SYNOPSYS®

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2021
Corporate Social Responsibility Report

SYNOPSYS®

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About This Report

Corporate Social Responsibility (CSR) is at the core of who we are as a company and what we care about as individuals. Our Smart Future CSR strategy provides a framework for how we manage our own operational impact and influence others around us, so that we can conduct our business in a manner that we believe both drives commercial success and contributes to a better world. We are proud of the programs and initiatives that you will read about in this report, and we look forward to leveraging our impact and influence to create a Smart Future that is sustainable, just, and secure.

The Synopsys 2021 CSR Report covers our environmental, social, and governance performance for our fiscal year 2021 which began on November 1, 2020, and ended on October 31, 2021. The exceptions include our environment performance data (calendar year 2020) and social impact performance data (calendar year 2021), 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. Starting this year, we also aligned our reporting with the Task Force on Climate-related Financial Disclosures (TCFD) and the United Nations Sustainable Development Goals (SDGs). Synopsys also reports separately to the CDP as a part of our disclosure efforts.

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: 2020

Distributing This Report

We promote 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 channels

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

This 2021 Corporate Social Responsibility (CSR) Report contains forward-looking statements, and actual results could differ significantly. 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. Any references to "material" or "materiality" in this report are not intended to have the same meaning as in the context of financial statements or financial reporting or as defined by the securities laws of the United States. While Synopsys believes that our CSR goals and initiatives are important to being a responsible global citizen and discusses certain climate-related risks in this CSR Report, we currently do not believe that such goals, initiatives, or risks are material to our financial results and results of operations. For a discussion on the risks Synopsys believes could materially affect our financial results and results of operations, please see the "Risk Factors" section in our most recent Annual Report on Form 10-K and subsequent 10-Q filings.

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Co-CEO Letter

From the axe to AI, human history is a narrative of innovation that brought us new tools to shape our environment. Over the last two centuries, that progress has supercharged economies and doubled average life expectancy. Now we need to get smarter still, to ensure technology also delivers solutions for the fresh challenges we face as we look to achieve a sustainable, just, and secure future for all.

For Synopsys, these challenges open up a new world of opportunity. Our Silicon-to-Software innovations have helped fuel technology's rapid evolution over the past 35 years, enabling virtually all of today's electronic devices. We have been central to enabling the development and proliferation of smarter and more interconnected devices, helping companies around the world achieve greater speed, reliability, power efficiency, and security.

As we head into a new era that brings together the massive amounts of data and machine learning necessary for Smart Everything, companies are transforming the way they approach semiconductor and system design. Whether it's processor or mobile teams combining multiple chips together, hyperscalers

investing in their own chip architectures, automotive OEMs dictating specific safety protocols, or industrial companies inserting security testing into their development processes, all are driven by a level of urgency that is unparalleled.

Synopsys is essential in this movement, and we are well on the way towards our objective to improve semiconductor productivity by 1,000X over the next decade.

It's now clear that humanity must proceed with greater urgency on many fronts for the world to transition to a post-carbon economy in the next 20 to 30 years. While no scientific or engineering advance is a silver bullet, we believe our semiconductor productivity goal is nothing short of essential to that rapid transition. Only with faster general computation and applied AI will we see the breakthroughs, radical new efficiency strategies, and big impacts we so urgently need, in every sector from infrastructure to transportation, logistics and power generation/transmission.

With the world facing environmental calamity, achieving 1,000X is seminal to our global future. As good global

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CO-CEO LETTER

citizens, we at Synopsys accept that challenge, along with our responsibility to improve our own worldwide carbon footprint and influence others to do the same.

In this report, you'll read about our efforts to deliver a 25% reduction in our Scope 1 and 2 emissions by 2024, reduce our global data center footprint, and decarbonize our operations through renewable energy procurement. We're also focused on product efficiency, with our low power platform efforts to enable an additional 25% power reduction for systems on a chip (SOCs).

How we approach our relationships with each other is also critical, and in 2021 we continued building greater diversity in our teams and talent pipelines, including women and underrepresented groups, and nurturing a culture of inclusion, belonging, and trust for our people. This report highlights some great strides we've made in improving our gender mix, encouraging women's empowerment, and driving better diversity and inclusion for underrepresented groups.

You'll also read about our continued focus on ensuring the wellbeing of our employees around the world, particularly addressing the ongoing stress of year three of the COVID-19 pandemic. For example, we instituted a "stronger through wellbeing" initiative that includes designated
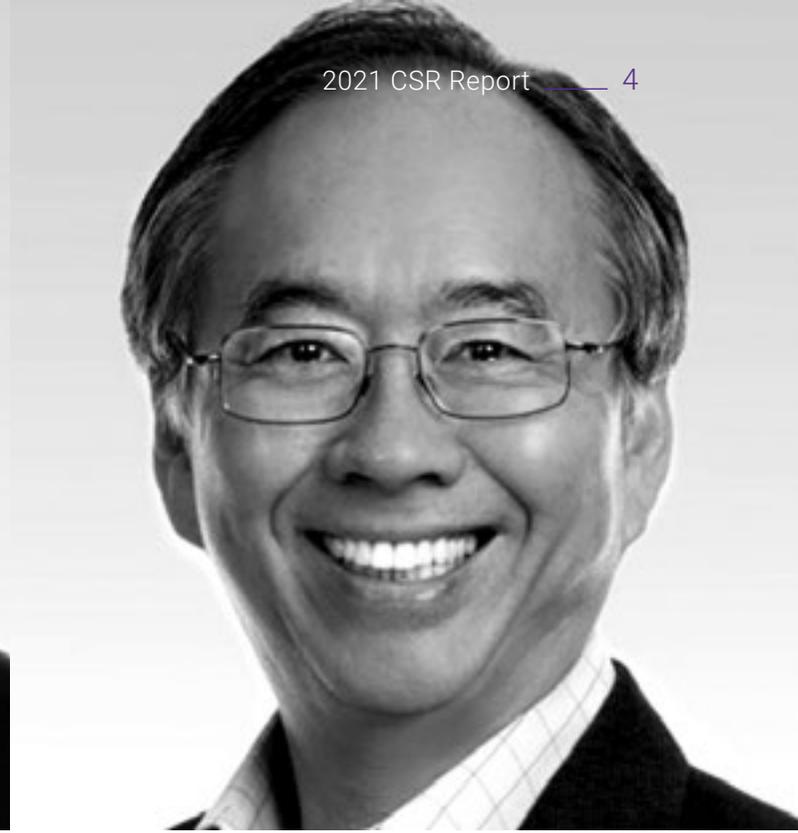
"Recharge Days" for all our employees. To help U.S. employees struggling with student loan payments, we launched a new assistance program that helps them clear their debt and focus on the future. And to nurture future diverse talent, we established new university outreach programs and continued partnering with our employees to support STEM education.

We believe that everything is connected, from the global environment to our communities, businesses, and supply chains, right down to every individual. The title of this report says it all. In all our interactions and interrelationships, we need to build a world that is more sustainable, just, and secure—a Smart Future.

At Synopsys, we're committed to doing our part to make it happen, and to using our influence to drive positive change in the tech industry and beyond.

We look forward to the journey, and to sharing our progress with you.

Sincerely,

Aart de Geus and Chi-Foon Chan

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01.
About Synopsys

Synopsys is at the center of a new world of innovation, where chips, software, and their intersection are keys to success. Our solutions empower engineers to propel our Smart Everything world, expanding the web of interconnected devices and supporting infrastructure that's transforming the way people live, work, and play.

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Today, our innovations in technologies for chip design, verification, IP integration, and software quality and security testing enable virtually every electronic device in the world. Tomorrow, they'll help our customers achieve even greater advances in speed, efficiency, connectivity, mobility, and reliability.

Shaping the future of Smart Everything brings great opportunities but also the obligation to address critical global challenges, from climate change to pandemic disease to inequality. By applying Synopsys' resources, competencies, and team-based problem-solving approach, we aim to influence positive social and environmental change across our ecosystem—from our employees and partners to our customers, our communities, our industry, and our shared environment.

We call this strategy SMART FUTURE.

