



2020

Corporate Social Responsibility Report

Working Together for a **Smart Future**

SYNOPSYS[®]

© 2021 Synopsys, Inc. All rights reserved

Contents

02	Co-CEO Letter
03	COVID Response
04	About Synopsys
08	Our Approach to CSR
12	Talent
19	Environment
25	Governance and Ethics
29	Cybersecurity and Privacy
32	Supply Chain
34	Social Impact
37	GRI Index
44	SASB Index

About this Report

Corporate Social Responsibility (CSR) is foundational to who we are as a company and what we care about as individuals. We are proud of the efforts and initiatives you will read about in this report, and we are committed to effecting lasting and meaningful change.

The Synopsys 2020 CSR Report covers our environmental, social, and governance performance for our 2020 fiscal year, which began on November 1, 2019, and ended on October 31, 2020. The exceptions are our environmental and social impact performance data, which are collected and managed on a calendar year basis and as otherwise noted. This report has been prepared in accordance with the GRI Standards: Core option. We also considered the recommended disclosures in the Sustainability Accounting Standards Board (SASB) Software and Services Standard when determining the content of this report.

The content in this report is intended for multiple stakeholders, including our investors, employees, customers, business partners, and local communities. No significant changes have occurred during the reporting period with regard to the scope, boundary, or measurement methods applied in this report.

Previous CSR report: [FY19](#)

Distributing this Report

We promote the availability of our report through:

- Prominent disclosure on our website
- Targeted employee communications
- Outreach to stakeholders with whom we have built relationships
- Outreach to current and potential shareholders
- Our social media channels

We welcome feedback on this report and our performance. Please send comments and suggestions to csr@synopsys.com.

This 2020 Corporate Social Responsibility (CSR) Report contains forward-looking statements, and actual results could differ materially. Risk factors that could cause actual results to differ are set forth in the "Risk Factors" section in our most recent Annual Report on Form 10-K and subsequent 10-Q filings.

Co-CEO Letter

These are exciting times for Synopsys. We are on the cusp of a profound change in what technology is capable of, as the world edges closer to replicating the capacities of the human brain. Sir Arthur C. Clarke once said: "Any sufficiently advanced technology is indistinguishable from magic." What would he make of a world where computing has delivered everything from autonomous vehicles to machines that learn and billions of connected devices – all made possible through Synopsys technology?

It's not too bold to say that the future of 'smart everything' – a world full of interconnected devices and the infrastructure that supports them – depends on us. The technology we create at Synopsys is used in virtually every electronic device in the world. But in a world facing colossal, sometimes existential challenges, from climate change to growing inequality, a global pandemic to the erosion of truth, we must ask ourselves "how can we help change course?" How can we apply all our competence, teamwork, and resources to catalyze ever more powerful computing in ways that also drive progress on society's most pressing issues?



That's why this report represents a key moment for us. Our CSR ambitions fall under the banner of 'Smart Future' to reflect the growing positive role we believe we can play in the great transition to sustainability that is underway around the world. The idea of a smart future must run through everything we do, from our role as a global citizen on topics such as climate change, to the social solidarity we must show with the people and communities we serve and rely on.

The pages that follow track a year of action in which we made progress on our CSR goals, including certification as a CarbonNeutral® company for the second consecutive year and a pledge to reduce our greenhouse gas emissions by 25% by 2024. It also captures how Synopsys technology is catalyzing positive change, such as enabling low power computing, bringing safety and security to the driverless car revolution, ensuring healthcare providers can operate securely, and to powering the wearables, biometrics and advanced sensors that are an increasingly vital component of protecting human health and wellbeing.

Yes, the challenges we face are great. But Synopsys brings unique problem-solving skills and a history of making what seemed impossible, part of everyday life. As we apply these skills to achieving a smart future, we look forward to working and sharing our progress with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Aart de Geus". The signature is fluid and stylized.

A handwritten signature in black ink, appearing to read "Chi-Foon Chan". The signature is fluid and stylized.

Aart de Geus and Chi-Foon Chan

Synopsys Responds to COVID

Our top priorities during the COVID-19 pandemic have been to safeguard the health of our team and their families; ensure effective operations, communication, and innovation supported by infrastructure and processes adapted to the circumstances to support our customers; and support the vulnerable in the communities where we live and work. Our Business Continuity Planning enabled us to quickly mobilize a response in an integrated manner across business functions and effectively migrate our employees to a work-from-home environment. We were able to respond quickly and effectively with time-proven business continuity procedures as the outbreak moved to all regions. We adapted in a rapidly changing environment, assuring stability for our employees, customers, partners, and communities.

Caring for Our Employees

Synopsys activated its Business Continuity Program and Crisis Management response teams to, first and foremost, protect employees. Through our global network of Business Continuity Managers, we worked to ensure our compliance with government restrictions, guidelines, mandates, and other policies in each of our locations. We quickly expanded and adapted our IT systems capacity to support employees working from home securely.

Facilities staff increased site safety measures and provided necessary personal protective equipment (PPE) for essential onsite workers. When some regions and offices reopened for business, we provided welcome kits designed to safeguard employee health.

Our integrated communication system kept employees informed of important updates, and our co-CEOs frequently reached out to employees via video to share their compassion and concern for employees and their families and to reassure employees about the state of the business. We provided ongoing support to employees working from home, including support for employees managing remote schooling and weekly guidance for managers on how to manage remotely, how to spot signs of stress, and how to keep employees engaged and productive.

To reinforce our commitment to employees and to support well being and work life balance in turbulent times, we added an additional global employee holiday. To enable employees to cast their vote in a safe and timely fashion, Election Day—Tuesday, November 3, 2020— was a paid holiday for all U.S. Synopsys employees.

Delivering for Our Customers

Building on many decades-long relationships, we aligned closely with our customers to mitigate the impact of the situation and work-from-home scenarios. We provided support through multiple mechanisms, such as video calls, audio calls, and remote logins. Our efforts to enhance our customer relationship management (CRM) and support system helped us maintain business-as-usual service, all remotely, for our customers. Our track record of helping our customers navigate the ups and downs of business cycles is one we are particularly proud of.

Supporting the Vulnerable

Synopsys has a long history of supporting those in need in the communities where we live and work. Localized efforts through our office and regional community teams and long-standing partnerships with non-profit organizations led to an early and sustained response to the pandemic. We've contributed more than \$1 million in COVID-19 relief to organizations helping the most vulnerable.

COVID-19 Giving Campaign

We launched a special campaign for organizations dedicated to COVID-19 relief, matching employee donations 2-to-1. Employees in 16 countries supported 80 organizations focused on supporting those with the greatest need.

Employee Volunteers

Employees across 13 countries developed 26 new community support projects in direct response to the pandemic.

About Synopsys

Cars can brake, stay in their lanes, and even drive themselves. Machines act on your voice commands and learn on their own. Super-fast communication from devices to the cloud and back enable real-time actions. A multitude of smart, connected innovations are changing the way people live, work, and play. Inside all of them are high-performance silicon chips and exponentially growing amounts of software content. Our technology makes it possible for leading companies to build smarts, security, and safety into their next-generation products.

What We Do

Founded in 1986, Synopsys is at the forefront of this era of Smart Everything, developing advanced technologies for chip design, verification, IP integration, and software security and quality testing. From silicon to software, we help our customers meet their design goals for low power, speed, connectivity, mobility, and reliability. While we forge ahead on our own technological advancements, we remain grounded by our core values, striving always to make a positive impact across our entire ecosystem, including our customers, partners, employees, communities, and our environment.

Our Values

Since our inception more than 30 years ago, our core values have served to unite and guide our actions. These values are woven into the fabric of our organization and form the foundation of our work toward a smart future.

Integrity is the foundation of all we do and is about doing what is right. We demonstrate this by aligning our words and our actions - we do as we say and we say what we do.

Execution Excellence through the Eyes of our Customers is demonstrated by and providing superior value to our customers.

Leadership is demonstrated through our technology innovations, business achievements, our customers' success, and our enduring commitment to our people and the communities and environment in which we work.

Passion is our differentiator. Actions that drive our results and demonstrate our values are amplified by our passion.



Synopsys Values Pyramid

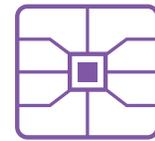
Our Product Portfolio

Synopsys' product portfolio encompasses advanced solutions that enable our customers to innovate from silicon to software:



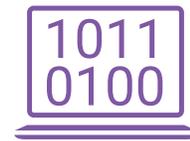
Silicon Design & Verification

Build high-performance silicon chips, faster



Silicon IP

Integrate more capabilities on SoCs (system on chip), faster



Software Security Quality

Build secure, high-quality software, faster

FY20 by the Numbers



125
GLOBAL
OFFICES



15,000+
EMPLOYEES'
GLOBALLY



80%
TECHNICAL
EMPLOYEES



3,300
ACTIVE
PATENTS

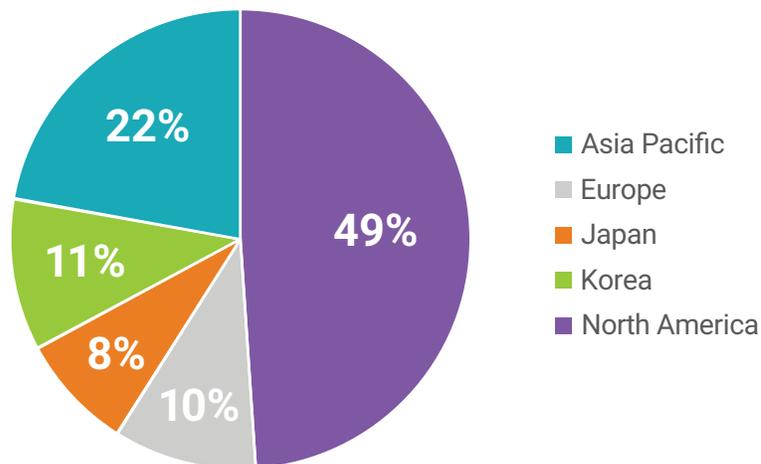


\$3.68B
ANNUAL
REVENUE

FY20 Revenue Breakdown By Market



By Region



Innovation

The drive to innovate is embedded in our culture. Our employees are driven to solve tough challenges and to find unique solutions to problems. We're constantly growing and learning in the pursuit of answers, to the benefit of our customers' success. As a result, Synopsys is the world's leader in electronic design automation (EDA) tools and services. With the broadest portfolio of silicon IP, we are tops in interface, analog, embedded memory, and physical IP. And for the fourth year in a row, we've been named a leader in Gartner's Magic Quadrant for Application Security Testing.

Each year we launch new products and capabilities to enable our customers to continue their innovation through highly complex electronic design.

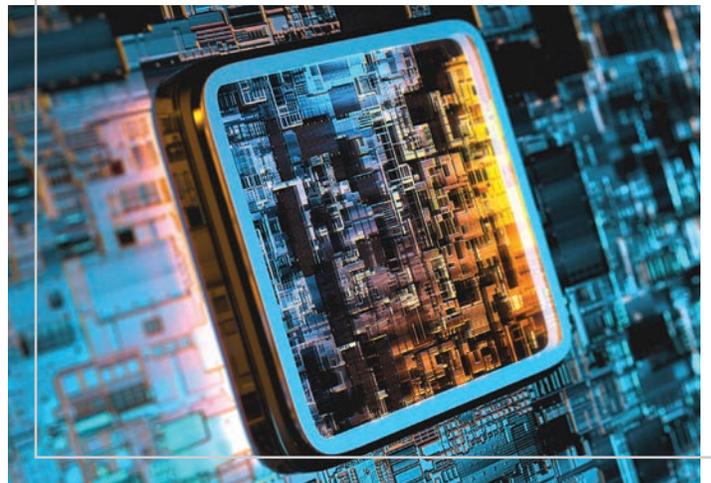
For example, in 2020 we:

- Continued to demonstrate low power technology leadership and provide our customers with the IP and tools needed to deliver longer battery life and lower power consumption.
- Launched DSO.ai™ (Design Space Optimization AI), the world's first autonomous artificial intelligence (AI) application for chip design, which supports design teams in coming up with better chip solutions, faster.
- Embarked on a collaboration with IBM Research's AI Hardware Center to advance the development of chip architectures and design methodologies that are critical for next-generation AI chips. IBM's vision is to improve AI compute performance by 1000x by 2029—promising news for complex AI workloads that will drive tomorrow's diverse applications.
- Introduced Silicon Lifecycle Management platform, the industry's first data-analytics-driven approach to providing insights for system-on-chip (SoC) teams and their customers. Teams can optimize operational activities at each stage of the semiconductor device and system lifecycles, which provides opportunity for enhanced chip performance, optimized power and voltage control, faster time-to-market, and enhanced performance and security over the life of the chip.

It's worthwhile to note that 31% of our revenue in FY20 (\$1.148 billion non-GAAP) funded R&D activities.

Recognition for Our Innovative Mindset

Synopsys received two 2020 World Electronics Achievement Awards: "Innovative Product of the Year" for DSO.ai™, the world's first autonomous AI app for design, and "Most Promising New Chip Life Technology" for our VC SpyGlass™ RTL (register-transfer level) static signoff platform. The DSO.ai solution boosts design team throughput by optimizing chip designs via machine learning technology. The VC SpyGlass RTL platform integrates advanced algorithms and analysis techniques that provide designers with detailed information and insights about their design, much earlier in the RTL phase. Both innovations have significant potential for sustainability impact – by improving efficiency both in the design process and the chips that result, chips designed with these tools can better serve future products that have an environmental benefit.



