environment.



FTSE4Good



CARBON DISCLOSURE PROJECT



Invensys is committed to transparently communicating our environmental and social impacts.

The boundary and scope of this report addresses the environmental and social impacts of Invensys where it exercises operational control. Operational control means that Invensys has the full authority to introduce and implement its operating policies. For leased facilities, given the nature of our leasing structure, Invensys assumes operational control for the portion of the space we occupy.

Invensys' financial reporting is addressed in line with the public disclosures outlined in our 2013 Invensys Annual Report and Accounts.

With regard to environmental and social impacts, the report provides data and information for the reporting period 1 April 2012 to 31 March 2013 across the Group as follows, unless explicitly stated elsewhere.

- Environmental — all Group companies and operations over which we had operational control as follows:
 - o Environmental KPIs — energy, CO₂e, water and waste at 31 manufacturing facilities (in operation as of 1 April 2012)
 - o Non-manufacturing energy/CO₂e — 112 office locations with 10 or more employees (in operation as of 1 April 2012)
 - o CO₂e emissions associated with passenger vehicle fleet (based on calendar year 2012 miles driven)
 - o Business travel CO₂e related to Group airline travel
- Health and safety, social — Group companies and facilities over which we had operational control

Non-manufacturing facilities with less than 10 employees were excluded from the reporting. We estimate that the number of facilities within the reporting boundaries represents greater than 95% of owned and leased (active and occupied) floor space and 98% of total employees.