SMART FUTURE Strategy
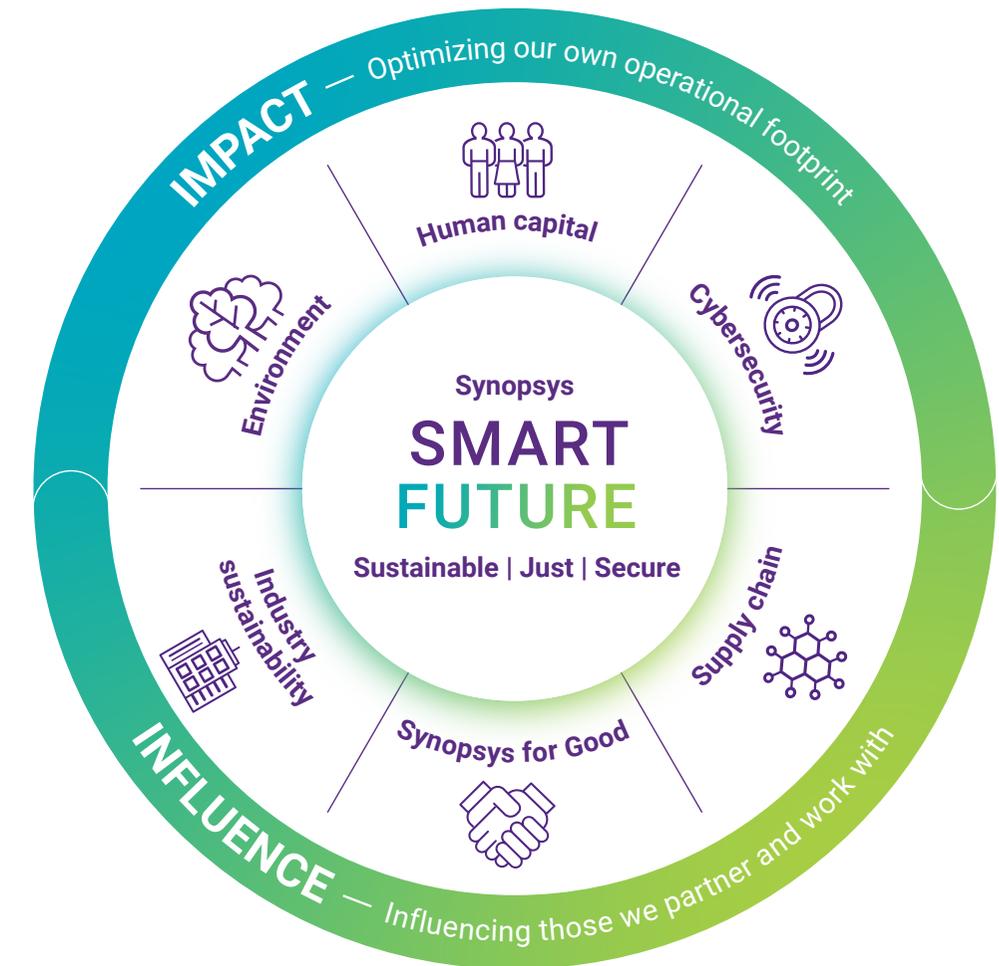
Solutions for a SMART FUTURE

Today, product innovation in the tech marketplace is undergoing a fundamental shift that centers the integration of multiple technologies across both software and hardware—from silicon atoms to sophisticated software systems, security around those systems, and new hardware to deliver the user experience. To adapt, the product development process has expanded and become much more complex, with large companies bringing chip design in-house to exercise greater control and more effectively differentiate their products.

To Synopsys, this new system design environment signals not just an opportunity but also an expanded responsibility as a global citizen.

As the pioneer of Smart Everything, we create the world's most advanced technologies across multiple channels to help our customers innovate: speeding software development in tandem with hardware design, simulating how devices will work, verifying that chips won't fail, and protecting code from being hacked. With this broad portfolio, we know our customers are increasingly looking to us to deliver integrated solutions that enable and accelerate their own pace of innovation. To

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respond to that need, we focus the strengths of our enterprise on creating integrated solutions tailored to our customers' specific needs. This approach cuts across our business units and requires a commitment to go beyond product development, shifting to more holistic, collaborative efforts that are ahead of industry trends and solve challenges that are still over the horizon.
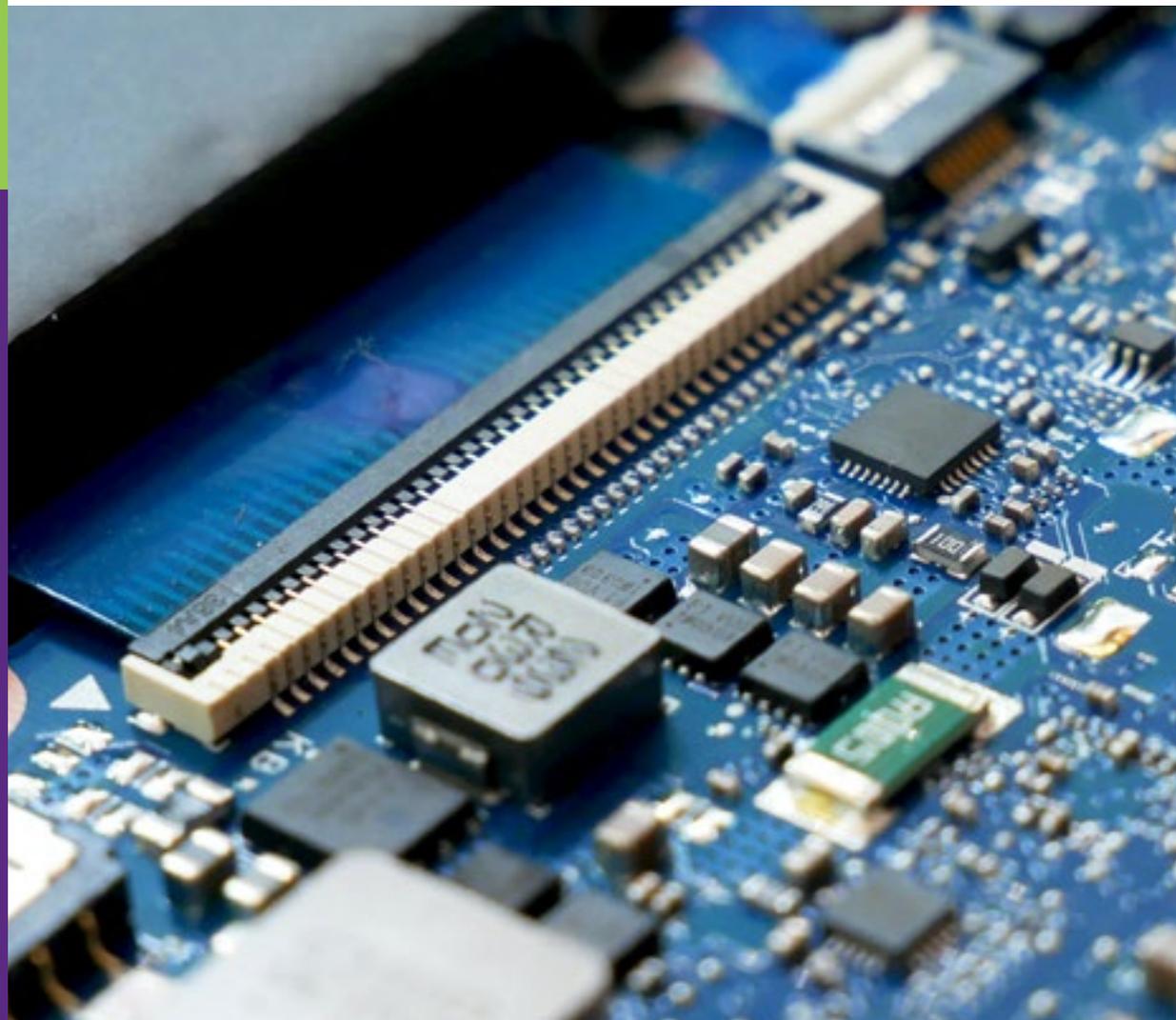
Our Product Portfolio

From silicon to software, Synopsys' product portfolio encompasses advanced solutions that enable our customers to innovate in today's most rapidly evolving application areas, including artificial intelligence (AI), autonomous vehicles, the cloud, and 5G.
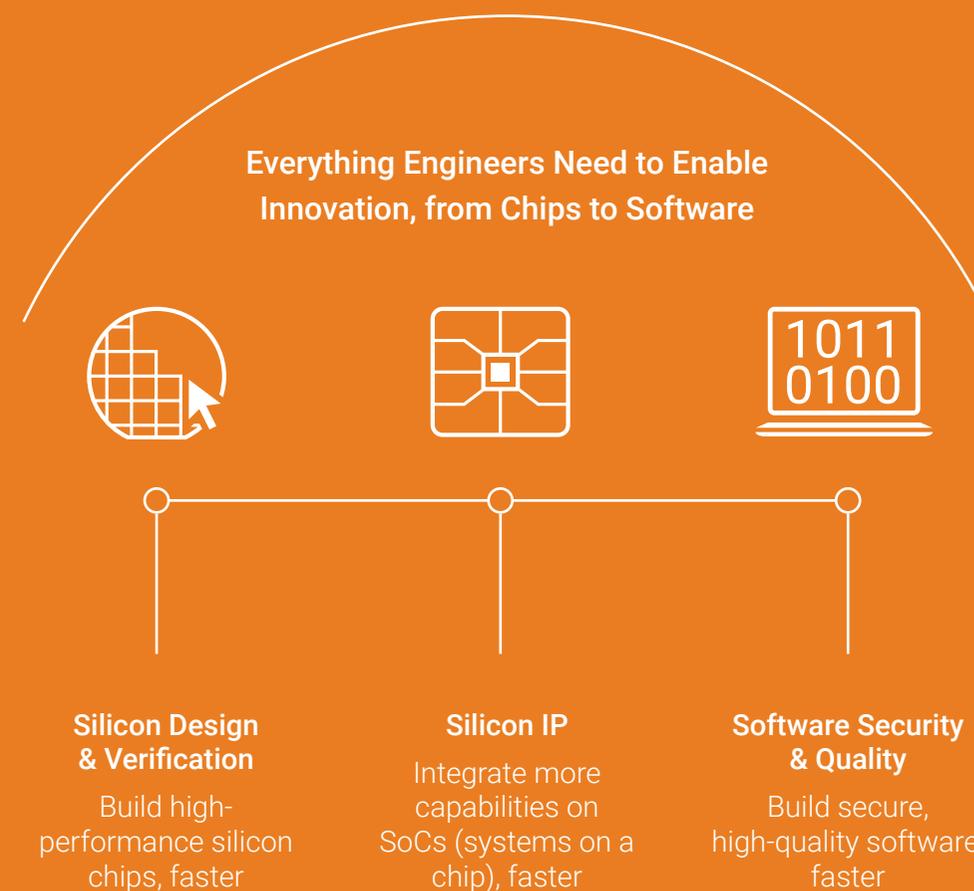
Everything Engineers Need to Enable Innovation, from Chips to Software