Our Approach to CSR

To refine the focus of our CSR work, we carried out a materiality assessment with stakeholders in 2018 and refreshed its findings in 2020 with a review of market drivers and stakeholder expectations. Our updated assessment of Environment, Social Governance (ESG) topics ensures that we are addressing matters of importance to our stakeholders and Synopsys. This review raised the importance of new topics, such as Crisis Management and Business Continuity (reflecting the COVID-19 crisis) and Market Access. The effort also highlighted the increasing importance of Inclusion and Diversity and Cybersecurity.



Focusing on What Matters

Topics of highest priority included Human Capital Management (Talent Management, Employee Engagement, Inclusion and Diversity, Health and Wellness), Innovation, Cybersecurity, Product Security, Market Access, and Business Continuity. Secondary priorities were Climate Change and GHG Emissions, Corporate Governance, Ethics, Supply Chain, Public Policy, and Social Impact. Managing these priorities well and staying on top of understanding how stakeholders' expectations are changing related to these topics helps us to build a more resilient, future-oriented company.

These topics and our responses to them are explored in more detail in the sections that follow.

2020 Program Highlights

<p>Engagement</p>	<ul style="list-style-type: none"> • Achieved employee engagement score of 79, well above the technology industry benchmark of 74 • Women and Black, Latin, and Indigenous (BLI) employees have higher engagement and belonging scores than the overall company
<p>Environment</p>	<ul style="list-style-type: none"> • Set goal to reduce our direct GHG emissions by 25% by 2024¹ • Achieved carbon neutrality for the second straight year
<p>Inclusion & Diversity</p>	<ul style="list-style-type: none"> • Increased representation of women on our Board to 33% • Attained external hiring rate of 27% women • Refreshed and expanded I&D goals for women and BLI employees in the workforce • Rolled out Inclusive Leader training program for managers
<p>Social Impact</p>	<ul style="list-style-type: none"> • Donated \$3.6 million to non-profit organizations globally
<p>Talent</p>	<ul style="list-style-type: none"> • Attained early career hiring rate of 29%² • Hired more than 500 interns, with 31% becoming full-time Synopsys employees



Synopsys offset 48,107 metric tonnes of CO₂e and 83,427 MWh to attain 2020 CarbonNeutral® company certification.

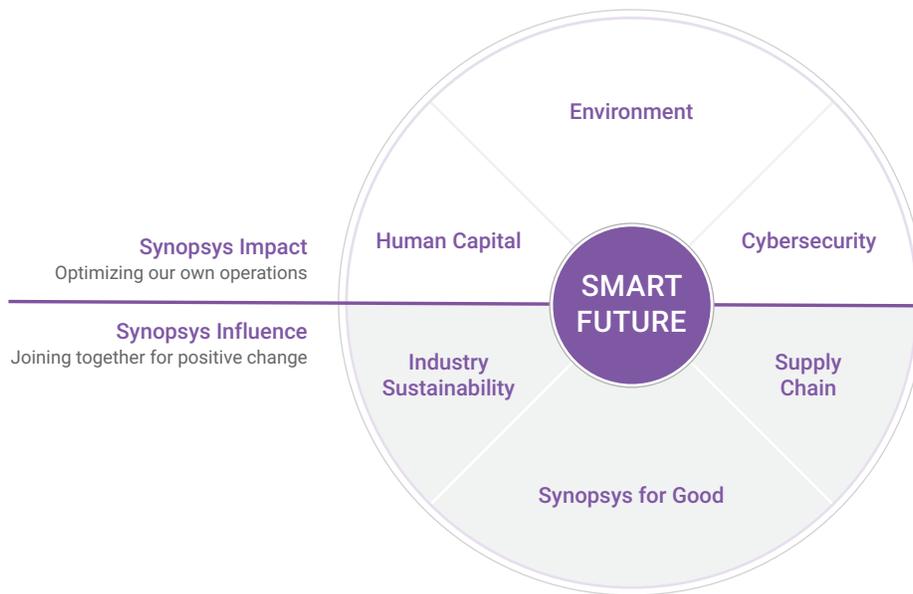
¹Scope 1 and 2 emissions from a 2018 base year.

²Early career hire defined as within one year of a candidate's most recent academic degree.

Shaping a Smart Future

The role of Synopsys in shaping the future of Smart Everything brings great opportunities and important responsibilities – the future is not smart if it is not sustainable, fair, and secure. Our Smart Future CSR program provides a focus and structure for how we address both our own operational impact on the world and our ability to influence others around us. Through CSR, we are taking action on important matters, including in the fight against climate change and driving Inclusion and Diversity (I&D) initiatives throughout the company and on our Board of Directors.

Smart Future also means applying our problem-solving approach, people, and resources to influence those around us—including our communities, customers, partners, and suppliers—to join us in driving positive change in the world. Our technology is beneficial in countless ways, from bringing safety and security to the driverless car revolution to enabling the technologies that are an increasingly vital component of protecting human health and well-being. As the role of computing increases exponentially, internet of things (IoT), 5G and machine-learning applications risk driving similarly exponential energy consumption and carbon emissions. This makes our work to enable low power computing at the device level and in the cloud especially critical to the industry’s sustainability. At the same time, we are advancing global supply chain sustainability as a member of the Responsible Business Alliance. Closer to home, our Synopsys for Good program combines employee volunteer time and giving, tech expertise, and philanthropy to bring STEM education, essential community needs, and environmental sustainability to the communities in which we work.



Engaging Stakeholders on CSR

Engaging our key stakeholders on CSR-related topics is integral to how we conduct business. We define stakeholders as entities or individuals who can be affected by Synopsys and whose actions can affect the company. We engage with them in numerous ways on a variety of topics throughout the year. Within this report, we highlight our stakeholder interactions.

Driving Progress

CSR at Synopsys is led by a management team with the support of our CSR Leadership Committee. The CSR Leadership Committee is made up of cross-functional executives who are responsible for driving CSR performance within their respective priority areas.

Synopsys' Corporate Governance and Nominating Committee is responsible for reviewing and assessing policies, practices, risk assessments and risk management regarding our CSR performance, including environmental, social and governance matters. The Corporate Governance and Nominating Committee and our Board of Directors receive quarterly updates on our CSR program.

The Compensation and Organizational Development Committee revised its charter in 2020 to reflect the importance that Synopsys places on inclusion and diversity and internal talent development strategies. Among other additional responsibilities, the Compensation and Organizational Development Committee now regularly reviews and provides feedback on Synopsys recruitment strategies, inclusion and diversity initiatives, and talent development programs.



2021 CSR Goals

- Increase representation of women globally
- Increase representation of Black, Latin, and Indigenous employees in the U.S.
- Advance our goal of reducing our direct GHG emissions by 25% by 2024³
- Attain CarbonNeutral[®] company certification for third consecutive year
- Build new philanthropic partnerships with organizations working to address inequities in our communities
- Build out a Responsible Procurement Program and engage largest suppliers on setting their own emissions reduction targets

Talent

Synopsys is committed to attracting and retaining the brightest and best talent. Our talent strategy and programs are designed to support, engage, and optimize our employees' experiences throughout their careers as we pursue a culture characterized by capable, connected, and resilient team members. Our commitment to our employees is a direct result of our core values, which define who we are, what we do, and where we're headed — together. Our workforce is representative of the industry we serve. We are highly technical, enjoy pushing the boundaries of what is possible, and are individually innovative.



Attracting Talent

In 2020, we grew our global team by approximately 8%. Despite the constraints of a global pandemic, we successfully merged and hired more than 2,400 new members into the Team. Hiring was marked by a keen focus on increasing the number of technical women and ensuring a vibrant talent pipeline through early career recruitment.

We understand how important the onboarding phase of the employee life cycle is to new hire satisfaction and their ability to successfully contribute in their roles and teams. This year, we worked to optimize the onboarding experience and created a virtual network of resources for new hires. Bringing in top diverse talent and providing a fair and positive candidate experience is paramount to our hiring success. All managers with responsibility for hiring are expected to complete our High Impact Hiring training, ensuring that those who make hiring decisions and participate in the interview process provide a fair and inclusive experience. We also shifted our New Employee Welcome to a virtual platform, which focused on our global culture and values and allowed for integration of regional and localized content. By enacting new processes and protocols, we have established a seamless onboarding process that engages and welcomes new members into our culture.

Global Internship Program

Our internship program focuses on providing opportunities for the future workforce to engage with Synopsys technology and business, participate in innovative challenges, and develop personal skills that will prepare them for success in the future. In 2020, we hired more than 500 interns at various stages in their academic journeys to participate in a virtual internship program. Our goal was to connect them to our mission and values, despite our remote work environment. Thirty-one percent of these interns became full-time Synopsys employees in 2020.

2020 Training and Development Highlights

9,300 Active users in the learning platform

138,000 Pieces of learning content added

Early Career Hires

Hiring more employees globally through our early career channels remained a strong focus in 2020. To bolster the impact of our early career hiring and to help build a healthy pipeline of diverse talent, we are continuing to strengthen partnerships with universities and colleges with more diverse student populations across our global operations.



29%
EARLY CAREER



27%
WOMEN NEW HIRES

Investing in Our Talent

At Synopsys, we believe in providing continuous learning and skills development opportunities to all our employees. Through our digital platform, employees are encouraged to curate, create, share, and discuss what they are learning. This source for internal training and experimentation is often complemented with virtual live learning sessions available across time zones. Team members can connect and interact with one another as they develop their skills and capabilities for current and future challenges.

Great Leaders at Every Level

We know our employees do their best work when their managers are committed to their success, listen to their ideas, and inspire them to do more than they think they can. We also believe our employees deserve great leadership, no matter where they are within our organization. Our goal is to grow great leaders who operate with integrity, and who know how to connect with and motivate team members on a personal level. Our management training is designed to increase capability in the areas of communication, engagement, coaching, Inclusion and Diversity (I&D), hiring and onboarding, and business skills, all while ensuring an ethical and supportive work environment free from bias and harassment. In addition, employees receive annual training on key integrity topics during Integrity Awareness Month.

As managers advance in their careers, our training framework builds new capabilities upon established foundational skills. This year, we rolled out High Impact Hiring and Inclusive Leader training for managers across the company, from those just learning to lead to those with extensive leadership experience. Our goal is to have 75% of managers complete the Inclusive Leader training in 2021, with 12% of managers having completed the training in 2020.

A Culture of Performance Excellence

We pursue excellence in everything we do, and our performance development philosophy enables our success. Each year, eligible employees partner with their managers on a process that summarizes key accomplishments for the preceding year, establishes new stretch goals, and identifies critical capabilities for development. We encourage managers to solicit and share 360-degree feedback, further strengthening our focus on collaboration, teamwork, and team success. In 2020, 99% of employees participated in this annual performance development process.

Keeping Employees Connected and Engaged

To help our employees retain a deep connection and sense of belonging throughout the pandemic, Synopsys increased our employee communications activities. We fostered excitement about our strategy and reinforced our strong culture of continuous innovation and teamwork while showing a more casual, personal side of our leaders through:

- Frequent co-CEO videos from home
- Regionally specific Manager Highlights emails
- QuickCONNECT Leadership videos from a cross-section of global leaders from home

In addition to providing employees with timely information, we also prioritized listening. Our annual *SHAPE* survey is our primary listening instrument that gives employees a chance to share their experiences, creating conversations about who we are, where we're going, and how we connect with each other and our work.

SHAPE also collects feedback on our values, empowerment, manager effectiveness, and inclusion. Results show our Synopsys team is highly engaged, with scores higher than our peers and generally rising in recent years. Our 2020, survey had record-breaking participation – 90% of our employees shared their experiences and provided feedback.

To keep a constant pulse on the organization and steer our efforts during the pandemic, we conducted short surveys throughout the year. When asked, our employees described our communications and response to COVID as appropriate (96% and 95%, respectively). More importantly, 90% felt that we were helping them feel connected to one another, providing a sense of inclusion while working remotely. By asking our employees for input, listening to what they tell us, and making changes where necessary, we reinforce the importance of our talent.



Inclusion and Diversity

Inclusion and Diversity (I&D) runs through our corporate values at every level—from our foundation of integrity to our execution excellence, from our dedicated leadership to our united passion for a better tomorrow. We have always aimed to be a company where different perspectives and backgrounds are leveraged and celebrated. The global pandemic and the igniting of social justice issues in the U.S. made I&D efforts in our workplace and our communities even more critical.

Synopsys' I&D mission is to inspire innovation through inclusivity and diversity by investing in our people, empowering their actions, and promoting equity for all. Our program rests on three pillars:

CONNECT

We nurture a culture of inclusion, belonging, and trust where individuals can be their best and bring their authentic selves to work.

INNOVATE

We approach diversity the way we approach innovation: passionately, intentionally, ambitiously.

INVEST

We strive to grow diversity not just in numbers, but in our mindsets, our skillsets, and our perspectives.

In 2020, we refreshed our I&D strategy from the top down and re-evaluated how best to align our investment for impact. We recruited a new Head of I&D and broadened our internal I&D goals to include Black, Latin, Indigenous (BLI) employees. We also increased the transparency of our I&D efforts and metrics internally, as well as externally through our website.