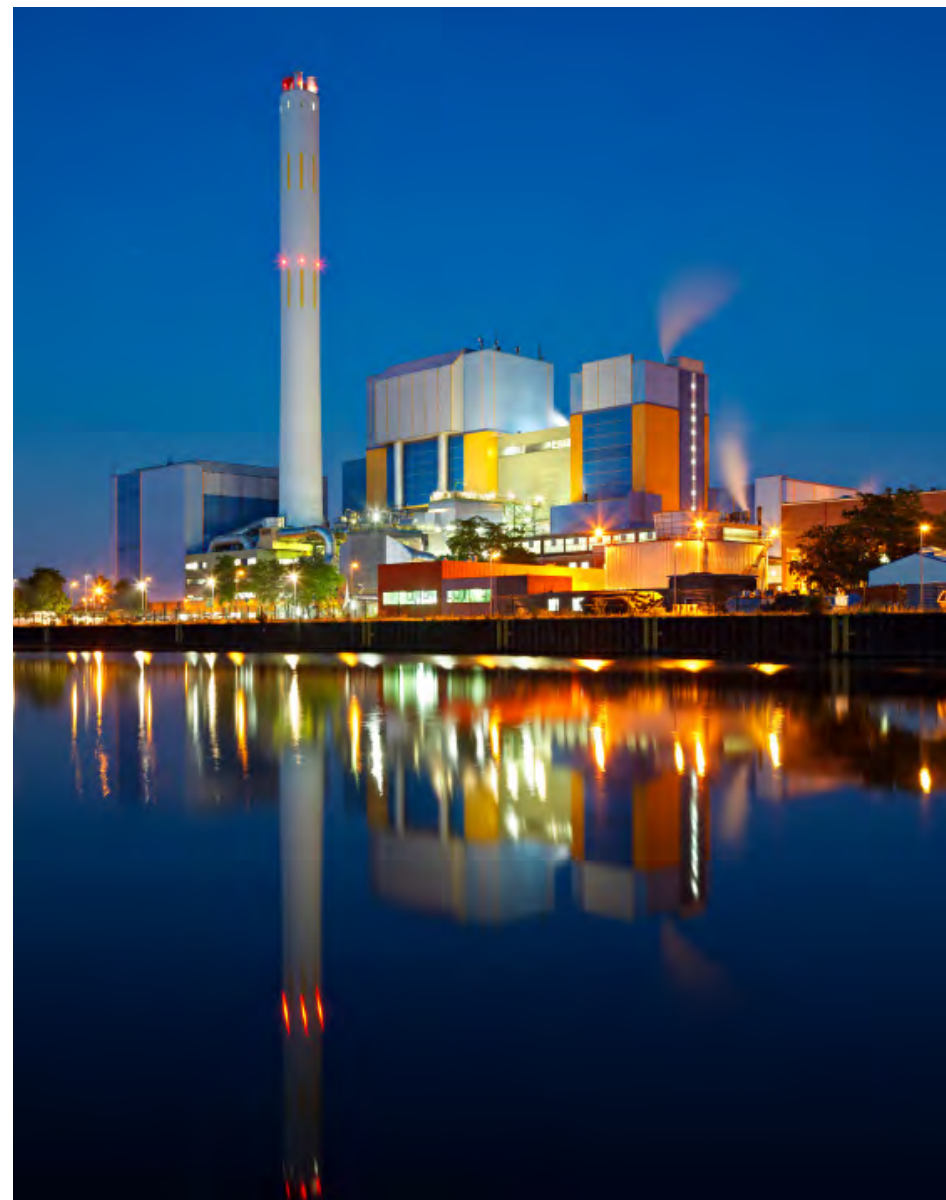
Organisational changes

No material acquisitions or disposals of operations requiring reporting under our GhG Inventory Management Plan took place during the reporting period. The decrease in manufacturing reporting locations between years resulted from the closure of our Mexicali and Reynosa Plant 2 operations in Mexico and the reclassification of one facility in Australia as a non-manufacturing site.

For our non-manufacturing operations, there was a net decrease of four reporting sites, which represents a 3% decrease in sites, but a 1% increase in square footage reported due to the re-classification of the Australia site.

Greenhouse gas emissions data

Data on greenhouse gas (GhG) emissions are calculated using published emissions factors and reported as carbon dioxide equivalents (CO₂e) where available. Our GhG inventory for our manufacturing and non-manufacturing facilities includes Scope 1 (direct) and Scope 2 (indirect) emissions of CO₂e, CH₄ and N₂O specified in terms of CO₂e. Emissions of hydrofluorocarbons (HFCs) are excluded since they are estimated to be less than 0.25% of CO₂e, while perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆) are excluded since no Invensys facilities use these chemicals.



Basis of Reporting continued

For direct CO₂e emissions from the on-site combustion of heating oil and natural gas, Invensys used emissions factors from the World Resources Institute/World Business Council for Sustainable Development's (WRI/WBCSD) calculation tool titled Compilation of Emissions Factors used in Cross Sector Tools (Version 1.2, September 2011). For indirect emissions from purchased electricity, Invensys used regional or country-based emissions factors from WRI/WBCSD's Compilation of Emissions Factors used in Cross Sector Tools (Version 1.2, September 2011).

GhG emissions associated with airline travel were also calculated using the referenced WRI/WBCSD Compilation of Emissions Factors document, with data on actual travel segments provided by American Express Business Travel. GhG emissions associated with fleet vehicles were calculated using manufacturer or governmental vehicle-specific emissions factors along with total mileage, number and make/model of vehicles. Where data were unavailable for passenger and light-duty vehicles, average data or estimates were used. Data were excluded for commercial and heavy-duty trucks (approximately 3% of the fleet, in line with previous years) because neither manufacturer emissions factors nor activity data were available for these vehicles.

Safety performance

TRCIR and LWCIR are calculated according to United States Occupational Safety and Health Administration (OSHA)

regulations, using the formula TRCIR or LWCIR = (N/EH) x 200,000 where:

- N = sum of the number of recordable non-fatal injuries and illnesses in a year (for TRCIR) or the number of cases that result in a lost work day (for LWCIR)
- EH = total number of hours worked by all employees in one year
- 200,000 = equivalent of 100 full-time workers working 40-hour weeks, 50 weeks per year

Data comparability and reliability

We are confident in the overall reliability of the data reported and have well-established reporting procedures and controls in place, including independent verification of environmental data. However, we recognise that some of these data may be subject

to a degree of uncertainty that relates to potentially different interpretation of reporting guidelines at the operational level. There may also be inherent limitations in methods and measurement techniques used to determine environmental and health and safety data.