Silicon Design & Verification

Build high-performance silicon chips, faster

Silicon IP

Integrate more capabilities on SoCs (systems on a chip), faster

Software Security & Quality

Build secure, high-quality software, faster

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CO-CEO LETTER

2021 By the Numbers

125
Global Offices

16,361
Employees Globally

78%
Engineers

3,461
Active Patents

$4.2B
Annual Revenue

2021 Revenue Breakdown

ELECTRONIC DESIGN AUTOMATION
~56% of revenue

IP AND SYSTEM INTEGRATION
~35% of revenue

SOFTWARE INTEGRITY
~9% of revenue

Fostering Technological Innovation

Synopsys' Academic Partnerships and University Programs (APUP) helps Synopsys compete for qualified talent and further university research and education in the field of electronic design. Through innovative collaborations, shared programs, and access to advanced technologies, our efforts touch a variety of groups:

Students
Empower and educate the next generation of engineers to be research and industry ready

Educators
Provide learning opportunities and lower the barriers to accessing Synopsys technology for education and research

Researchers
Partner to innovate with leading academics, addressing the ever-evolving challenges of the semiconductor industry

Entrepreneurs
Collaborate to discover new technologies and enable ideas to go to market

Our APUP programs include:

- **Academic Speaker Series**, where academics present their work to Synopsys

- **Global APUP Day** to raise awareness throughout Synopsys about our university programs and academic partnerships

- **Academic Partnerships** with universities, professors, and research centers, focusing on research and development

- **Academic Ambassador Program**, fostering direct engagement between Synopsys employees and universities

- **University Software Program**, offering discounted access to our software products

How Our Culture Supports a SMART FUTURE

For more than three decades, Synopsys' core values of integrity, execution excellence, leadership, and passion have united our organization and guided our actions. Today, they're the foundation of our work toward a Smart Future.

Individually and as a team, we cultivate a culture of limitless possibility, always looking ahead to uncover what's next for our company, our customers, our industry, and our world. As Synopsys Co-CEO Aart de Geus has said, "Say *Yes, IF*... when you are facing a problem, a challenge, or an opportunity, and you will find the path to courage, the will to collaborate, and the heart to care." We never see impossibilities, but instead invest in research and development that brings new perspectives and approaches to life.

For example, in 2021 we:

• **Introduced the disruptive ZeBu® EP1 emulation system**, which, with its 10-MHz performance, improves the process for

verifying that the hardware and software for complex SoC designs will perform as intended for applications such as high-performance computing, 5G technology, graphics processing units, AI, and automotive.

• **Introduced the industry's first complete High-Bandwidth Memory generation 3 (HBM3) IP solution**, which provides the high speeds, low latency, and low power consumption needed to move data between an electronic system's processor and its memory for responsive online gaming, fast video streaming, and more.

• **Introduced the first complete IP solution for PCI Express® (PCIe®) 6.0 technology**, enabling designers to get a head start on SoC designs that require high bandwidth, including applications like high-performance computing.

• **Qualified the first automotive reference flow for GlobalFoundries' 22FDX manufacturing process**, which is designed to enable efficient

development of safe, reliable automotive components that comply with Automotive Safety Integrity Level (ASIL) D, the most stringent functional safety standard.

Across Synopsys, both our business and our sustainability efforts build on a solid track record of caring for our people, our communities, and our environment. Through our solutions, we're contributing to low power technological capabilities. Through our own operations, which include reducing our own carbon emissions, promoting diversity and inclusion, and deepening employee engagement, we're setting Synopsys up for a future that's not just smart, but also sustainable. At the same time, through our Synopsys for Good program, our employees are volunteering their time, expertise, and philanthropy to promote STEM education, address essential human needs, and mitigate environmental impacts in the communities where we live and work.
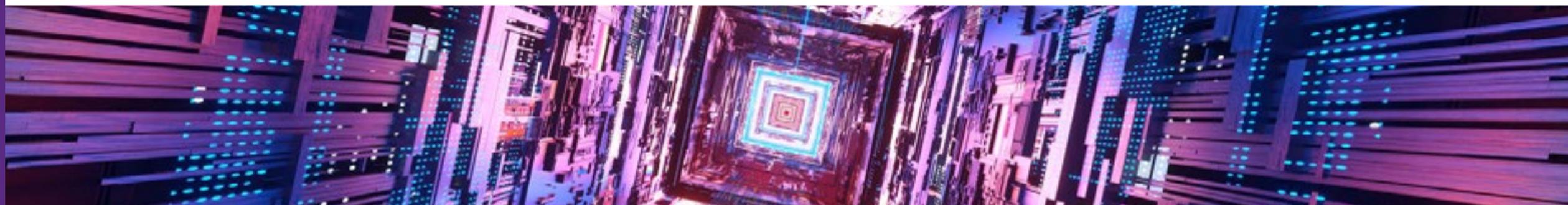
How We Manage Corporate Social Responsibility

Bringing Our SMART FUTURE Strategy to Life

At Synopsys, our aim is to create a Smart Future that's sustainable, just, and secure. Our Smart Future Corporate Social Responsibility (CSR) strategy provides a focus and structure for how we manage our own operational impact and influence others around us to create a better world.

In 2021, Synopsys saw improvement in our CSR performance and greater engagement on CSR topics with our customers, investors, employees, and other stakeholders. Rising stakeholder interest and expectations, and legal and regulatory requirements around Environment, Social, and Governance (ESG) issues help assure that our CSR work remains focused on areas of greatest importance to our company

and our key stakeholders. We also align our Smart Future strategy with the United Nations Sustainable Development Goals (SDGs) that are relevant to our business, using our impact and influence in support of UN efforts to end poverty, promote prosperity, and protect the planet. Learn more here.