Each year we actively monitor the diversity of our teams, talent pipelines, and pay and development programs to ensure inclusive, equitable practices. We carefully study retention trends and feedback from diverse groups to identify areas for continual improvement towards our I&D goals.

Development and Progression

To maximize our employees' success and ensure continued I&D, we recognize and celebrate our employees' contributions and encourage lifelong learning. Our strategies include:

- Strengthening development programs for women through speaking opportunities, sponsorships, mentoring, and on-the-job training.
- Promoting networking and development opportunities for women and BLIs through events such as the Grace Hopper Celebration for Women, Women in Tech Conferences, Global Semiconductor Alliance, AFROTECH, Society of Women Engineers, and Watermark.

Pay Equity

We believe that all employees should be compensated fairly for the skills and expertise they bring to Synopsys. We conduct an annual comprehensive pay equity review to ensure people performing similar work are paid accordingly.

As of the end of the 2020 fiscal year, women at Synopsys were, on average, paid equally to men. In the U.S., women on average earned 99 cents for every \$1 men earned in the same position and location. BLI employees in the U.S. on average earned \$1.02 for every \$1 white employees earned. We monitor pay on a regular basis and, if an unexplained pay disparity is identified, our Human Resources team will take action.

To learn more about the programs and partners we are engaged with to promote I&D, see the [I&D section](#) of our website.

2021 Inclusion & Diversity Goals

To continue building on our strong culture of I&D, our goals include:

- *Increasing representation of women globally*
- *Increasing representation of BLI in our U.S. employee base*
- *Focused initiatives on early-career hiring*
- *Inclusive Leader training for managers*
- *Asking each employee to set at least one initiative to strengthen inclusion & diversity, during our annual performance development program*

Talent Snapshot

Employee Gender (Global)	FY19	FY20
OVERALL		
Men	77%	76%
Women	23%	23%
Undisclosed	0%	1%
TECHNICAL		
Men	81%	80%
Women	19%	20%
Undisclosed	0%	0%
NON-TECHNICAL		
Men	50%	49%
Women	50%	51%
Undisclosed	0%	0%
MANAGEMENT		
Men	85%	84%
Women	15%	16%
Undisclosed	0%	0%

Over the last four years, our global employee base has grown by 41%. During this time, we have improved our **diversity ratios** as follows:



Employee Ethnicity (U.S.)	FY19	FY20
OVERALL		
Asian & Indian	53%	53%
White	40%	40%
Hispanic & Latin	3%	3%
Black	1%	1%
Other*	1%	1%
Undisclosed	2%	2%
TECHNICAL		
Asian & Indian	58%	58%
White	37%	36%
Hispanic & Latin	2%	2%
Black	1%	1%
Other*	0%	1%
Undisclosed	2%	2%
NON-TECHNICAL		
Asian & Indian	27%	27%
White	60%	59%
Hispanic & Latin	6%	7%
Black	3%	3%
Other*	2%	2%
Undisclosed	2%	2%
MANAGEMENT		
Asian & Indian	52%	51%
White	42%	42%
Hispanic & Latin	2%	2%
Black	1%	1%
Other*	1%	1%
Undisclosed	2%	3%

Total Rewards

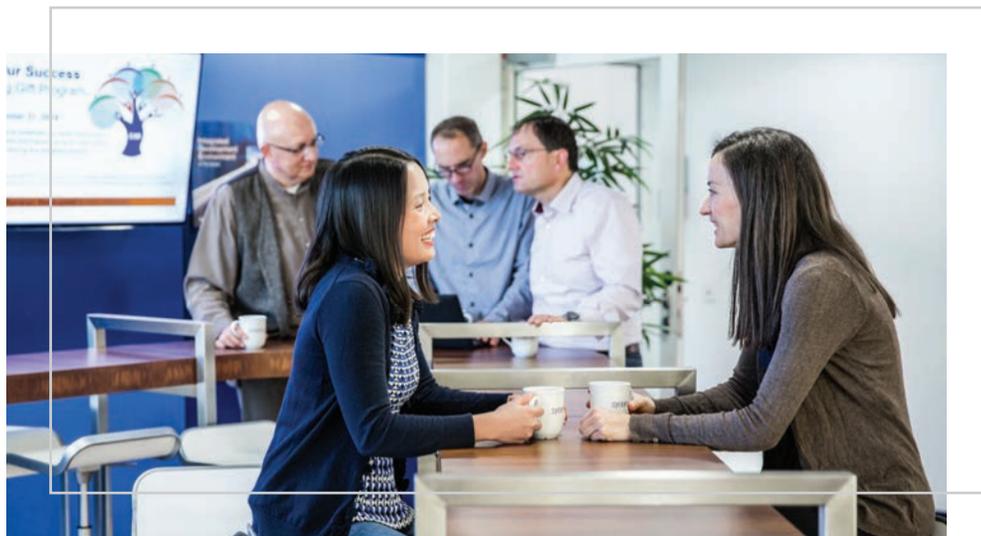
Our employees are the core of who we are and what we do. We value the contribution of each employee and ensure a competitive, locally appropriate pay mix, which includes salary, bonus opportunity, and equity compensation, if applicable, along with a broad array of financial, wellness, and medical benefits. We examine pay practices across the globe to define appropriate and market-competitive pay structures by levels for our employees. Our bonus and equity strategies are designed to support business plans by creating a direct link between achievement of key objectives with individual rewards. This, in turn, helps motivate our employees to achieve superior performance and deliver above-plan results. Ultimately, we strive to align the interest of employees and shareholders through the use of long-term incentives while effectively managing equity dilution.

We provide pay, benefits, and services that meet the varying needs of our employees. Our Total Rewards profile for U.S.-based employees includes, but is not limited to:

- Market-competitive salary and cash bonus opportunity
- Robust healthcare and welfare benefits such as employee assistance plans and financial planning tools
- Comprehensive leave alternatives
- Employee Stock Purchase Plan (ESPP)
- Equity compensation
- Employer-provided life insurance
- And Employer-sponsored retirement plans ([401\(k\) in the U.S.](#))

Regular part-time employees who work at least 20 hours a week can access benefits, with full benefits for employees that work more than 30 hours a week. Additionally, this year we provided medical insurance to those participating in our intern program. See our [U.S. benefits website](#) for additional information.

Providing and educating employees on an array of benefits to meet individual and family needs is a critical component of our Total Rewards program. We strongly believe that when our employees are at their best, it is not only good for them and their families, but it is critical for the continued success of the business. We take a long-term approach to employee health and wellness and maintain programs to support employees throughout their tenure with us.



Support in Turbulent Times

As part of our commitment to protect employees throughout the pandemic, we ensured employees were aware of, and could access, an employee assistance program (EAP) for themselves and their families. We made available across our regions suites of wellness tools designed to aid in reducing stress, remaining focused, encouraging physical activity, and building resilience. We took particular care to offer support services and flexible work arrangements to parents responsible for co-educating their children at home. We continue to gather feedback on these support programs as we focus on the unique and evolving needs of our employees.



Lyra is a modern EAP program that provides confidential support to employees and their families. In the U.S., Synopsys pays the full cost of this benefit, up to 25 sessions, for all eligible employees and their dependents.



In 2020, we introduced **meQuilibrium** ("meQ") to our U.S. employees. MeQ is a stress management app designed to help people build resilience and adjust responses to stressful thoughts and situations.



We launched a Parental Resources website to assist working parents co-educating children at home. We communicated a variety of options, including adjusting work schedules and, if needed, allowing a temporary reduction in work hours. We introduced **Rethink**, a U.S. based resource designed for caregivers of children with neurological differences.



Due to increased employee inquiries about the impact of the pandemic on their financial wellbeing, we invested further in **BrightPlan**[®], a digital financial advisor program, to provide U.S. employees with personalized financial guidance.

Protecting Our Employees

We are committed to providing a safe, secure, and productive environment for our employees, customers, and visitors. During the COVID-19 pandemic, our primary focus has been on the safety and well-being of our employees and their families. We launched regional emergency response teams to ensure that our employees have the appropriate equipment and support to safely and productively work remotely. This remains a top priority in 2021.

Our regional Health and Safety (H&S) managers are responsible for putting practices in place that enhance our safety and security. Our regulatory compliance software enables managers to track regional and national H&S regulations and conduct self-audits to ensure we are keeping up with requirements and best practices. We complete compliance assessments on a rotating basis at all global sites. We've continued to emphasize training and education because empowered employees are more aware of, and able to identify, potential risks. Empowered employees also take precautions to minimize risk of illness or injury.

Our locations have employee teams trained in first aid, CPR, and (in many sites) automated external defibrillators (AEDs). In addition, we deploy an emergency preparedness and response program that helps identify and evaluate site vulnerabilities, which we've utilized heavily during the pandemic. We evaluate the potential of natural hazards such as earthquakes and floods, as well as potential business disruptions. We design and test emergency action plans as appropriate for all locations, including detailed action plans for business continuity sites.

Environment

Sustainable growth that meets the needs of all stakeholders requires efficient use and responsible management of natural resources. Embodied in the Synopsys [Environmental Policy](#) is a commitment to operating our business in a way that supports a sustainable future – a key component of our Smart Future strategy. As a technology company, we are focused on both reducing the impact of our direct operations as well as leveraging our influence to join with others to reduce industry environmental impacts.



Strategy and Management Approach

The CSR Management Team drives the strategy of environmental efforts and guides its execution by the CSR Leadership Committee. The CSR Leadership Committee meets quarterly to review performance on goals and adjust as needed throughout the year. Synopsys coordinates extensive environmental management procedures and actively monitors the environmental performance of its operations. We review the effectiveness of our ESG management system each year to create a loop of continuous improvement and make adjustments as needed. We set ambitious company-wide environmental targets, with a particular emphasis on Greenhouse Gas (GHG) emissions reductions and electronic waste mitigation. In 2021, we will be more fully assessing our scope 3 impacts and opportunities.

2020 was a milestone year for our environmental work. In addition to maintaining our CarbonNeutral® company certification for our second consecutive year, we set a science-based, company-wide GHG emissions reduction target; accelerated the development of renewable energy through our participation in one of the largest aggregated Virtual Power Purchase Agreements (VPPA) in the world; and grew our internal network of sustainability action-oriented employees through our Global Green Team. Against a backdrop of events in 2020 that demonstrated humanity's reliance on and the vulnerability of Earth's ecosystems, our actions reflect our commitment to operating our business in a way that supports a Smart Future.

Our environmental commitment extends beyond operational environmental management to the downstream influence of our technology. Our leadership in low power technology enables our customers to innovate mobile and IoT solutions that are less energy and carbon intensive. With electronics playing a larger part of energy consumption, Synopsys provides an end-to-end low power platform that is uniquely positioned to deliver energy savings in chip designs that translates to significant reductions in total energy consumption.

Reducing Our Operational Footprint

In 2020, Synopsys announced an ambitious GHG emissions reduction goal to reduce scope 1 and 2 emissions by 25% by 2024 from a 2018 base year.

Synopsys used the best available science-based guidance in developing this reduction target. The target, in line with the goal to keep global temperature rise within 1.5 degrees Celsius above pre-industrial levels, is based on the Paris Agreement under the United Nations Framework Convention on Climate Change.

Synopsys is not counting the unbundled renewable energy certificates (RECs) purchased as part of its carbon neutrality commitment towards this goal in order to focus its emissions reduction investments on energy efficiency projects and renewable energy contracts that "bundle" renewable energy certificates with the renewable power.

"There are many challenges for the transition to a clean energy economy, but Synopsys is demonstrating how to uncover the opportunities as we pursue our sustainability objectives. Our landmark Virtual Power Purchase Agreement is a good case in point: we tapped into an innovative arrangement to bring new renewable energy onto the grid while making meaningful progress toward our science-based emissions reduction target."