The comparability of data from year to year may be affected by changes in the number and attributes of operating facilities, changes in the methodology for determining certain data and continual improvements in our performance measurement systems. Invensys defines materiality as a 5% change in a KPI year-on-year value to determine when historical data should be restated to ensure comparability of data. If necessary, this value can be less than 5% if a data omission or misstatement we uncover could influence the economic decisions of the users of our report.

Standards and guidelines

We have used the following standards and guidelines in preparing this report:

- Sustainability Reporting Guidelines — Version 3.1, Global Reporting Initiative (GRI), 2011
- UK Companies Act 2006
- Environmental Key Performance Indicators — Reporting Guidelines for UK Business, Department for Environment, Food & Rural Affairs (DEFRA), 2006
- The Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard (Revised Edition), World Resources Institute (WRI) and World Business Council for Sustainable Development, 2004



We believe that the measures taken to verify the data in this report provide an appropriate level of confidence.

Verification

Our Chief Executive, Chief Legal Officer and Company Secretary review environmental, health, safety and sustainability performance data on a monthly basis as part of our operations review processes. EHS&S data are also reviewed on an ongoing basis by Group experts and, as part of the Group Compliance Assurance Verification Process; they also provide independent review of EHS&S issues at our major manufacturing locations. Additionally, material EHS&S risks are reviewed during our regular Risk Committee meetings.

Employee data are reviewed and verified by internal senior human resources professionals. Information on financial performance forms part of the external audit of Invensys' financial accounts, which is completed by Ernst & Young LLP. Other information presented in this report is reviewed by the relevant functional experts and subjected to the same internal sign-off procedures as our Annual Report and Accounts.

For manufacturing and non-manufacturing locations, environmental data collection and reporting was performed at the facility level and then reviewed internally at the Group level. Designated personnel at each location collect and enter environmental data routinely into a web-based database. Data were collected directly from metered or measured usage, where available, or alternatively from vendor-invoiced amounts. Average or estimated data were used where direct meter or measured amounts were not available. Internal data verification activities were performed quarterly by Group-level EHS&S personnel, and included a representative selection of site-level and desktop audits to ensure data accuracy.

External data verification was performed by an independent consultant (Sage Environmental, L.P.). The verification process undertaken by Sage involved verifying that the data entered was accurate and a fair reflection of Invensys' environmental performance relative to the facility-level and business travel data gathering and calculation processes.

Sage's work did not include site verification visits. Each of the participating sites' data sets was subject to a separate internal verification effort as outlined herein.

Assurance

This year, Invensys presents our fifth Sustainability Report. The report outlines our progress against our sustainability strategy and the steps taken to embed sustainability into our business processes and management systems.

Sage Environmental, L.P. verified the Company's 2013 environmental, health and safety performance data for the period of 1 April 2012 to 31 March 2013. The types of environmental performance data reviewed consisted of energy use, water use, hazardous and non-hazardous waste generation and other data. The scope included data from manufacturing locations, non-manufacturing locations, business airline travel and fleet vehicles. The types of health and safety performance data reviewed consisted of number of recordable incidents, number of lost workday cases and number of hours worked across all operational locations.



GRI Index


This report has been developed consistent with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and other relevant standards and guidelines. We declare that this report meets Application Level B of the GRI G3.1 guidelines. This GRI Index provides a navigational tool for those seeking specific information in relation to the GRI's guidelines.

(www.globalreporting.org)

Further, our Annual Report and Accounts 2013 is available for download at www.invensys.com.

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*Invensys Annual Report and Accounts



For further information on Invensys, please
visit our website at www.invensys.com

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