By improving our own impacts and positively influencing our communities, customers, partners, and suppliers, Synopsys is helping drive positive change in the world—from enabling low power computing to powering new healthcare technologies and bringing safety and security to the driverless car revolution and more - our programs support a SMART FUTURE.
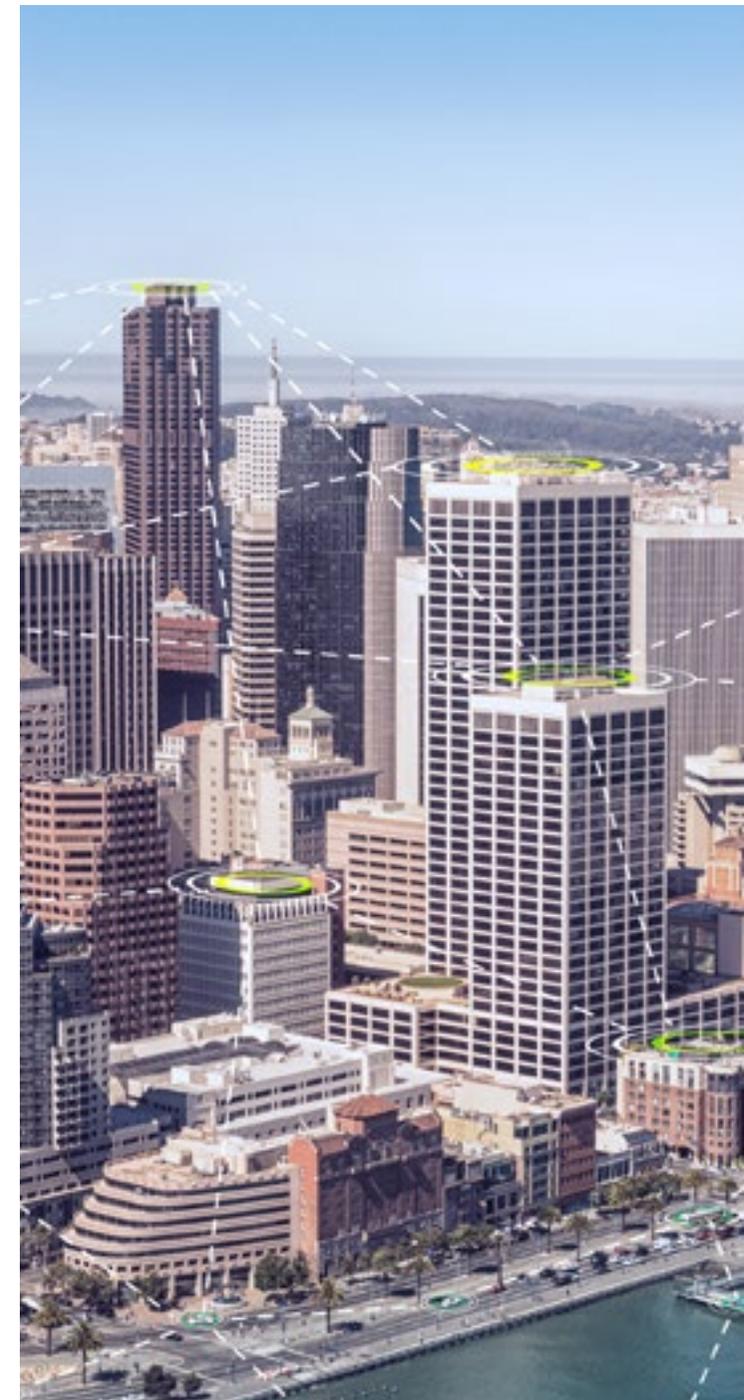
CSR Oversight

Synopsys' CSR strategy and goals are set by the CSR Management Team with the support of the CSR Leadership Committee. The committee is made up of executives from across our business and is responsible for driving ESG performance for Synopsys and in their respective areas of responsibility.

Our Corporate Governance and Nominating (CGN) Committee is responsible for reviewing and assessing policies, practices, risk assessments, and risk management around our CSR performance, including ESG matters. The CSR Management Team provides the CGN Committee with an update that includes highlights from the quarter, a scorecard status of our goals and objectives, the latest scores from select ESG rankings, and deep dives into certain aspects of Synopsys' CSR programs, including our environmental strategy and programs. These quarterly updates represent part of our efforts to integrate ESG more deeply into our corporate governance process.

CSR Governance Structure

Corporate Governance and Nominating Committee
Oversees CSR policies, practices, and performance

CSR Leadership Committee
Drives CSR performance in leaders' priority areas

CSR

CSR Management Team
Drives CSR strategy, engages with stakeholders, manages priorities and outcomes

Employee Engagement
Volunteering programs, community involvement, and sustainability initiatives

Engaging Key Stakeholders on CSR

Three years ago, we conducted extensive stakeholder outreach as part of our first CSR materiality assessment, identifying and analyzing ESG issues and prioritizing them based on greatest potential impact to our company and stakeholders. Over the past two years, the COVID-19 crisis, racial inequities, and the growing threat of cyberattacks elevated the importance of crisis management, business continuity, market access, inclusion and diversity, and cybersecurity in our CSR program, making Synopsys a stronger and more resilient company. We plan on reviewing our CSR materiality analysis and stakeholder expectations in 2022.

Engaging Key Stakeholders

Employees
Our employees are the heart of our company, bringing the creativity that makes our innovations possible. In advancing our CSR strategy, we encourage employee initiatives that help deliver on a more sustainable, just, and secure workplace. See Employee Engagement Highlights for details.

Industry Partners
As a member of the Responsible Business Alliance (RBA) and the Clean Energy Buyers Association (CEBA, formerly the Renewable Energy Buyers Alliance/REBA), Synopsys engages within and beyond our industry to advance CSR.

Customers
We partner with our customers to advance shared CSR priorities in the semiconductor and software ecosystem.

Suppliers
Synopsys' commitment to responsible business practices extends to our suppliers. We expect all suppliers to operate in a manner consistent with the Synopsys Code of Ethics and Business Conduct.

Shareholders
We proactively reach out to our shareholders to understand their ESG expectations, and regularly provide updates on our programs and progress.

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2021 Employee Engagement Highlights

Synopsys is proud of how our employees and teams drive positive impact beyond their day-to-day work. In 2021, whether working on-site or from home offices, their efforts remained a key driver of our CSR success story.

Environment
Employee participation in Global Green Teams expanded and allowed for continued sustainability collaboration in 2021. Green Teams focused on virtual education and awareness efforts, ranging from regional waste management events on Earth Day to a presentation on how to advance Synopsys' Responsible Procurement priorities.

Inclusion and Diversity
In 2021, we created a structure that empowered our people to form Synopsys' first four formal Employee Resource Groups (ERGs): WIN (Women's Impact Network), VIBE (Very Inclusive Black Employee), La Comunidad (Latinx), and PRIDE (LGBTQIA+). Driven by employee communities and allies, our ERGs help foster an inclusive and diverse workplace that is aligned with our values.

Social Impact
Despite COVID-19, our people continued to achieve positive impact in our communities in 2021 through virtual volunteering, employee giving campaigns, and providing aid and relief efforts.

CSR Goals and Progress

Progress Against 2021 CSR Goals

2021 CSR GOALS	PROGRESS IN 2021
Increase representation of women globally	• In 2021, we attained an external hiring rate of 26% women and continued to increase representation of women company-wide year over year.
Increase representation of Black, Latinx, and Indigenous (BLI) employees in the U.S.	• We significantly increased the hiring rate of BLI talent in the U.S.
Advance our goal of reducing our direct GHG emissions by 25% by 2024[1]	• Synopsys became one of four anchor tenants in one of the largest corporate aggregated renewable energy procurement agreements to date, contracting an annual 15 MW of wind energy. This landmark agreement displaces fossil fuels by contributing new renewable energy to the grid and is instrumental to Synopsys' ability to mitigate approximately 70% of our projected North American emissions.
Attain CarbonNeutral® company certification for third consecutive year	• We achieved CarbonNeutral® company certification for the third consecutive year, offsetting approximately 47,000 metric tons of carbon dioxide equivalent.
Build new philanthropic partnerships with organizations working to address inequities in our communities	We formed new partnerships in 2021 with the following organizations working to address inequity in education: • Edtech nonprofit UPchieve connects low-income students with live, volunteer STEM tutors and college counselors. • Fundación Kodea (Chile), Apps for Good (Portugal), and Technovation Girls (global) are helping build students' STEM and problem-solving skills and expanding the pipeline of underrepresented students in STEM fields. • The nonprofit SuitUp is committed to equipping students for life in and beyond the classroom.
Build out a Responsible Procurement Program and engage largest suppliers on setting their own emissions reduction targets	• We conducted a benchmark of Responsible Procurement programs and developed best practices. • We mapped our largest suppliers and assessed which have established science-based emissions reduction targets. • We updated Synopsys' Purchase Order Terms and Conditions to include CSR requirements.

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

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CO-CEO LETTER

2022 CSR Goals

→ Commitment by every employee to "Act for Impact" to help shape and advance our diverse workforce and culture of inclusion

→ Increase representation of women globally

→ Increase representation of Black, Latinx, and Indigenous employees in the U.S.

→ Sponsor ongoing educational programs and events to foster the increased health and wellbeing of our global employee population

→ Publicly commit to Science Based Targets Initiative (SBTi)

→ Advance our goal of reducing our direct GHG emissions by 25% by 2024[1]

→ Attain CarbonNeutral® company certification for the fourth consecutive year

→ Engage largest suppliers on setting their emissions reduction targets

→ Obtain ISO 22301 (Business Continuity Management) certification

→ Achieve a 50% increase in certified Business Risk and Continuity Managers in our Business Continuity Certificate Program

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

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02.
Talent

Synopsys lives at the leading edge of Smart Everything, enabling our customers to build breakthrough products with the potential to drive a more sustainable future. As we move toward that Smart Future, our business success depends on our continued ability to innovate—and our ability to innovate depends on our people.

UN SDG Alignment

5 GENDER EQUALITY

We are committed to diversity in our teams and talent pipelines, encouraging women's empowerment and providing equal opportunities for people of all genders at all levels of decision making.

8 DECENT WORK AND ECONOMIC GROWTH
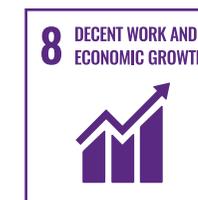
We are committed to employee learning and skill development, helping build a stronger, more resilient enterprise and supporting a sustainable and just future for all.

See SDG Index for more on how our talent strategy supports these SDGs.