*– Barbara Donaldson,
SVP Workplace Resources*

2020 Environment Highlights

CarbonNeutral® company certification

Set goal to reduce our direct GHG emissions by 25% by 2024¹

>117,000 pounds of e-waste processed responsibly

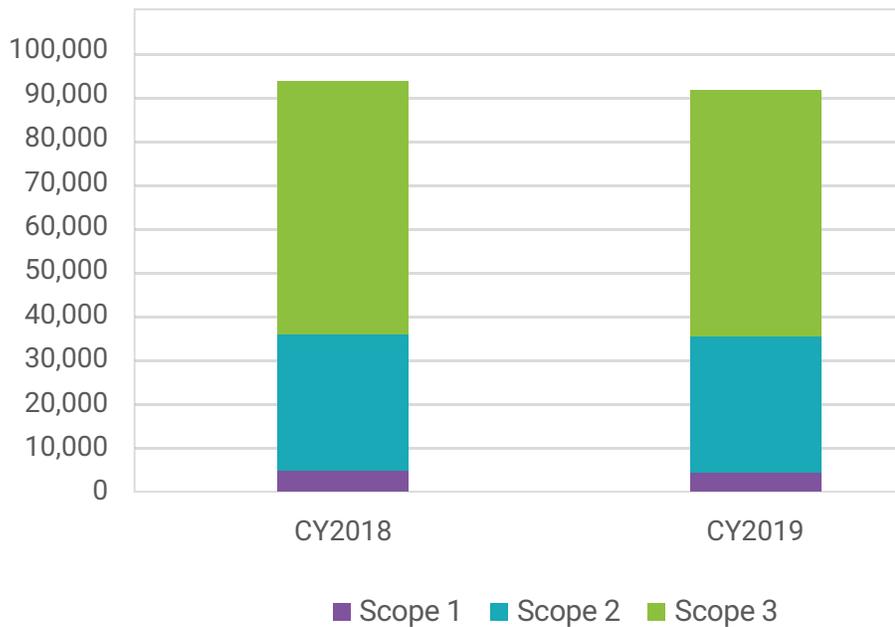
7 Green Teams advancing sustainability across the globe



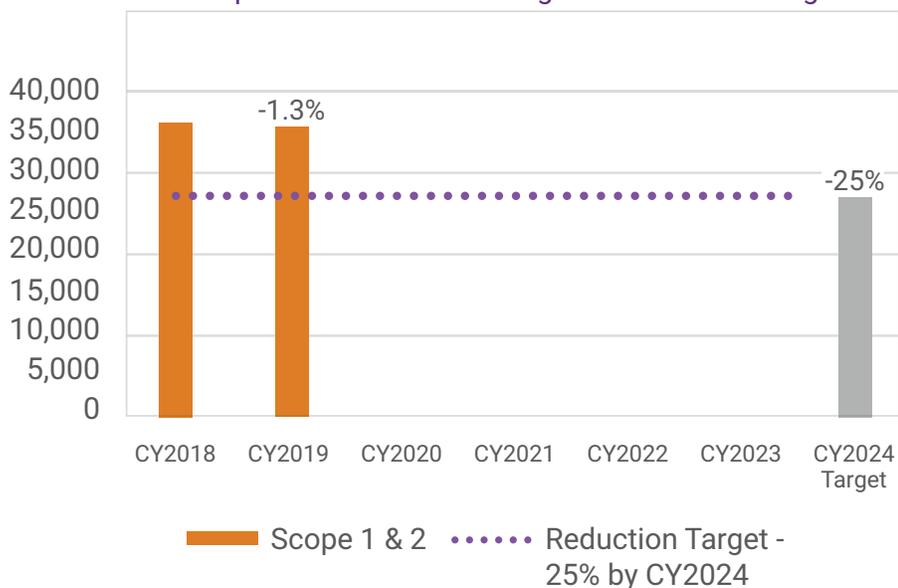
To support our GHG emissions reduction goal, we are committed to measuring our direct and indirect emissions on a regular basis. Our inventory for 2020 (measured in metric tons of carbon dioxide equivalent or MTCO₂e) included scope 1 and 2 emissions and indirect scope 3 emissions for business travel, employee commute, electricity transmission and distribution losses, operational waste, and product transportation. We are focused on emissions reductions from our largest scope 1 and 2 emissions sources, including energy consumption at offices with the greatest emissions intensity and energy use at the colocated data centers we use. Better data quality enabled us to update the 2018 footprint, which is the base year for our GHG reduction goal.

While scope 1 and 2 emissions are the areas providing the most direct opportunity to reduce our environmental impact, we recognize a need to develop a more complete quantification of our scope 3 sources. In 2021, we intend to expand our accounting of scope 3 emissions to include purchased goods and services, account for employee work-from-home emissions based on changes in office use during the pandemic, and evaluate related emission reduction opportunities through engagement with our supply chain. We recently joined the Renewable Energy Buyers Alliance (REBA) in order to support our supply chain partners in their efforts to decarbonize.

CY2018 and CY2019 Totals - MTCO₂e



Scope 1 and 2 Emissions Against Reduction Target



Emission Source	CY2018 ¹ MTCO ₂ e	CY2019 MTCO ₂ e
SCOPE 1 EMISSIONS		
Fugitive Emissions (Refrigerants)	1,179	1,158
Natural Gas Combustion	3,462	2,986
Diesel Fuel Combustion	25	14
TOTAL SCOPE 1	4,666	4,158
SCOPE 2 EMISSIONS (PURCHASED ELECTRICITY)		
Offices	20,771	19,774
Colocated Data Centers	10,455	11,500
TOTAL SCOPE 2² (MARKET)	31,226	31,274
SCOPE 3 EMISSIONS		
Air & Road Business Travel ³	32,334	28,078
Employee Commute	19,972	22,884
Electric Grid Transmission & Distribution Losses	4,497	4,480
Operational Waste	484	538
Product Transport	600	448
TOTAL SCOPE 3	57,887	56,428

¹ Updated Base Year.

² Scope 2 location-based emissions are 38,970 MTCO₂e.

³ Radiative forcing included.

Green Power Purchasing

To deliver on our ambitious emissions reduction target without reliance on our purchases of unbundled renewable energy certificates (RECs), we explored renewable energy procurement within the U.S., the region with our largest electricity consumption. As a member of Sustainability Roundtable, Inc., we joined forces with other leading corporate buyers to form one of the largest corporate aggregated Virtual Power Purchase Agreement (VPPA) to date. Through this arrangement, the renewable energy buyer group will enable the building of a 111 megawatt wind farm in North America by developer ENEL Green Power. Our contract for 15 MW of wind generation capacity will help mitigate approximately 70% of our projected North American emissions when it comes online in mid-2022, displacing fossil fueled-energy sources and avoiding the associated carbon emissions.

Synopsys is now among the CSR leaders leveraging innovative ways to deliver on its ambitious emissions reduction target. In doing so, we, along with our partners, are taking collective action to ensure the transition to a clean energy economy. We are excited to partner with Akamai, Millipore, and Uber, and we believe partnerships are the way to advance sustainability with an impact greater than the sum of the individual parts.

Achieving Carbon Neutrality

2020 marked our second consecutive year of being a certified CarbonNeutral[®] company in alignment with The CarbonNeutral Protocol. Our CarbonNeutral[®] company certification enables us to make an immediate impact today, driving transformative change through corporate climate leadership.

Through the purchase of RECs and investments in offset projects, we neutralized the 2020 carbon footprint of our global operations spanning 125 offices and more than 15,000 employees. We selected offset projects that are located in countries where we operate and emit the largest emissions, that are verified and high quality, and contribute to societal benefits consistent with our values. Additional information on our most recent CarbonNeutral[®] company certification can be found [here](#).

Reporting to CDP

Synopsys responds to the CDP Climate Change Program Module annually to disclose how we are managing the potential impacts, risks, and opportunities brought about by climate change. We also use this platform to disclose our GHG emissions, our emissions reduction initiatives, and performance against our GHG goals.

Our reporting strategy is largely influenced by climate-related regulations, customer requirements, product demand landscape, and climate-related natural disasters. More information is available in our 2019 public CDP response and can be accessed through the [CDP.net](#) portal.



Ongoing Energy Reduction Efforts

To advance our emissions reduction target, we continue to focus on implementing energy-efficiency measures. Specific projects of note in 2020 included:

- Optimizing HVAC systems in our offices in India and the U.S.
- Implementing LED lighting upgrades in offices in India, U.S., and Canada
- Using advanced energy analytics as part of an ongoing commissioning program at multiple locations for continuous improvement in energy performance
- And upgrading and replacing equipment supporting increased efficiencies in India, including uninterruptible power supply (UPS) replacement, a new automatic power factor controller panel, and new variable refrigerant flow (VRF) systems

Enabling Low Power Computing

Synopsys has long track record of helping customers to design energy-efficient chips. Now, with the recent establishment of a cross-functional Low Power Task Force, we are driving a software-driven [Low Power Platform](#) built on Synopsys products and solutions to enable an additional 25% power reduction for system on a chip (SoCs) over the solutions and flows currently used by our customers. The goal of the Low Power Platform is to equip the semiconductor and the broader electronics industry with the capability to not only build better, faster, and more innovative products, but to do so more sustainably.

Green Buildings

As part of our commitment to both the environment and our employees, we work to integrate high standards of environmental performance into the design and operation of our buildings.

In support of this goal, we actively seek U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) certifications for our existing office buildings and incorporate green design into new construction and renovation of our facilities. Our current worldwide office emissions intensity is 0.008 MTCO₂e per square foot.

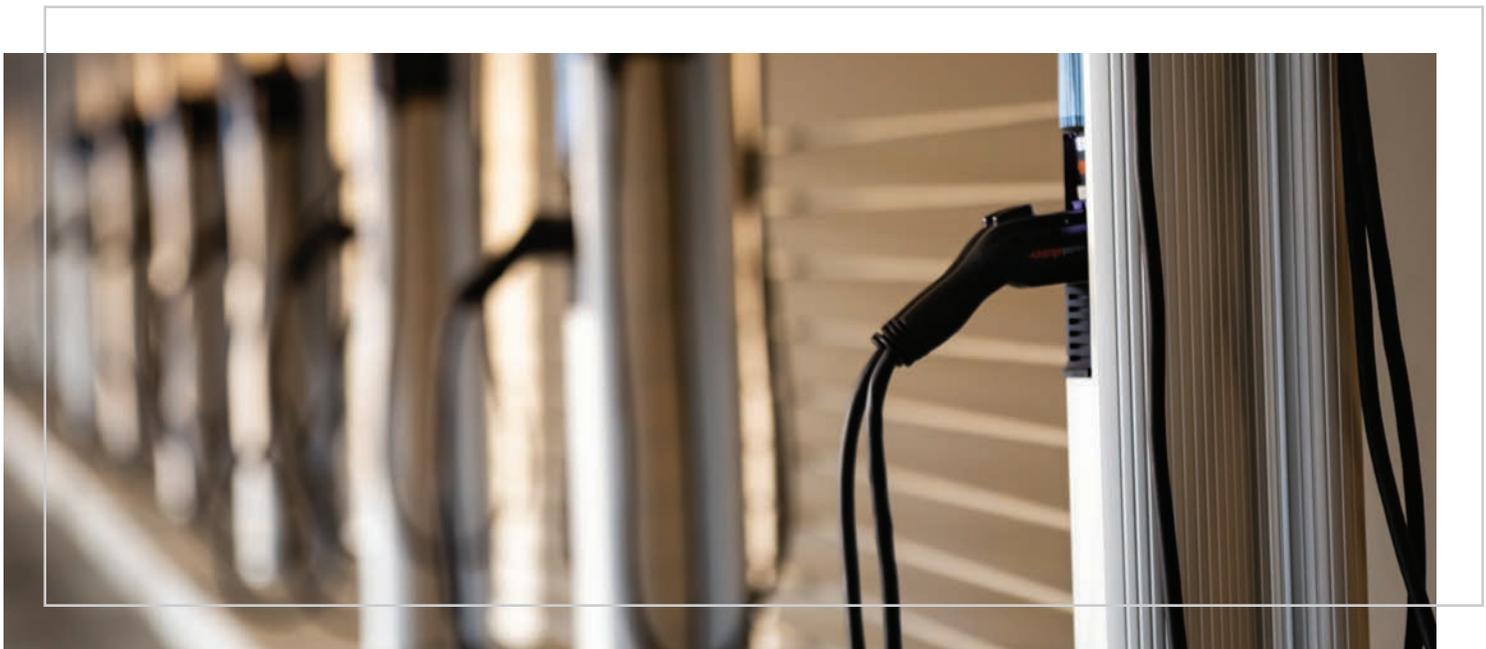
Synopsys is transitioning to newer, more efficient buildings in key regions in which we operate.

In the fall of 2019, at our Sunnyvale, CA, location, we vacated older buildings and moved into newer, more efficient, higher density buildings. We also installed new ChargePoint electric vehicle charging stations for employee use. These stations provide a faster charge, with the charge time decreasing from eight to two hours compared to prior stations. We are in the process of achieving LEED Gold Certification for this new campus.

Data Centers

The Synopsys Information Technology (IT) department is currently focused on reducing its global data center footprint through a strategy of optimization and consolidation. Decisions to reduce and consolidate are based on strict guidelines around the dependencies of supporting key business initiatives, the age of computing/storage resources, the age of data center infrastructure, resource utilization, and Power Usage Effectiveness (PUE).

At our major data centers, we measure energy efficiency in real time through our building management systems (BMS). Through the BMS, we measure both PUE and Data Center Infrastructure Efficiency (DCIE). In Europe, our primary data center provider procures 100% green energy. Synopsys integrates environmental considerations into strategic planning for future data center needs, as the company looks to further expand green energy procurement for data center contract renewals.



Managing Our eWaste Responsibly

The Synopsys IT team oversees the handling of electronic waste (e-waste) in an environmentally and socially responsible manner across our global locations. Retired electronic equipment is sent directly to iTAD, a certified recycler that recycles or refurbishes worn-out electronic equipment.

Synopsys Green Teams

What began as a grassroots initiative in 2019 at a few regional offices has transformed into a far-reaching global employee engagement program. Green Teams are groups of employee volunteers who work to advance sustainable practices and minimize environmental impacts in our worldwide offices and beyond. By partnering with our facilities managers, Green Teams in nearly every region around the world achieved measurable results in just months, from optimizing energy use in the office to office-wide waste reduction.

We kicked off 2020 with the development of the Synopsys Green Team Guide, a go-to handbook with tips for launching a successful Green Team, including how to leverage senior management support, best practices for communication and engagement, tracking impacts, and campaign ideas for engaging employees on environmental topics.