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Our Talent Strategy

Synopsys is committed to attracting and retaining the brightest and best talent across our enterprise, giving us the ability to take on global challenges and create a future that's sustainable, just, and secure. Our talent strategy and programs are designed to support, engage, and optimize our employees' capabilities and experiences throughout their careers, in a corporate culture defined by our values of integrity, execution excellence, leadership, and passion. These values define who we are, what we do, and where we're headed. By bringing our individual skills, backgrounds, and experiences to the team and pushing the bounds of what's possible, we're building a more resilient, future-focused enterprise—together.

Our Management Approach

Our Human Resources Leadership Team, led by the Human Resources and Facilities Officer, drives Synopsys' talent strategy and guides its execution. The HR leadership team provides quarterly reports on human capital performance to the Compensation and Organizational Development Committee of the Board of Directors.

2021 Talent Highlights

In 2021, Synopsys registered wins across our talent strategies of boosting inclusion and diversity (I&D), prioritizing employee wellbeing, developing great managers, and optimizing our return-to-office planning. These included:

→ Raising hiring levels for **Black, Latinx, and Indigenous (BLI) employees**

→ Maintaining a **women's hiring rate** that outpaced women's representation in our total workforce for the third straight year

→ Establishing new **university outreach programs** that provide a bridge to future, diverse talent

→ Creating additional **guidelines and training for hiring teams** to encourage diverse candidate slates and equitable interview processes

→ Enhancing **employee support** during the pandemic's second year with our "Stronger Through Wellbeing" offerings, including "Recharge Days" to help our people unplug and fight burnout

→ Surpassing goals for our **Inclusive Leader** experience, graduating 83% of our managers by fiscal year-end

→ **Introducing a workplace model** that supports community, culture, belonging, and innovation, while embracing flexibility and autonomy

Attracting and Onboarding Talent

Synopsys onboarded over 3,000 hires in 2021, a 24% jump over 2020 hiring. Globally, we increased our hiring for women in senior grades. Though we still have work to do in overall representation, we also increased hiring rate of BLI talent in the U.S. by 77%.

Our virtual onboarding process engages and welcomes all new employees with content focused on both our global culture and values and regional/local subjects, all intended to provide new hires with a smooth and accelerated on-ramp to their roles and teams. We also provide leadership training designed to attract, retain, and develop our workforce, and we are introducing a training program to increase awareness and skill around attracting talent for individuals with disabilities.

To fuel our pipeline of future innovation and leadership, Synopsys cultivates talent from the earliest stages through our *InternX* and *early career hiring* programs. Retooled and rebranded in 2021, InternX gives qualified interns a comprehensive experience of Xposure, Xperience, and Xploration, enabling participation in innovation challenges, development of real-world business skills, and connection to Synopsys' mission and values.

To support our inclusion and diversity goals, we cultivate relationships with several Historically Black Colleges and Universities (HBCUs) and member institutions of the Hispanic Association of Colleges and Universities (HACU), building a community of diverse talent and establishing Synopsys as an employer of choice on key campuses.
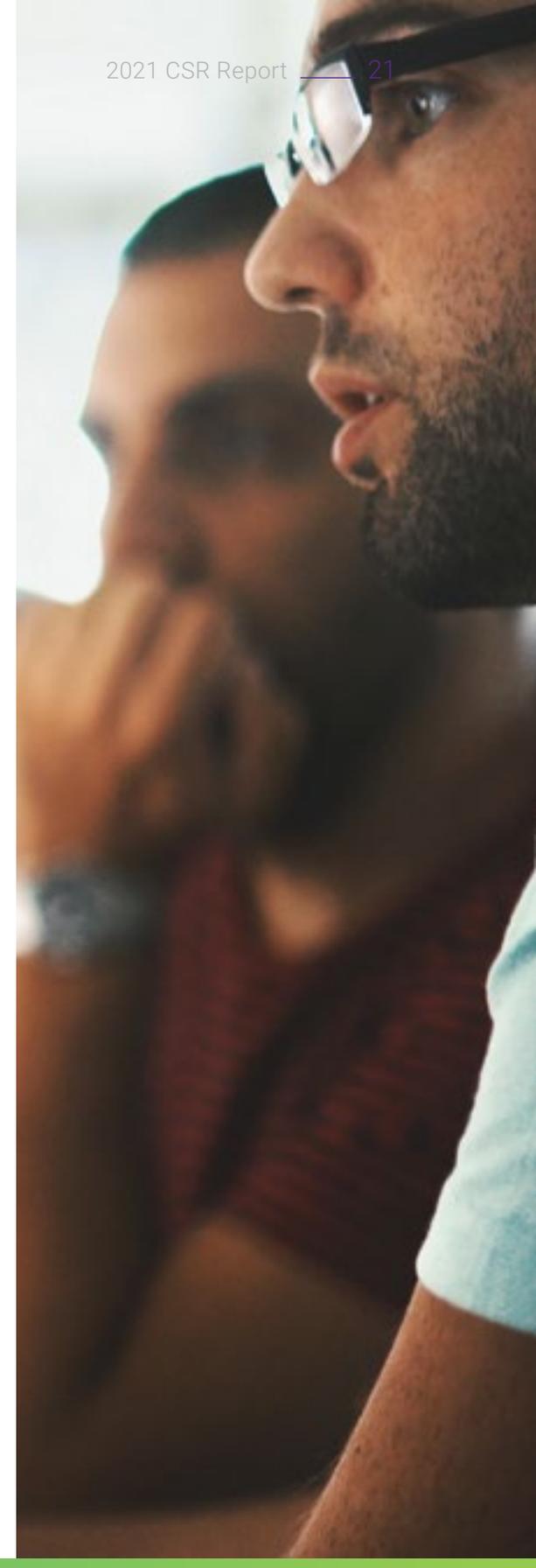
Investing in Our Talent

At Synopsys, we know that advancing the knowledge, skills, and satisfaction of our employees throughout their careers builds a stronger, more creative, and more resilient enterprise. Across the company, we train our managers to have the skills that motivate their teams and work with employees to chart paths of development and opportunity and set them up for success. Through our digital platform and virtual instructor-led learning sessions, we encourage our people to curate, create, share, and discuss what they're learning to develop the skills and capabilities we need to meet current and future challenges together. In 2021, 77% of our employees accessed the training, external articles, videos, and blogs made available through this digital platform. In addition, we hosted a series of in-person and on-demand learning sessions designed to build capability and adaptability for the future. As employees advance in their careers, our training framework builds new competencies on established foundational skills.

Business-Driven Learning

Learning at Synopsys is integrated with the business. Throughout 2021, we partnered with business leaders to address specific learning needs across their teams.

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We created role-specific learning pathways and virtual training for field account executives.

_____

We produced and published eight new learning pathways providing primary product development training and skills tracking for key products.

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We continued to provide our engineers and other technical staff with on-demand courses, videos, books, and other resources via best-in-class learning platforms.

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Great Leaders at Every Level

We encourage every member of our global team to lead from where they are, and we believe everyone makes a difference. We provide various leadership programs to address the career advancement and associated business impact of our employees, emerging leaders, and executives.

We know our employees do their best work when their managers operate with integrity, listen to their ideas, inspire them to next-level thinking and innovation, and commit to their success. That's the great leadership our people deserve, and we're committed to fostering and growing those great leaders in every corner of our organization.

Our management training is designed to increase capability in the areas of communication, engagement, coaching, I&D, hiring and onboarding, and business skills, all while focusing on building an ethical and supportive work environment free from bias and harassment. As managers advance in their careers, our training framework builds new capabilities upon established foundational skills.

In 2021, we improved learner experiences and achieved positive results with two key management offerings:

→ We optimized our foundational **Compass** training for managers in response to a remote working environment, focusing on the essential capabilities a great manager needs to lead a highly engaged team.

→ HR Partners and Line Leaders co-delivered a unique **Inclusive Leader** experience, enabling managers to expand their understanding of inclusion while engaging with peers in a game-based setting. By fiscal year-end, 83% of our managers had completed the course, sharpening their skills for success across our diverse team.

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 in summarizing key accomplishments for the preceding year, establishing new stretch goals, and identifying critical capabilities for development. To further strengthen our focus on collaboration, teamwork, and team success, we encourage managers to include a multi-rater approach to feedback, soliciting and sharing input from their employees, colleagues, subordinates, and customers. By the end of the 2021 review period, approximately 99% of our employees had participated in the performance development process. For the first time, reviews required that employees submit a personal I&D goal, a requirement that will continue in 2022.

In 2021, we reimagined **Leading Edge**, our flagship development program for non-executive high-potential employees. This learner-led, multi-week, cohort-based experience ensures emerging Synopsys leaders develop skills to lead more effectively in their current role as they ready themselves for greater challenges and expanded roles in the future.

Keeping Employees Connected and Engaged

As the COVID-19 pandemic entered its second year, we continued to promote committed to promoting connection through frequent, casual, and personal communication. We prioritized listening to our employees via our semi-annual SHAPE Synopsys surveys, which give employees a chance to share their experience and create conversations about who we are, where we're going, and how we connect with each other and our work.

Our most recent SHAPE survey achieved 88% participation from our people. Results in mid-year 2021 showed our global workforce to be highly engaged, with our score of 79 well above the technology industry benchmark of 74.[1]

[1] Engagement at Synopsys is calculated from the average responses to the following question and statement: 1) How happy are you working at Synopsys?, and 2) I would recommend Synopsys as a great place to work.

Inclusion and Diversity

Synopsys' inclusion and diversity mission is to invest in all our people, empower their actions, inspire innovation, and promote equity. Our program rests on three pillars:

CONNECT
Cultivate a culture of inclusion, belonging, respect, trust, and authenticity by embracing and integrating diverse backgrounds, experience and perspectives.

INNOVATE
Invent new approaches by valuing the varied viewpoints, opinions, and thoughts that drive innovation in an increasingly competitive world.

GROW
Drive sustainable retention, growth, and profitability by up-leveling skillsets and mindsets and recruiting talent that pushes the boundaries of what's possible.

Bolstered by our actions in 2020—which included recruiting a new head of inclusion and diversity, increasing transparency around our I&D efforts and metrics, and broadening our internal I&D ambitions to support women and BLI employees—we made continued progress against our I&D goals in 2021:

→ **Hiring of women candidates** (including for technical roles) outpaced women's representation in our total workforce for the third straight year

→ **Hiring rate of BLI employees in the U.S.** rose by 77%

→ Established new relationships with HBCUs and HACU schools to **promote hiring of BLI candidates** for internships and early career roles

We care deeply about the diversity of our teams and talent pipelines and the fairness of our pay and development programs, and maintain the goal of ensuring inclusive, equitable practices.

We carefully study retention trends and feedback from diverse groups to identify areas where we can improve—for example, by evolving our engineering language to promote inclusion and cultural sensitivity in our IP, software, product interfaces, communications, and collateral, or developing training programs to actively attract and engage individuals with disabilities.

Hiring

Bringing in top diverse talent and providing a fair and positive candidate experience is paramount to our hiring success. To help our hiring managers, interview teams, and recruiters do their part in building a more diverse workforce, we've introduced a number of resources, trainings, and requirements, including:

- Requiring all hiring managers and interview teams to complete our **High Impact Hiring** training, which promotes a more fair and inclusive process

- Implementing technology to ensure technical coding assessments are free from bias and make our **job descriptions** more inclusive

- Encouraging a **diverse slate hiring approach** for all positions and building diversity among our hiring managers, interview teams, and recruiters

- Providing our hiring teams with diverse hiring best practices, FAQs, and other training and development materials via our **Digital Learning Platform**

Development and Progression

Throughout the tech industry, the focus on attracting top women and BLI talent makes it more vital than ever for Synopsys to invest in our peoples' careers, recognize and celebrate their contributions, and assure fairness in internal mobility and transfer opportunities. In 2021, initiatives included:

→ **Honoring our diverse workforce** through our celebration and education series featuring Women's History, Black History, Asian and Pacific Islander History, Hispanic Heritage, PRIDE, Juneteenth, and more

→ **Reimagining internal mobility/transfer** with a focus on developing and retaining employees to enhance job satisfaction and the versatility of our workforce

→ **Amplifying development opportunities for women and BLI employees** through speaking engagements, sponsorships, and mentoring opportunities

→ **Promoting networking, development, and celebration opportunities for women and BLI employees** through events such as the Grace Hopper Celebration for Women, Women in Tech Conferences, Global Semiconductor Alliance, AFROTECH, Society of Women Engineers, TWIN Awards, and Watermark
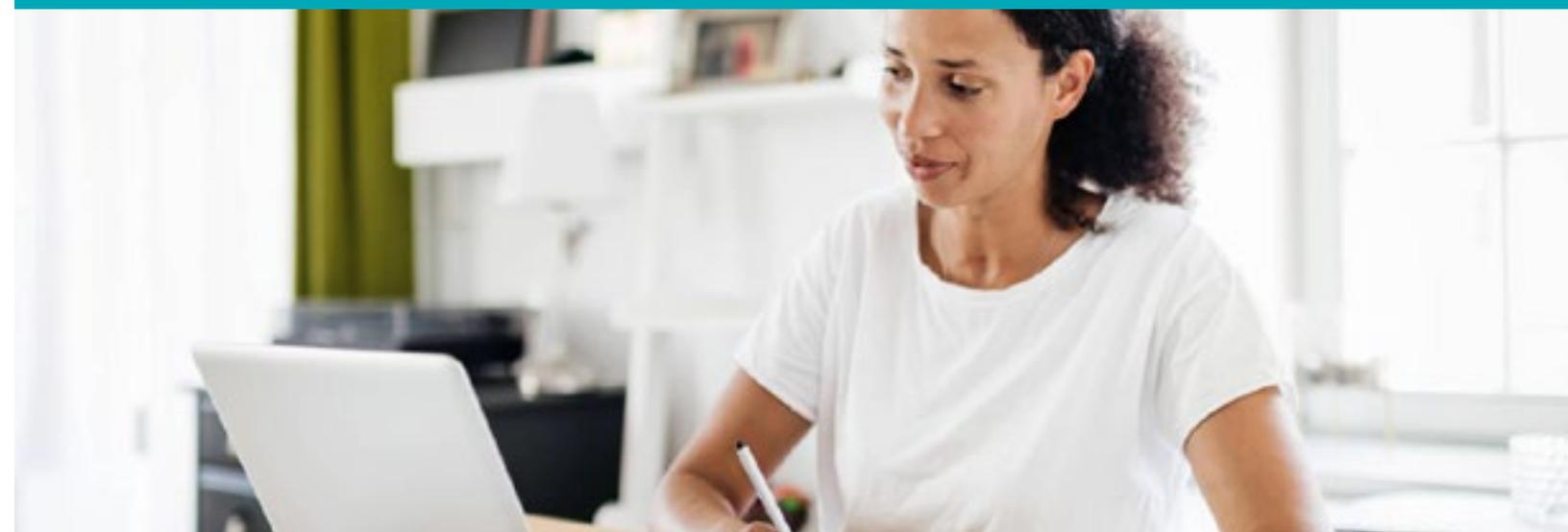
Pay Equity

To assure all Synopsys employees are compensated fairly for their skills and expertise, we conduct a comprehensive annual review to ensure pay equity across similar roles, with follow-up from Human Resources for potential disparities. In 2021, women at Synopsys earned an average of $.99 cents for every $1 men earned in the same position and location, and U.S. BLI employees earned an average of $1.01 for every $1 earned by white employees.

Employee Resource Groups

In 2021, Synopsys offered sponsorship, structure, and support to encourage the formation of our first four formal Employee Resource Groups (ERGs), employee-led communities that help foster an inclusive and diverse workplace in alignment with Synopsys' mission and inclusion and diversity goals. Our first ERGs are: WIN (Women's Impact Network), VIBE (Very Inclusive Black Employees), La Comunidad (Latinx), and PRIDE (LGBTQIA+).

In our mid-year 2021 SHAPE survey, 88% of respondents agreed that their team values diverse perspectives, 88% feel comfortable being themselves at work, and 80% feel a sense of belonging at Synopsys.

Talent Snapshot

Gender Representation
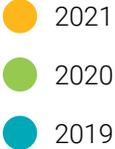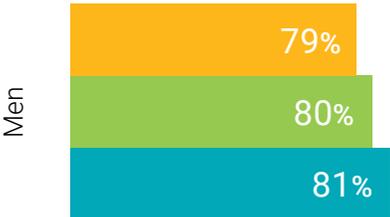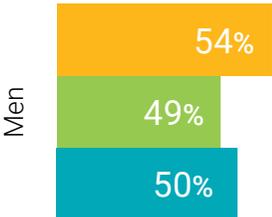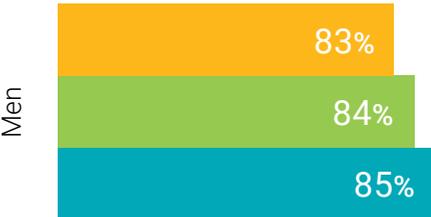
Legend:
- 2021
- 2020
- 2019