When most of our offices closed in 2020 due to COVID-19, Synopsys Green Teams pivoted to drive sustainability awareness and education through quarterly educational webinars and the development of a Green at Home Guide. We launched a Green at Home contest based on the Green at Home Guide to encourage sustainability in and beyond home offices, with each successful contestant receiving a gift certificate in support of carbon offset projects.

2020 Regional Green Team Highlights



Energy Reduction and Renewables

Green Team - Aachen, Germany

Employees in Aachen calculated their office electricity usage and optimized the ventilation system, resulting in a 20% reduction in energy use and switching to a renewable energy contract for the remaining energy use.



Waste Reduction

Green Team - Shanghai, China

Employees in Shanghai initiated Green Team efforts by purchasing and distributing reusable chopstick kits for every employee.



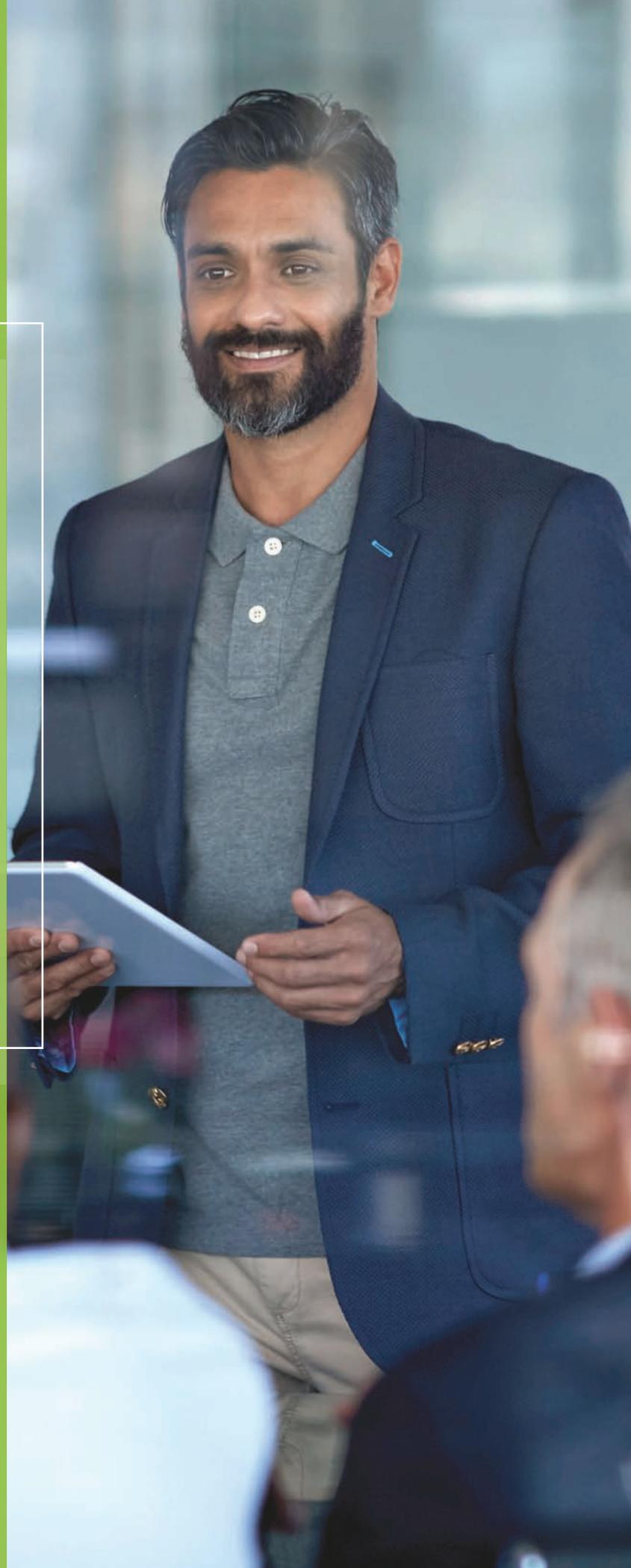
Waste Reduction

Green Team - Burlington, Massachusetts, U.S.

The Green Team in Burlington achieved a complete transition to reusable glasses/cups, avoiding use of 1,000 disposable cups per week.

Governance and Ethics

Synopsys and its Board of Directors is committed to operating under sound principles of corporate governance. Our corporate governance structure ensures robust Board and management accountability and transparency to our shareholders. To ensure that the long-term interests of all stakeholders are being served, our Board oversees management performance. Our overarching Code of Ethics and Business Conduct, corporate governance policies, Board committee charters, certification of incorporation, bylaws and other internal policies form the framework for governance at Synopsys.



Corporate Governance

In 2020, we amended our Corporate Governance Guidelines and updated the respective charters of our Audit Committee, Compensation and Organizational Development Committee, and Corporate Governance and Nominating Committee (Governance Committee).

Our Compensation Committee revised its name to the Compensation and Organizational Development Committee and updated the list of responsibilities in the charter accordingly. Additional responsibilities were added to recognize the importance we place on human capital, including how we attract and retain talent, how we build an inclusive work environment, and how we recognize and reward our employees.

The Governance Committee revised its charter to specify the committee’s responsibility in reviewing and assessing policies and practices regarding corporate social responsibility and sustainability performance, which includes possible climate change risks faced by our company and communities.

The Governance Committee is also responsible for identifying and recommending to the full Board candidates for directorship. The Governance Committee is committed to continuing board refreshment and actively evaluates the current mix of director skills on a periodic basis to assess if there are any skill sets that are not represented on the Board. The Governance Committee considers the Board composition, skills, experience, qualifications, and attributes to determine whether they are aligned with our long-term business strategy as well as our goals for boardroom diversity.

Director Skills and Experience



BEST PRACTICES OF THE BOARD OF DIRECTORS

- 78% independent directors
- 33% women directors
- Strong lead independent director role
- Annual director evaluation and director election
- Commitment to corporate social responsibility
- Majority standard in uncontested elections

Board Snapshot



Following one director’s decision not to stand for re-election in December 2020, our Board of Directors voted to reduce the size of the Board to nine members immediately following the expiration of the departing director’s term at our upcoming annual meeting of stockholders. Three of our directors are women and all of our directors, except for Drs. de Geus and Chan, are independent.

Please refer to our Proxy Statement and Annual Report on Form 10-K, or visit our [Governance website](#), for a complete description of Synopsys’ corporate governance practices.

Business Ethics

Code of Ethics and Business Conduct

The Synopsys [Code of Ethics and Business Conduct](#) is a roadmap that guides the behaviors and actions of our workforce across the globe in accordance with our core values, high ethical standards, and legal obligations. The Code addresses areas such as equal opportunity and non-discrimination, financial transparency, bribery and corruption, conflicts of interest, insider trading, safeguarding our assets, and competing fairly. Our Ethics & Compliance program is led by our Chief Ethics & Compliance Officer, who provides regular reports to the Audit Committee of the Board as well as to the full Board.

We also have a [Business Partner Code of Conduct](#) and a [Supplier Code of Conduct](#), to communicate our high legal and ethical standards to all partners and suppliers.

Anti-Corruption

Synopsys has a zero-tolerance policy for bribery and corruption, and we work to comply with applicable anti-corruption and anti-bribery laws in all countries where we do business. The Code of Ethics and Business Conduct outlines our policies and procedures to address bribery and corruption, and employees have access to an Anti-Corruption Portal and the Synopsys Anti-Corruption Compliance Manual for additional support.

Internal Audit, in close collaboration with the Ethics and Compliance team, routinely assesses Synopsys operations for corruption risks. Assessments include evaluating the design and implementation of our Anti-Bribery Anti-Corruption compliance program generally and conducting substantive testing to evaluate the program's practical effectiveness. Culture surveys are also deployed in targeted locations to obtain employee input on what they are seeing and experiencing, and to whom it is being reported.

Ethics and Integrity Training

All Synopsys employees, contractors, and board members are required to show their commitment to act with integrity by acknowledging that they have read, understand, and agree to abide by the letter and spirit of our Code of Ethics and Business Conduct. Employees are required to do this when they are hired, and they renew this commitment annually through mandatory training on integrity topics during Integrity Awareness Month. In 2020, the training topics were information security awareness, inclusion and diversity, and export compliance awareness. Ninety-eight percent of our global employee population completed the training.

Depending on their roles and geographic locations, certain employees are assigned more in-depth ethics and compliance training on topics such as anti-corruption, import-export compliance, insider trading, and antitrust. Approximately 13% of our workforce received additional training on other topics such as anti-corruption and antitrust. The content of these training sessions was informed by recent culture surveys, which enabled us to focus on areas of greatest interest to employees.

Reporting Concerns

We have several avenues through which employees and stakeholders can report potential violations of laws, rules, regulations, and Company policies. We have an open-door policy regarding issues that may arise under the Code or about potential violations. Our Code strictly prohibits retaliation against anyone who raised an issue honestly. Employees may report potential violations to their manager or another member of management; to Human Resources, the Legal Department, Internal Audit, or Ethics and Compliance; or to the Integrity Helpline to report their concern anonymously. The Integrity Helpline is externally available for contractors, customers, suppliers, and other business partners to report concerns as well. Following a report, our Compliance team oversees an investigation appropriate for the situation. Anonymous reports and the results of any investigation are reported to the Audit Committee. For more information regarding reporting of violations, please view our Code of Ethics and Business Conduct.

Risk Management

ESG factors are incorporated as a key principle in how Synopsys evaluates and mitigates risk. Risk governance is managed by our General Counsel and Chief Financial Officer in partnership with cross-functional senior leaders, and reported to our full Board of Directors annually. Management of key ESG risks are reviewed by the relevant board committees on a quarterly basis, and in with respect to certain areas such as cybersecurity and human capital, by the full Board of Directors periodically.

We proactively manage financial, operational, organizational, emerging, and macroeconomic risks through a dynamic risk oversight framework that includes:

- Executive management committee meetings focused on strategic risk
- A cross-functional cybersecurity team charged with addressing the rising challenges of data protection and security
- Rigorous internal and third-party audits that assess our controls and procedures
- A robust Business Continuity Planning program, with a network of global, regional, and local team members dedicated to managing risk globally and ensuring operational continuity

Market Access

One of Synopsys' top priorities is our ability to access markets around the world. We have a team of cross-functional leaders who proactively monitor, through internal research and participation in industry associations, international economic and political conditions, emerging trade and tax regulations, technology trends, and the semiconductor landscape in order to adapt our strategy as market conditions evolve.

Policies and Statements

[Synopsys Code of Ethics and Business Conduct](#)

[Synopsys Business Partner Code of Conduct](#)

[Synopsys Supplier Code of Conduct](#)

[Synopsys Conflict Minerals Policy](#)

[Synopsys Statement on UK Modern Slavery Act](#)

[Synopsys Political Activities Policy](#)

[Synopsys Affirmative Action Policy](#)

[Synopsys Environmental Policy](#)

[Synopsys Privacy Policy](#)

[Synopsys Data Privacy and Protection Statement](#)

Business Continuity Planning and Crisis Management

Our Business Continuity Planning (BCP) program was established to help the company identify possible threats and their potential impact to business operations and provide a formal framework for responding. Our BCP is built on the International Standard Organization (ISO) 22301 Societal Security and Business Continuity Management Systems framework. We worked to strengthen our program significantly over the past three years, which enabled an agile company response to the COVID-19 pandemic.

We recognize that a prepared and resilient business is not only a strategic and competitive advantage, but essential to the overall vitality of our company, customers, and shareholders. Our goal is to not only reach a level of business continuity compliance but to achieve a level of enterprise readiness and resilience that enables us to absorb impacts from disruptive events and recover in a timely and effective manner.

BCP plans are developed with input and involvement from representatives of each business group and function through Business Group-designated Business Risk and Continuity Managers (BRCMs). BRCMs are responsible for:

- Performing business impact assessments to identify their most critical operations
- Making plans to identify and address potential risks
- Testing and validating those plans
- Refining plans as needed, on an ongoing basis

Our crisis management plan is designed to allow us to respond quickly and effectively to a crisis at any of our offices worldwide, including events on a regional and global scale.

These efforts are supported by robust cloud-based infrastructure, systems, policies, and procedures, designed to mitigate risk and protect the safety and trust of our employees and customers when unexpected events such as cyberattack, global pandemics, business disruption, or natural disaster occur.

We believe that BCP is critical to minimizing financial and reputational impacts. By anticipating the likelihood of severe events, we can mitigate these risks and ensure that the company does not endure unnecessary harm or disruptions. The events of 2020 further highlighted the need for a robust business continuity planning and crisis management program. Now and into the future we remain committed to ensuring a safe and secure environment for our employees, contractors, and visitors, while maintaining the continuity of our business operations. Moving forward we are committed to:

- Continue training for all crisis team members, at the local, regional and executive levels
- Regular testing of current systems and response plans
- Build awareness among employees through proactive communication and the launch of an internal intranet site
- Continue aligning infrastructure teams to ensure optimal integration and coordination across business functions
- Continue enhancing threat detection and incident management capabilities

Political Activities and Contributions

With respect to political activities undertaken on behalf of Synopsys, we are committed to compliance with applicable laws, rules, and regulations including lobbying registration and disclosure laws, the Foreign Corrupt Practices Act, and anti-bribery laws worldwide. While no lobbying activity was undertaken in 2020, procedures and approvals for such political activity are stated in the company's Political Activities Policy. We also engage with trade and industry associations in the U.S. and abroad, which may undertake advocacy on behalf of their members.

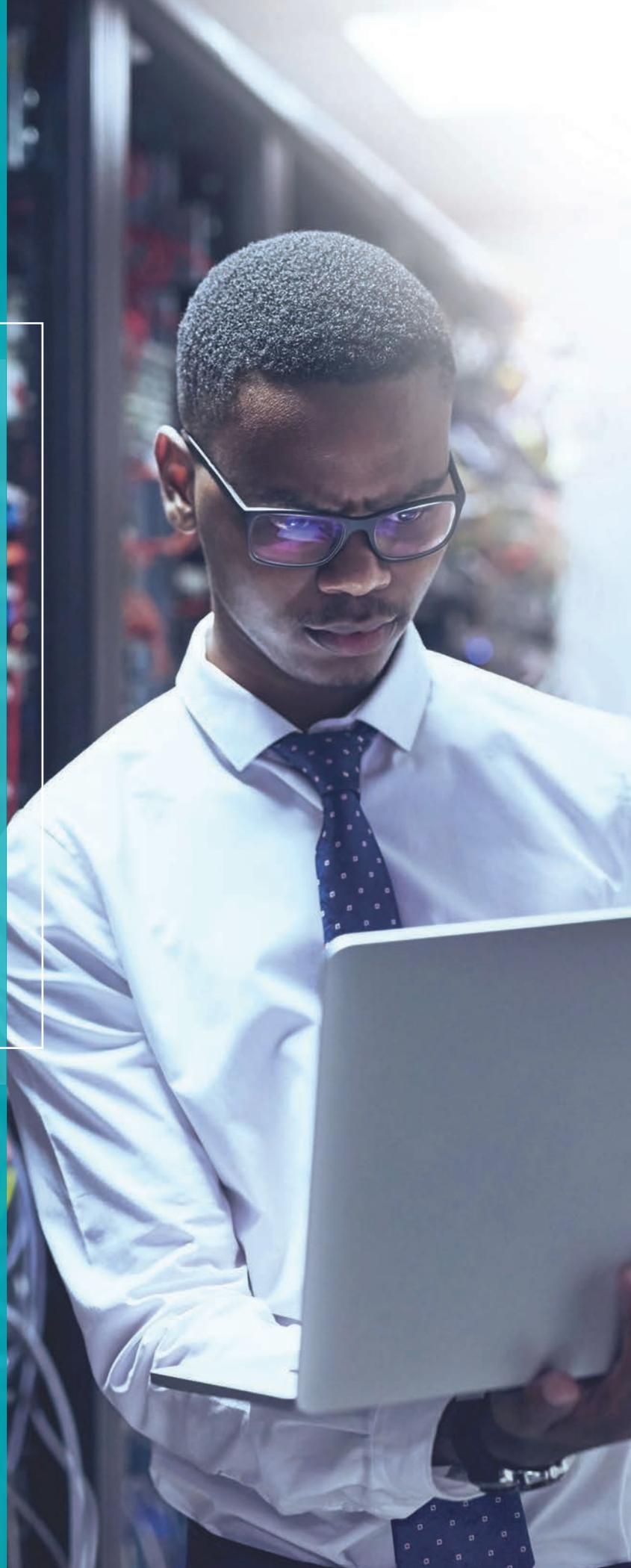
Synopsys does not contribute to political parties or candidates, nor does the company contribute to political action committees. We may contribute periodically to local ballot initiatives in California that are consistent with our quality-of-life goals. For the purpose of transparency, all contributions are disclosed on our [website](#).

Crisis Management Plan



Cybersecurity and Privacy

Not only do we have a long history of being a global leader in EDA and semiconductor IP, we are also a leader in helping businesses design secure systems and build security into the development of their software. We take very seriously the responsibility of maintaining the security and privacy of the personal data of our customers, employees, and vendors to which we have access. We also adhere to the data privacy laws of the different countries where we do business. Security and data protection are woven into the fabric of our organization.



Strategy and Management Approach

Synopsys is committed to continually improving our approach to cybersecurity by leveraging best practices, developing and integrating best-of-breed technology, monitoring cybersecurity threats, and recruiting and retaining top cybersecurity talent.

Our efforts are managed by our Chief Security Officer, who reports directly to the co-CEO, and oversees multidisciplinary functions involving cybersecurity, IT, product engineering, and legal experts involved in our comprehensive security program. We regularly update our Board of Directors on our performance and risk profile.

Synopsys has formally adopted the following industry recognized frameworks to structure, test, and assess the rigor of our enterprise cybersecurity and product security practices:

- [National Institute of Standards and Technology \(NIST\) Cyber Security Framework](#)
- [National Institute of Standards and Technology Special Publication 800-171, Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations](#)
- [ISO 27001 Information Security Management Framework](#)
- Cloud Maturity Model framework from the [Cloud Security Alliance](#)
- [CREST Information Security accreditation](#)

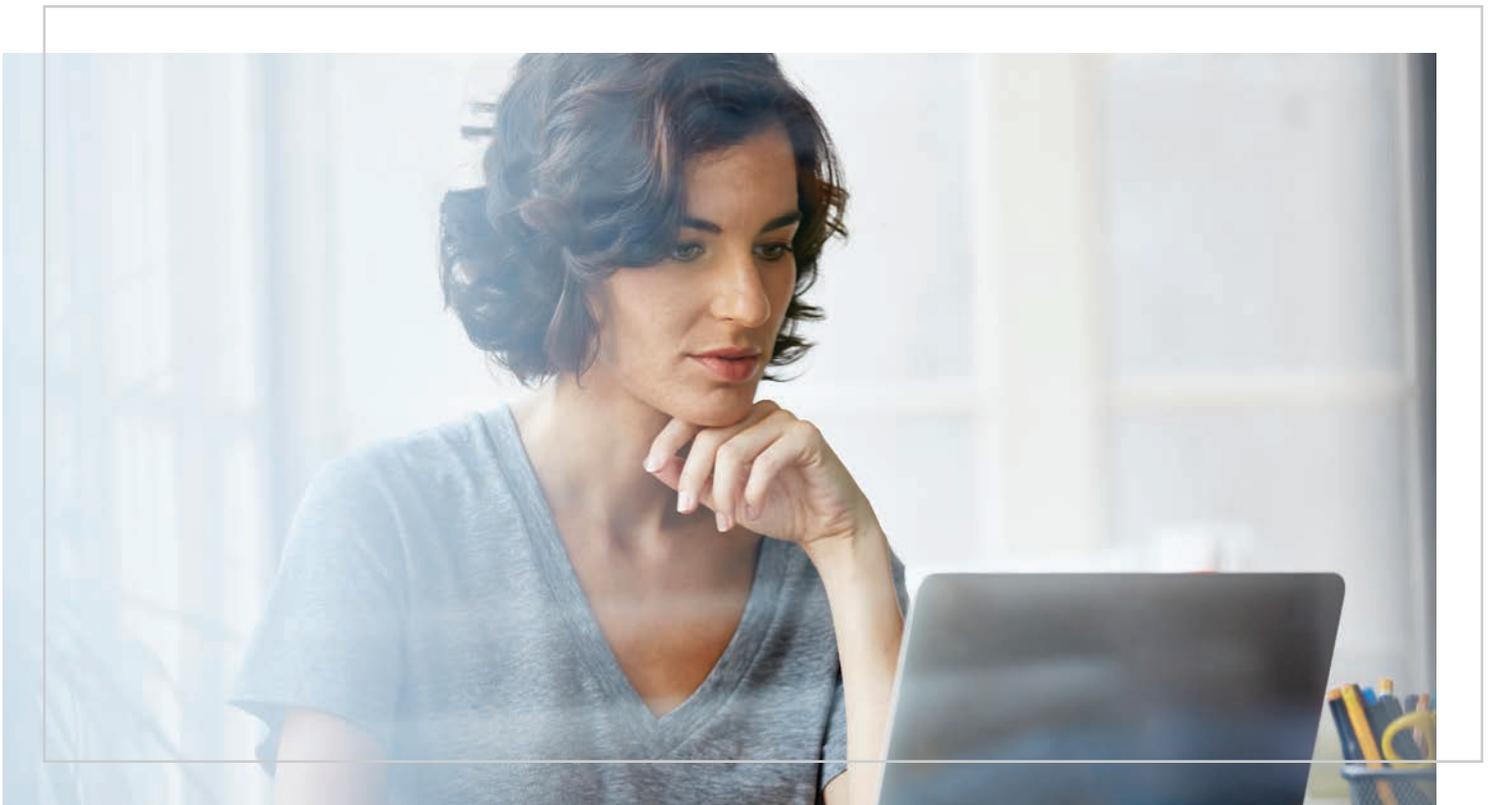
To keep up to date on the current evolving cyber threat landscape, we continuously monitor and adapt our cybersecurity program to achieve the best possible outcomes and to ensure a high level of security. This year, driven by COVID-19, we enhanced our security infrastructure to support the shift to work from home, which strengthened our overall security posture.

All our cybersecurity policies and procedures are assessed regularly by our internal auditors as well as third-party consultants. A recent third-party NIST CSF maturity assessment concluded we are on track with our security strategy and alignment with NIST framework implementation.

While we discovered and disclosed an unauthorized third-party access to our products and product license files in 2015, Synopsys has not experienced a material information security breach since then. We maintain a cyber liability insurance policy that provides coverage for certain liabilities in connection with a security breach or other security incidents.

We also address cybersecurity scenarios in our resiliency planning, and document them through business continuity plans. Our Incident Response Program facilitates integrated response to potential cybersecurity events, and we conduct regular controlled penetration testing of various environments to ensure the proper protection is in place for our data as well as our customers' and partners' data.

We participate in conferences and forums organized by industry consortia, government, and academia to ensure we stay on top of emerging developments, maintain best-of-breed cybersecurity practices, and educate the broader ecosystem on how to build more secure systems.



#BeCyberSmart

Through awareness campaigns, workforce training, and education, we ensure that the Synopsys workforce understands their role in the security and privacy equation. By creating a collective sense of responsibility and accountability, we protect ourselves, our enterprise, and our customers, together enhancing security and privacy worldwide.

New Synopsys employees complete mandatory, comprehensive training related to our data protection policies and protocols during the onboarding process. All employees receive annual, mandatory training in September on emerging cybersecurity and privacy best practices, along with regular awareness training on topics such as anti-phishing techniques.

In conjunction with National Cybersecurity Awareness Month, throughout each October we carry out our own internal campaign, sharing resources and guidance to shine the spotlight on cybersecurity and the critical role each of us plays in being cyber smart. We not only focus on empowering our employees, contractors, and interns to be more informed, we also share best practices in cybersecurity with our suppliers and other business partners.

Software Integrity Business

When it comes to securing the broader ecosystem—our customers and their customers—the Synopsys Software Integrity Business offers a full spectrum of security-enhancing products and services that help our customers build more secure systems:

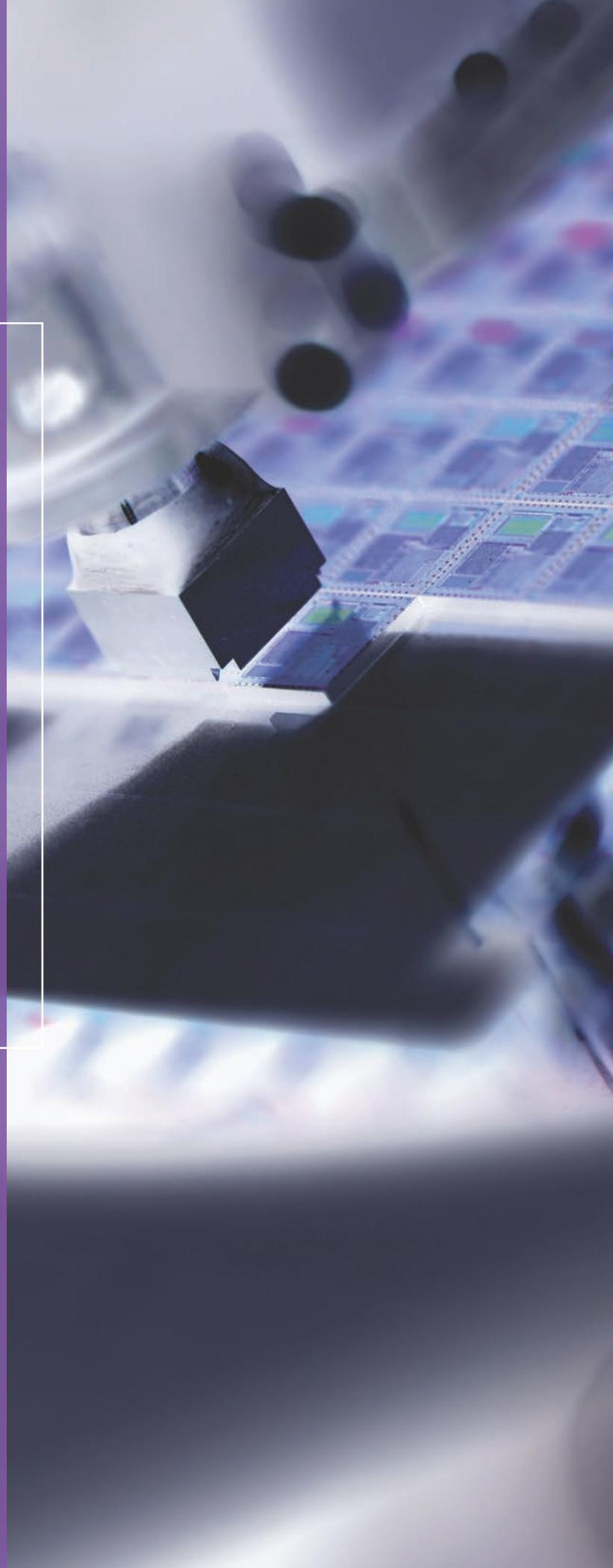
- Our product portfolio includes a comprehensive set of software security testing tools that help customers accelerate security, quality, and compliance testing for any application and rapidly respond to evolving threats
- Our Professional Services team comprises hundreds of industry-leading experts who help companies integrate quality and security best practices, tools, and strategies into their organization's architecture and designs
- Our Strategy & Planning services help organizations build a strong foundation for their software security initiatives (SSIs), communicate security and quality requirements across teams, and measure the results that matter

Privacy Laws and Compliance

We are committed to strong privacy principles and transparency about our use of personal data, and we will never sell customer data for marketing, advertising, or other commercial purposes. Our complete set of data privacy principles is documented in our [Data Protection and Privacy Statement](#), which is regularly reviewed and updated for compliance with relevant laws and regulations. We ensure compliance with the requirements of the General Data Protection Regulation (GDPR) and with the California Consumer Privacy Act (CCPA). Our Chief Privacy Officer is responsible for reviewing policies, procedures, contracts, services, and technology platforms to ensure proper compliance controls are implemented. See our [Privacy Policy](#) and [California Consumer Privacy Act Notice](#) for a detailed overview of how we manage personal information.