Overall

Men
- 2021: 76%
- 2020: 76%
- 2019: 77%

Women
- 2021: 24%
- 2020: 23%
- 2019: 23%

Undisclosed
- 2021: <1%
- 2020: 1%
- 2019: 0%

Technical

Men
- 2021: 79%
- 2020: 80%
- 2019: 81%

Women
- 2021: 21%
- 2020: 20%
- 2019: 19%

Undisclosed
- 2021: <1%
- 2020: 0%
- 2019: 0%

Non-technical

Men
- 2021: 54%
- 2020: 49%
- 2019: 50%

Women
- 2021: 46%
- 2020: 51%
- 2019: 50%

Undisclosed
- 2021: <1%
- 2020: 0%
- 2019: 0%

Management

Men
- 2021: 83%
- 2020: 84%
- 2019: 85%

Women
- 2021: 17%
- 2020: 16%
- 2019: 15%

Undisclosed
- 2021: <1%
- 2020: 0%
- 2019: 0%
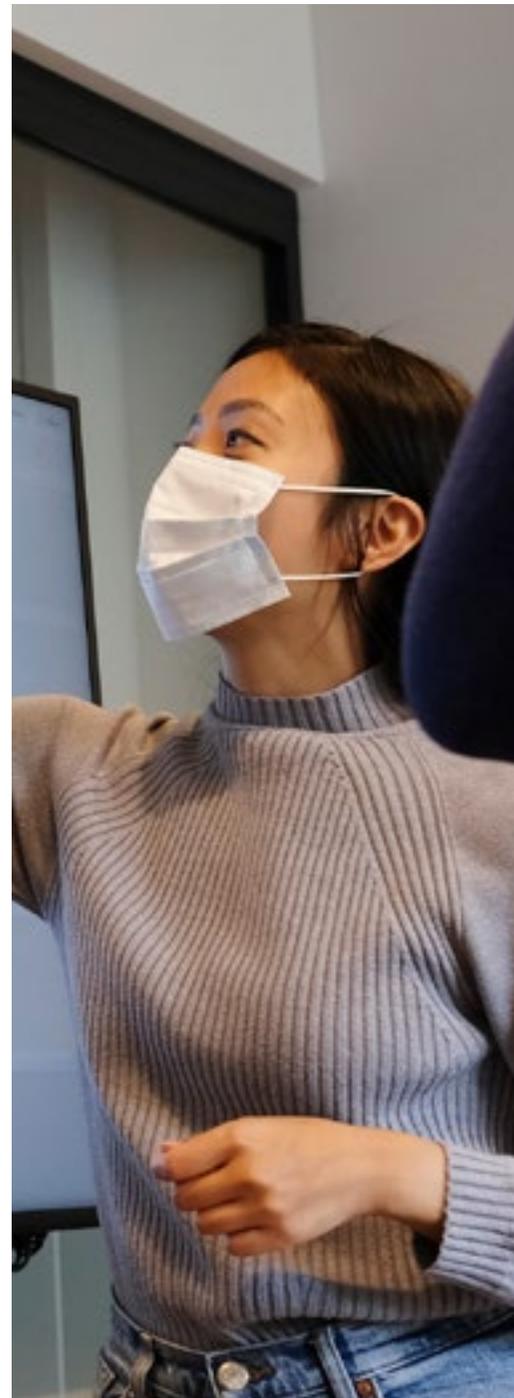
Ethnicity Representation
(U.S. Ethnic Diversity)

Overall	2019	2020	**2021**
Asian & Indian	53%	53%	**51%**
White	40%	40%	**41%**
Hispanic & Latinx	3%	3%	**3%**
Black	1%	1%	**1%**
Other*	1%	1%	**2%**
Undisclosed	2%	2%	**2%**

Technical	2019	2020	**2021**
Asian & Indian	58%	58%	**58%**
White	37%	36%	**36%**
Hispanic & Latinx	2%	2%	**2%**
Black	1%	1%	**1%**
Other*	0%	1%	**1%**
Undisclosed	2%	2%	**2%**

Non-technical	2019	2020	**2021**
Asian & Indian	27%	27%	**25%**
White	60%	59%	**61%**
Hispanic & Latinx	6%	7%	**7%**
Black	3%	3%	**3%**
Other*	2%	2%	**2%**
Undisclosed	2%	2%	**2%**

Management	2019	2020	**2021**
Asian & Indian	52%	51%	**50%**
White	42%	42%	**44%**
Hispanic & Latinx	2%	2%	**3%**
Black	1%	1%	**1%**
Other*	1%	1%	**<1%**
Undisclosed	2%	3%	**2%**

*"Other" is defined as Hawaiian / Pacific Islander, American Indian / Alaska Native, or multiracial.

Wellbeing and Total Rewards

Synopsys offers a competitive pay package that includes salary, cash bonus opportunity, and in many cases, equity compensation, along with a broad array of financial, medical, and wellness benefits. We take a long-term approach to employee health and wellness and focus on improving our programs to serve employees throughout their Synopsys careers. We believe that when our employees feel healthy and supported in body and mind, it's good not only for them and their families but for the continued success of our business.

In the U.S., our Total Rewards profile includes but is not limited to:
• Market-competitive salary and cash bonus opportunity
• Robust medical, dental, vision, and wellness benefits
• Financial planning tools and employee assistance plans
• Comprehensive leave alternatives

• Employee Stock Purchase Plan (ESPP)
• Equity compensation
• Employer-provided life insurance
• Employer-sponsored 401(k) retirement plans
• Student loan repayment assistance
• Parental resources and adoption benefits

Certain benefits are available for employees working 20+ hours per week and full benefits accrue to employees working 30+ hours per week. We also provide medical insurance to our interns. Our bonus and equity strategies are designed to support our business plans by creating a direct link between achievement of key objectives and individual rewards.

See our U.S. benefits website for additional information.

Tackling Student Debt

Student debt in the U.S. has spiraled to over $1.7 trillion in recent decades, saddling some 45 million Americans with obligations that impact their ability to buy a home, start a family, and develop a career. To do our part in alleviating this burden, Synopsys offers employees with federal student loans an extra $400 per month (up to a lifetime $24,000 cap) to help clear their loans and focus on the future. 2021, marked our first year of offering this benefit, with approximately 100 Synopsys employees taking advantage of the program.

Prioritizing Our People

Our commitment to protecting our people during the ongoing pandemic extends to both their physical safety and their emotional wellbeing. Throughout 2020 and 2021, we launched support services for work-from-home parents, created paid time-off opportunities to fight burnout, and expanded our suite of wellness tools to help our people reduce stress, stay active, and maintain focus. To assure our ability to support our peoples' needs in turbulent times, we continually gather feedback to improve these programs.

Lyra Employee Assistance Program
Lyra provides confidential support for our U.S. employees and their family members, including 24/7 counseling and referrals to therapists and coaches for work, family, or personal issues. Synopsys pays the full cost for up to 25 sessions per year, per covered family member.

Recharge Days
We designated five days throughout the year as Global Recharge Days, encouraging all employees to disconnect from work. With everyone off at the same time, no meetings scheduled, and phone calls and emails discouraged, employees feel less anxiety about taking a day off, allowing them to truly disconnect.

Caregiver Resources
To assist working parents co-educating children at home, we launched a Parental Resources website in 2020. In 2021, we also introduced the Bright Horizons program of short- and long-term backup childcare, elder care, and pet services (all at reduced cost), along with Rethink, a U.S.-based resource for caregivers of children with neurological differences.

meQuilibrium
Previously available only to our U.S. employees, in 2021, we rolled out this stress management app to our people in India, Canada, and Chile to help employees avoid burnout, build resilience, and focus on what's important.

Stronger Through Wellbeing
Focusing on wellbeing was a strategic imperative in 2021, delivered primarily through our corporate wellness campaign's slate of global and regional learning opportunities, discussions, and resources for both managers and employees.

Work-from-Home (WFH) and Return-to-Office (RTO) Protocols
We are committed to providing a safe, secure, and productive environment for our employees, whether working from home or returning to the office.

SMART FUTURE
Sustainable | Just | Secure

03.
Environment

Businesses have a central role in shaping tomorrow's low-carbon economy, and we believe technology companies like Synopsys are well-positioned to help lead that transition. By working to reduce direct environmental impacts and by using our influence to advance more sustainable practices industry-wide, we're aligning our ambitions with a commitment to science, people, communities, and the planet—because a Smart Future has to be a sustainable future.

UN SDG Alignment

7 AFFORDABLE AND CLEAN ENERGY

As part of our strategy to improve access to affordable and clean energy, we engage our facilities in various energy efficiency projects, and we are enabling new grid-scale renewable energy through participation in a major aggregated virtual power purchase agreement.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We provide our customers with innovative technological solutions that are less energy and carbon intensive, and we are working to improve our own infrastructure resilience by driving efficiencies in our data centers and buildings.

13 CLIMATE ACTION

We are committed to reducing our carbon footprint to achieve a 25% reduction in Scope 1 and 2 emissions compared with a 2018 baseline.

Our Environmental Strategy

Our environmental strategy is two-pronged: operating in a way that supports a sustainable future and partnering across our business ecosystem to drive positive change.

In our own operations, we focus on measuring and reporting our energy use and taking specific decarbonization actions as part of our efforts to meet our emissions reduction target and achieve annual CarbonNeutral® company certification.