Supply Chain

As we embed sustainability throughout our company operations, we are also increasing our engagement with our suppliers on environmental, social, and governance expectations. We expect Synopsys suppliers to adhere to our standards and to comply with all laws and regulations. Our supply chain program is underpinned by our commitment to the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to CSR in the supply chain.



Strategy and Management Approach

To maintain a supply chain that can service our requirements for sourcing and human rights, we require all direct suppliers, defined as those in our supply chain that provide the goods and materials we incorporate into our hardware products, to adhere to these governing documents:

- Our [Supplier Code of Conduct](#) (“Supplier Code”) based on the [Responsible Business Alliance](#) (RBA) Code of Conduct
- Our [Conflict Minerals Policy](#), which communicates our expectation that direct suppliers will assist us in our supply chain due diligence efforts

By engaging with our vendors on environmental, social, and governance performance, we aim to leverage our influence in driving CSR standards up through the supply chain.

Overview of Our Supply Chain

Synopsys buys materials for our hardware products from suppliers of various types and sizes. We believe that increasing supplier awareness around a common set of CSR standards delivers benefits for all stakeholders. Integrating responsible business practices into our supply chain helps mitigate risks in our vendors’ businesses and in their labor, human rights, and environmental practices as well as our own business.

Supplier Engagement

When initiating relationships with suppliers, we communicate our standards that require working conditions that are safe and humane, that workers are treated with respect and dignity, and that business operations are environmentally and ethically responsible.

Synopsys expects all direct suppliers to acknowledge receipt of the Synopsys Supplier Code, based on the RBA standards. To gain additional visibility into the sustainability practices of all our suppliers, we updated our New Vendor Form (NVF). All new suppliers are required to complete and return the NVF questionnaire, which provides us insight into their GHG emissions, diverse or minority-owned status, cybersecurity and data privacy practices, and more.

We know that supplier engagement on environmental practices is key to delivering on our CSR goals. As a member of the [Renewable Energy Buyers Alliance](#) (REBA), Synopsys is leveraging REBA resources to support, educate, and accelerate renewable energy opportunities for our supply chain partners.

Assessing Risk

We continually assess risks to our supply chain. We recognize that our complex, globally distributed, and interconnected supply chain ecosystem is increasingly vulnerable to cyber attacks. As a result, we incorporate cyber risk management into all phases of our supply chain management activities.

Leveraging our membership in the RBA, in 2020 we performed due diligence of the companies in our product manufacturing supply chain. Using the RBA Online platform, we evaluated the corporate self-assessment score and risk rating for suppliers already established on the RBA platform and are using the findings to inform next steps for engaging with our suppliers. This is all part of our process to build a resilient business that can weather periods of uncertainty and potential disruption.

Human Rights

Synopsys does not tolerate the use of human trafficking or forced labor, including child labor, in its operations or in its supply chain. In 2020, the CSR team trained the largest purchasers in the company on vendor risks associated with forced labor, among other risks. We routinely engage and collaborate with industry groups such as the RBA and other supply chain resources to understand trends, best practices, and areas of potential risk. Our annual update to our supplier ESG risk assessment takes into account the latest developments.

Conflict Minerals

We are also committed to the responsible sourcing of materials for our products and avoiding the use of conflict minerals (tin, tungsten, tantalum, and gold) sourced from the Democratic Republic of the Congo and adjoining countries that may directly or indirectly engage in human rights abuses. Our Conflict Mineral Policy sets forth the expectation that direct suppliers will assist us in our ongoing due diligence efforts.

The results of the due diligence process were reviewed by our Conflict Minerals Program governance team, and a summary of the results was reported to our co-CEOs, CFO, General Counsel, and Board of Directors. We evaluate our risk mitigation framework each year to determine if steps are needed to improve the completeness and accuracy of the data we receive.

Social Impact

Our Synopsys for Good program generates positive impact in the community to help solve social challenges around the world and create access to opportunity. As a leader in bringing smart technology to life, we act as a catalyst for change by preparing students for the future with science, technology, engineering, and mathematics (STEM) education, addressing essential needs and inequities in the community, and - with increased focus - fostering a sustainable environment. We use our resources — leadership, employee volunteer time and giving, philanthropy, tech expertise, partnerships — to address systemic issues where we operate.



Strategy and Management Approach

Synopsys, directly and through the Synopsys Foundation, donated approximately \$3.6 million to nonprofit organizations around the world in 2020. Philanthropic investments mainly focused on STEM programs that create access and opportunity for students in underserved areas; support for essential community needs, and relief for challenges brought on by COVID-19. We also continued to be the main funder of the Synopsys Silicon Valley Science and Technology Outreach Foundation (Outreach Foundation), founded by Synopsys in 1999 to spark excitement for STEM through hands-on and project-based learning.

Throughout the year, Synopsys employees volunteer, raise funds for causes and charities, and help communities recover and rebuild in times of disaster. We encourage and facilitate employee giving to the causes they care about and help them connect with charitable organizations worldwide. 2020 required a tremendous amount of adaptability from both our employees and community partners. We are proud of how our global teams and individuals provided meaningful contributions where they were needed most. We contributed nearly 5,900 volunteer hours and supported 175 projects to benefit 131 partners.

2020 Giving Snapshot



\$3.6M total charitable giving



\$1.6M in employee giving



5,836 volunteer hours



175 projects supporting
131 non-profit organizations

Helping Out During the Pandemic

The COVID-19 global pandemic is an enormous challenge impacting the most vulnerable among us. We have been responding to new and different needs in the community, rethinking how we use our charitable giving, and keeping employees connected and serving the community. As a result, we:

- Donated more than \$1 million through the Synopsys Foundation, company, and employees to multiple organizations for medical supplies, support for frontline health workers, and essential community needs
- Funded STEM education programs focused on the new distance learning environment
- Conducted a special 2-to-1 matching gift campaign to encourage employee giving worldwide, resulting in support for 80 charities focused on COVID-19 relief
- Transformed our volunteer program to a virtual model to keep employees engaged in new volunteer-from-anywhere projects and help them stay connected to the community
- Focused efforts to serve vulnerable populations like seniors, students, and families facing food insecurity

2020 Social Impact Highlights

Employee-led Projects Around the World for COVID-19 Relief

Employees across 13 countries developed 26 new projects in response to the pandemic, including printing and sewing masks, writing thank-you letters to frontline medical workers, delivering donated food for hospital staff and families, supporting the elderly, and raising funds for distance-learning organizations. For example, volunteers in Portugal used 3D printers to produce 1,300 masks for healthcare workers at 50 local organizations.

Laptop Donations for Students in Rural Taiwan

Addressing the digital divide for underprivileged students in rural areas, the Taiwan Volunteer Club donated 85 laptops, power adapters, and bags to Program The World, Kid's Bookhouse, and Chiku Dingshan After-School Institute. Employee volunteers cleaned and packaged the hardware, and Microsoft® Taiwan agreed to provide the software. The donation will help strengthen the students' programming and information application skills and remove barriers to online learning.

Expanding Access to Project-based STEM Teaching and Learning in California

The Outreach Foundation supplied 2,171 teachers in California with a package of STEM project materials, including tri-fold boards, science fair collateral materials, and new science supplies in response to increased demand for remote learning. In partnership with Resource Area for Teaching and the Silicon Valley Education Foundation, the Outreach Foundation provided funding for 39,000 STEM learning kits and workbooks to benefit high-need public school districts in Silicon Valley.

New Tutoring and Mentoring Initiatives for Students

In partnership with United Way of Massachusetts Bay and Merrimack Valley, 20 employee volunteers from three Synopsys sites teamed up virtually and committed to weekly one-on-one reading tutoring sessions with a classroom of students at an elementary school in East Boston for the 2020-21 academic year. The annual, global Synopsys Back to School Campaign in August included three new volunteer projects: crowdsourcing advice online for students worldwide with CareerVillage, translating subtitles of video lessons with Khan Academy, and writing e-notes of encouragement to students with Boys & Girls Clubs of America.

STEM Literacy in Sri Lanka

With grant funding from The Synopsys Foundation, we launched a new partnership with STEMUP Educational Foundation to support STEMUP Spaces, maker-centered learning experiences for disadvantaged, rural students at five IT Centers across Sri Lanka. Students will learn about topics including IoT, coding, and innovation through hands-on activities, mentoring with STEM professionals, and a hackathon. Employee volunteers are developing and reviewing course material, conducting course sessions with students, mentoring student teams, and judging the hackathon.

GRI Index

This table covers the Global Reporting Initiative's Sustainability Reporting Standards and Disclosures found in our 2020 Corporate Social Responsibility Report, company website, and SEC filings.

GRI Standard - Disclosure	Description	Location and Notes	Page No.
GRI 102: GENERAL DISCLOSURES			
102: Organizational Profile			
102-1	Name of the organization	Synopsys, Inc. (NASDAQ: SNPS)	N/A
102-2	Activities, brands, products, and services	About Synopsys	4-5
102-3	Location of headquarters	690 East Middlefield Road, Mountain View, CA 94043	N/A
102-4	Location of operations	See Countries/Regions	N/A
102-5	Ownership and legal form	Incorporated in Delaware See Synopsys' Annual Report on Form 10-K for the fiscal year end October 31, 2020.	N/A
102-6	Markets served	About Synopsys See Synopsys' Annual Report on Form 10-K for the fiscal year end October 31, 2020.	4-6
102-7	Scale of the organization	About Synopsys: 2020 by the Numbers	6
102-8	Information on employees and other workers	About Synopsys: 2020 by the Numbers Talent: Talent Snapshot	6, 16
102-9	Supply chain	Supply Chain: Overview of our Supply Chain	33
102-10	Significant changes to the organization and its supply chain	Synopsys made no significant changes to the organization's size, structure, or supply chain in 2020.	N/A
102-11	Precautionary Principle or approach	Our precautionary approach is reflected in our Smart Future CSR strategy and approach, and our Enterprise Risk Management framework.	N/A
102-12	External initiatives	Synopsys endorses the following voluntary environmental and social charters/standards/sets of guiding principles: <ul style="list-style-type: none"> • CDP • The CarbonNeutral Protocol • Global Reporting Initiative • Responsible Business Alliance (RBA) Code of Conduct • U.S. Green Building Council and Leadership in Energy and Environmental Design (LEED) 	N/A
102-13	Membership of associations	Synopsys is a member of the following associations related to our Smart Future CSR Strategy: <ul style="list-style-type: none"> • Responsible Business Alliance (RBA) • Renewable Energy Buyers Alliance (REBA) • Sustainability Roundtable Inc. 	N/A
102: Strategy			
102-14	Statement from senior decision-maker	Co-CEO Letter	2
102-15	Key impacts, risks, and opportunities	See Synopsys' Annual Report on Form 10-K for the fiscal year end October 31, 2020.	N/A
102: Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	About Synopsys: Our Values Governance and Ethics: Business Ethics The Synopsys Code of Ethics and Business Conduct is a roadmap that guides the behaviors and actions of our workforce across the globe in accordance with our core values, high ethical standards, and legal obligations. For a comprehensive description of Synopsys' corporate governance practices, please refer to our Proxy Statement and Form 10-K , or visit our Corporate Governance and Ethics website .	5, 26
102-17	Mechanisms for advice and concerns about ethics	Governance and Ethics: Reporting Concerns	27

GRI Standard - Disclosure	Description	Location and Notes	Page No.
102: Governance			
102-18	Governance structure	Governance and Ethics: Corporate Governance For a comprehensive description of Synopsys' corporate governance practices, please refer to our Proxy Statement and Form 10-K , or visit our Corporate Governance and Ethics website .	26
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Approach to CSR: Driving Progress Governance: Corporate Governance	11, 26
102-22	Composition of the highest governance body and its Committees	To learn more about the composition of the highest governance body at Synopsys and its committees, visit our Corporate Governance and Ethics website .	N/A
102-23	Chair of the highest governance body	To learn more about the composition of the highest governance body at Synopsys and its committees, visit our Corporate Governance and Ethics website .	N/A
102-29	Identifying and managing economic, environmental, and social impacts	Our Approach to CSR: Focusing on What Matters Our Approach to CSR: Driving Progress	9, 11
102-31	Review of economic, environmental, and social topics	Our Approach to CSR: Driving Progress	8-9
102: Stakeholder Engagement			
102-40	List of stakeholder groups	Our key stakeholder groups include, but are not limited to: <ul style="list-style-type: none"> • Our workforce • Customers • Stockholders • Partners • Suppliers • Communities in which we operate • Industry Peers 	N/A
102-41	Collective bargaining agreements	Approximately 28% of our employee population in Europe is covered by collective bargaining agreements.	N/A
102-42	Identifying and selecting stakeholders	Stakeholders are those who have a significant interest and impact on areas that are most important to our company.	N/A
102-43	Approach to stakeholder engagement	Our Approach to CSR: Engaging Stakeholders on CSR Synopsys is involved with ongoing stakeholder engagement which takes many forms – from one-way information channels to dialogue with environmental organizations to memberships in impact/advocacy organizations. Examples of engagement include, but are not limited to: meetings, engagement surveys, earnings calls, risk assessments and audits, and volunteering programs.	10
102-44	Key topics and concerns raised	Our Approach to CSR: Focusing on What Matters Key topics for our stakeholders include but are not limited to: Human Capital Management (Talent Management, Employee Engagement, Inclusion and Diversity, Health and Wellness), Innovation, Cybersecurity, Product Security, Market Access, Crisis Management and Business Continuity, Climate Change and GHG Emissions, Corporate Governance, Ethics, Supply Chain, Public Policy, and Social Impact.	9
102: Reporting Practice			
102-45	Entities included in the consolidated financial statements	See Synopsys' Annual Report on Form 10-K for the fiscal year end October 31, 2020.	N/A
102-46	Defining report content and topic Boundaries	About this Report Our Approach to CSR We determined the focus of this report by reviewing our materiality assessment in 2020, and through ongoing engagement with our CSR Leadership Committee, our employees, and key external stakeholders such as our customers and investors.	1, 8-9

GRI Standard - Disclosure	Description	Location and Notes	Page No.
102: Reporting Practice Cont'd			
102-47	List of material topics	<p>Our Approach to CSR: Focusing on What Matters</p> <p>Our priority CSR topics include:</p> <ul style="list-style-type: none"> • Human Capital Management (Talent Management, Employee Engagement, Inclusion and Diversity, Health and Wellness) • Innovation • Cybersecurity • Product Security • Market Access • Crisis Management and Business Continuity • Climate Change and GHG Emissions • Corporate Governance • Ethics • Supply Chain • Public Policy • Social Impact 	9
102-48	Restatements of information	<p>Environment: Reducing Our Operational Footprint</p> <p>We restated our 2018 GHG baseline due to improved measurement methods and enhanced data quality.</p>	20
102-49	Changes in reporting	<p>Our Approach to CSR</p> <p>A review of our materiality assessment in 2020 raised the importance of new topics for the business, such as Crisis Management and Business Continuity (reflecting the COVID-19 crisis) and Market Access. The review elevated the importance of some topics, including Inclusion and Diversity and Cybersecurity, since our last materiality assessment in 2018. These topics are addressed in our public reporting.</p>	8
102-50	Reporting period	<p>About this Report</p> <p>The Synopsys 2020 CSR Report covers our environmental, social, and governance performance for our 2020 fiscal year, which began on November 1, 2019, and ended on October 31, 2020. The exceptions are our environmental and social impact performance data, which are collected and managed on a calendar year basis, and as otherwise noted.</p>	1
102-51	Date of most recent report	2019 CSR Report	N/A
102-52	Reporting cycle	Annual	N/A
102-53	Contact point for questions regarding the report	CSR@synopsys.com	N/A
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core Option.	N/A
102-55	GRI content index	This GRI Content Index	N/A
102-56	External assurance	We do not currently have a policy regarding external assurance for our CSR reporting, and as such, the data and information in our report are not externally assured.	N/A

GRI Standard - Disclosure	Description	Location and Notes	Page No.
GRI 200: ECONOMIC			
205: Anti-Corruption			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Governance and Ethics: Anti-corruption	9, 26
205-1	205-1 Operations assessed for risks related to corruption.	Governance: Anti-Corruption Internal Audit, in close collaboration with the Ethics and Compliance team, routinely assesses Synopsys operations for corruption risks. Assessments include evaluating the design and implementation our Anti-Bribery Anti-Corruption compliance program generally and conducting substantive testing to evaluate the program's practical effectiveness. Culture surveys are also deployed in targeted locations to obtain employee input on what they are seeing and experiencing, and to whom it is being reported.	27
205-2	Communication and training about anti-corruption policies and procedures	Governance: Code of Ethics and Business Conduct Governance: Anti-Corruption Governance: Ethics and Integrity Training It is the policy of Synopsys to conduct business in compliance with all anti-bribery and anticorruption laws. Synopsys requires its entire workforce to complete online Ethics & Compliance training, which regularly includes training on anti-bribery and anti-corruption laws and our related policies. In addition, Synopsys provides live training on various topics including anti-corruption; in 2020, approximately 13% of our employees received this targeted live training. On a quarterly and annual basis, all VPs and sales personnel, respectively, are required to certify to their knowledge of and compliance with our anti-corruption polices.	26-27
206: Anti-Competitive Behavior			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Governance and Ethics: Business Ethics	9, 26
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	No legal actions were pending or completed during the reporting period regarding anti-competitive behavior and violations of antitrust and monopoly legislation.	N/A

GRI Standard - Disclosure	Description	Location and Notes	Page No.
GRI 300: ENVIRONMENT			
302: Energy			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Environment: Strategy & Management Approach Environment: Reducing Our Operational Footprint Environment: Green Buildings Environment: Data Centers	9, 20, 23
302-1	Energy consumption within the organization (GJ)	Fuel: 59,504 GJ Electricity: 425,532 GJ Total Energy: 485,036 GJ	N/A
302-2	Energy consumption outside of the organization (GJ)	376,961 GJ Scope 3 sources included: business travel, employee commute and product transport	N/A
302-4	Reduction of energy consumption (GJ)	Environment: Reducing Our Operational Footprint 1,688 GJ (fuel and electricity)	20
302: Emissions			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Environment: Strategy & Management Approach Environment: Reducing Our Operational Footprint Environment: Green Buildings Environment: Data Centers	9, 20, 23
305-1	Direct (Scope 1) GHG emissions	Environment: Reducing our Operational Footprint	20-22
305-2	Energy indirect (Scope 2) GHG emissions	Environment: Reducing our Operational Footprint	20-22
305-3	Other indirect (Scope 3) GHG emissions	Environment: Reducing our Operational Footprint	20-22
305-5	Reduction of GHG emissions (MTCO ₂ e)	Environment: Reducing our Operational Footprint 297 MTCO ₂ e	20-22
307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	No significant fines or non-monetary sanctions for non-compliance occurred during this reporting period. We consider significant fines to be those that are required to be disclosed in the company's SEC filings.	N/A
308: Supplier Environmental Assessment			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Supply Chain: Strategy and Management Approach Supply Chain: Supplier Engagement	9, 33
308-1	New suppliers that were screened using environmental criteria	Supply Chain: Supplier Engagement All new suppliers are required to complete and return our New Vendor Form (NVF) questionnaire, which addresses topics including GHG emissions, conflict minerals, diverse or minority-owned business, cybersecurity and data privacy practices, and more. In 2020, approximately 1,200 vendors completed the NVF questionnaire. Results of the NVF provide us with an understanding of potential risks in the supply chain that may require further assessment. Looking ahead, we plan to further improve the NVF by automating the data collection process, updating the questionnaire, and expanding use of the questionnaire to the contract renewal process with existing suppliers.	33

GRI Standard - Disclosure	Description	Location and Notes	Page No.
GRI 400: SOCIAL			
401: Employment			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Talent: Total Rewards	9, 17
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent: Total Rewards	17
403: Occupational Health and Safety			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Talent: Total Rewards Talent: Support in Turbulent Times Talent: Keeping Employees Safe	9, 17-18
403-6	Promotion of worker health	Synopsis Responds to COVID Talent: Total Rewards Talent: Support in Turbulent Times Talent: Keeping Employees Safe	3, 17-18
404: Training and Education			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Talent: Investing in Our Talent	9, 13
404-2	Programs for upgrading employee skills and transition assistance programs	Talent: Investing in our Talent	13
404-3	Percentage of employees receiving regular performance and career development reviews	In 2020, 99% of employees participated in the annual performance development process.	N/A
405: Diversity and Equal Opportunity			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Talent: Inclusion and Diversity	9, 15
405-1	Diversity of governance bodies and employees	Talent: Talent Snapshot Governance and Ethics: Corporate Governance	16, 26
405-2	Ratio of basic salary and remuneration of women to men	Talent: Pay Equity As of the end of the 2020 fiscal year, women at Synopsis were, on average, paid equally to men. In the U.S., women on average earned 99 cents for every \$1 men earned in the same position and location. Black, Latin and Indigenous employees in the U.S. on average earned \$1.02 for every \$1 white employees earned.	15

GRI Standard - Disclosure	Description	Location and Notes	Page No.
414: Supplier Social Assessment			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Supply Chain: Strategy and Management Approach Supply Chain: Supplier Engagement	9, 33
414-1	New suppliers that were screened using social criteria	Supply Chain: Supplier Engagement All new suppliers are required to complete and return our New Vendor Form (NVF) questionnaire, which addresses topics including GHG emissions, conflict minerals, diverse or minority-owned business, cybersecurity and data privacy practices, and more. In 2020, approximately 1,200 vendors completed the NVF questionnaire. Results of the NVF provide us with an understanding of potential risks in the supply chain that may require further assessment. Looking ahead, we plan to further improve the NVF by automating the data collection process, updating the questionnaire, and expanding use of the questionnaire to the contract renewal process with existing suppliers. In addition, 181 suppliers were assessed through our Conflict Minerals Due Diligence process. Responses were received from approximately 88% of suppliers.	33
415: Public Policy			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Governance and Ethics: Political Activities and Contributions	9, 28
415-1	Political contributions	Governance and Ethics: Political Activities and Contributions Also See Political Activities Policy	28
418: Customer Privacy			
103-1 to 103-3	Management Approach	Our Approach to CSR: Focusing on What Matters Cybersecurity and Privacy: Strategy and Management Approach Cybersecurity and Privacy: Privacy Laws and Compliance	9, 30-31
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Company policy prevents us from sharing this information.	N/A
419: Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	We consider significant fines to be those that are required to be disclosed in the company's SEC filings. No significant fines or non-monetary sanctions for non-compliance occurred during this reporting period.	N/A

SASB Index: Software & IT Services

Synopsys has elected to report to the Sustainable Accounting Standards Board (SASB): Software and IT Services Standard. SASB connects business and investors on the financial impacts of sustainability. Unless otherwise noted, all data and descriptions apply to our entire company. We do not currently disclose all metrics included in the Standard for our sector, but we will continue to evaluate them in the future. All data for the year ended October 31, 2020, unless otherwise noted.

Topic	Code	Accounting Metric	Unit of Measure	Response/Location	Page No.
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	Colocation Data Centers 1) 212,136 GJ, 2) 91%, 3) 9%	N/A
	TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m ³), Percentage (%)	We do not currently calculate total water withdrawals as it is not considered a priority CSR topic for our business.	N/A
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	N/A	Environment: Data Centers	23
Data Privacy and Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	N/A	Cybersecurity and Privacy: Strategy and Management Approach	30
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	N/A	Synopsys Privacy Policy : Synopsys does not use personal information for secondary purposes.	N/A
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	U.S. Dollars	Zero.	N/A
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	N/A	Cybersecurity and Privacy: Strategy and Management Approach	30
Recruiting and Managing a Global, Diverse, and Skilled Workforce	TC-SI-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Percentage (%)	We had 15,506 employees as of FY20 year end. Approximately 30% of these employees are based in the U.S.	N/A
	TC-SI-330a.2	Employee engagement as a percentage	Percentage (%)	Our 2020 engagement score was 79. Well above the Technology Industry Benchmark of 74. Engagement at Synopsys is calculated from the average responses to the following questions: 1) How happy are you working at Synopsys, and 2) I would recommend Synopsys as a great place to work. In 2020, 84% of our employees either agreed or strongly agreed that Synopsys is a great place to work.	N/A
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	Talent: Talent Snapshot	16
Intellectual Property Protection and Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	U.S. Dollars	No legal actions were pending or completed during the reporting period regarding anti-competitive behavior and violations of antitrust and monopoly legislation.	N/A
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	N/A	Governance and Ethics: Risk Management, Business Continuity Planning and Crisis Management	27-28