We're also building sustainability into the design and operation of our facilities, working to mitigate global electronic waste, and developing solutions for our customers to advance low-power capabilities. Beyond our walls, we are leveraging our influence to advance sustainability through industry collaborations and the environmental expectations we communicate to our suppliers.

Our Management Approach

Our CSR Management Team drives Synopsys' environmental strategy and guides its execution by the executive-led Emissions Reduction Taskforce and the cross-functional CSR Leadership Committee, which meets quarterly to review performance against goals and adjust our approach as needed.

2021 Environment Highlights

→ Achieved **CarbonNeutral® company certification** for the third consecutive year

→ Inked a **virtual power purchase agreement** to mitigate approximately 70% of projected North American emissions

→ Signed CEBA's **Commercial Real Estate Principles** and **Corporate Colocation and Cloud Buyers' Principles** as part of a drive to increase renewable procurement in real estate and data centers

→ Advanced **low power computing** with product deployments for the semiconductor and broader electronics industries

→ Drove **in-house efficiencies**, including phased closure of inefficient on-premise data centers

Driving Emissions Reduction

We are committed to doing our part in limiting global warming to 1.5° Celsius above pre-industrial levels. This year we undertook deliberate actions to deliver on our science-based emissions reduction target of reducing Scope 1 and 2 emissions by 25% by 2024 compared with a 2018 baseline.

While we achieved a 26% reduction in our Scope 1 and 2 GHG emissions this year, we know a good part of the reductions are a result of office closures due to the COVID-19 pandemic. With our growth plans and return to a hybrid work model in 2022, we know we have more work to do to achieve our 2024 target.

While we can directly manage Scope 1 and 2 emissions, we recognize that our Scope 3 value chain emissions represent the largest portion of our overall carbon footprint. In 2021, we expanded our accounting of these emissions to also include employee work-from-home emissions during the pandemic. We request that all new vendors disclose their GHG emissions and we seek to leverage supplier and partner relationships for decarbonization of our supply chain.

In 2021, we achieved CarbonNeutral® company certification across our global operations for the third year running, offsetting approximately 47,000 MTCO2e through a portfolio of high-quality, verifiable renewable energy certificates (RECs). Though these RECs represent increases in the amount of renewable power in the overall energy market, we do not count them when quantifying progress toward our overall emissions reduction target.
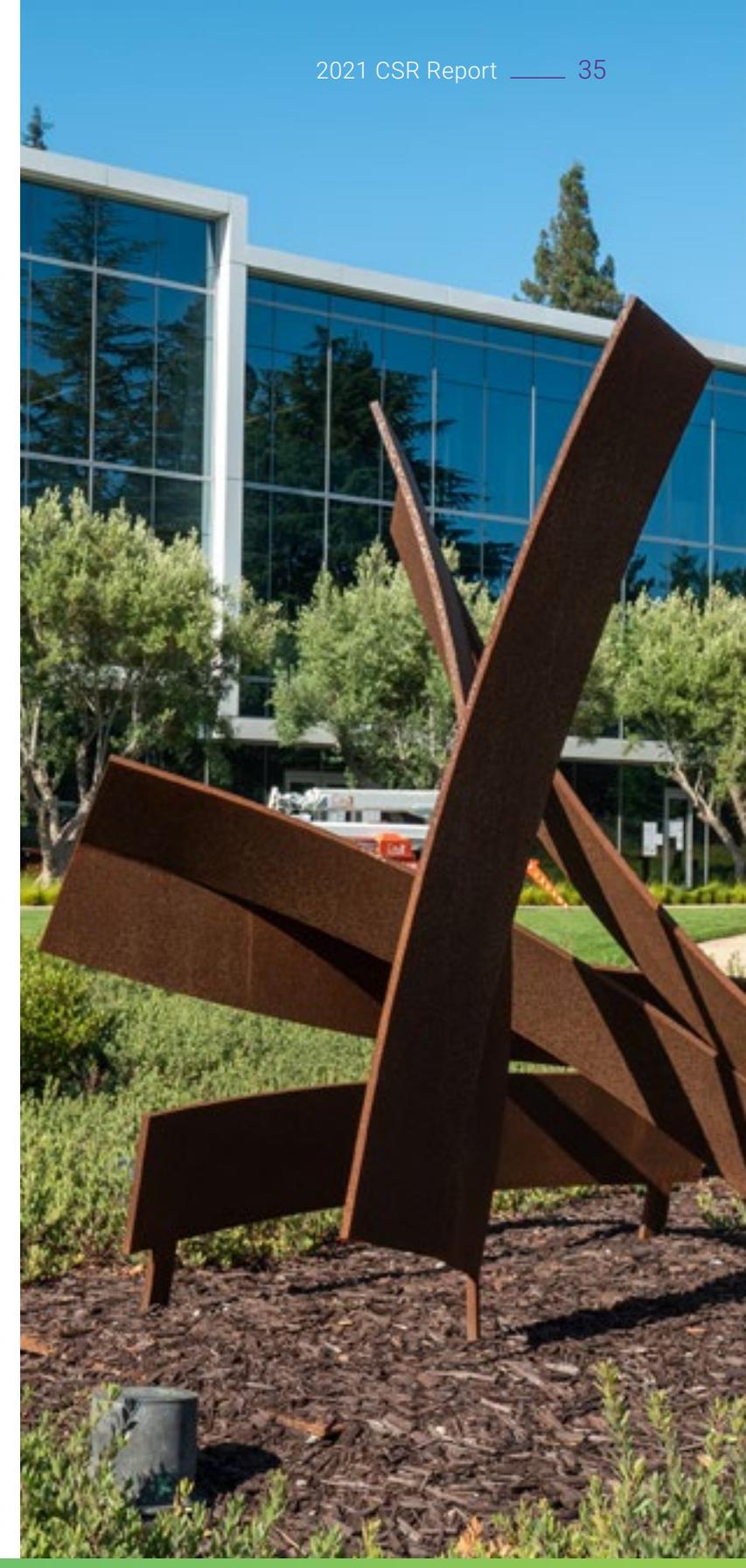
Assessing and Reporting on Sustainability and Climate

In addition to responding to individual sustainability questionnaires from our customers, we also report on our ESG practices using four leading assessment frameworks:

• The Carbon Disclosure Project (CDP), to annually disclose on potential climate impacts, risks, and opportunities
• The Responsible Business Alliance (RBA) self-assessment platform, to assess CSR performance on environment and other metrics
• EcoVadis assessments, to evaluate our sustainability practices
• The Task Force on Climate-related Financial Disclosures (TCFD), to provide investors with clear information on climate-related risks to our operations and supply chain

We undertake various annual risk assessments in order to understand and evaluate risks to the business. As part of our business continuity program, we conduct risk and vulnerability assessments for our physical locations, focusing on our business-critical sites and gradually scaling out to our smaller locations. These assessments consider a range of risk factors including natural disasters, climate-driven events, man-made threats, utility reliability, and technological vulnerabilities and threats. In 2021, Synopsys undertook a preliminary climate risk

screening for the incorporation of climate-related risks into our annual, company-wide prioritization of business risks, the results of which are reported to the Board. Through this risk assessment, we have not identified any climate risks as having a high impact on our business, strategy, and financial planning.

As a technology company, our operations and supply chain are not carbon intensive and we have not identified significant impacts to our overall business, strategy, and financial planning related to transitional aspects such as carbon pricing, stakeholder expectations (reputation), and legislation. However, we are committed to taking responsibility for our carbon footprint as part of our CSR program and we factor costs associated with the delivery of our annual greenhouse gas accounting, carbon neutral commitment, and emissions reduction initiatives into our annual financial planning.

Enabling Utility-Scale Renewable Power

To deliver on our ambitious emissions reduction target without reliance on our purchases of unbundled RECs, Synopsys has partnered with three other companies to help finance the development and construction of Enel Green Power's Azure Sky wind and battery storage project in Throckmorton County, Texas. One of the largest corporate aggregated virtual power purchase agreements (VPPA) to date, this landmark deal secures for Synopsys the energy generated by a 15 MW portion of the project, enough to mitigate roughly 70% of our projected North American emissions. Embodying our commitment to climate action through innovation, partnership, and collaboration, Azure Sky is expected to produce enough clean energy to power the equivalent of 118,000+ U.S. households, saving more than 842,000 tons of CO_2 emissions annually. The project is currently on track and slated to commence operations in the first half of 2022.

Improving Data Center Efficiency

In 2021, we made significant progress on an ongoing initiative to reduce our global data center footprint through a strategy of optimization, consolidation, and decarbonization. We began a process of closing 38 inefficient on-premise data centers and transitioning to energy-efficient assets and more efficient colocation data center providers. As a member of the Clean Energy Buyers Alliance (CEBA), Synopsys recently signed onto CEBA's Corporate Colocation and Cloud Buyers' Principles. In late 2021, we communicated to all our colocation partners our intention to give preference to providers that commit to CEBA's industry goals for energy management and renewable energy procurement.

Our emissions data represents the best information available today. We will continue to update our methodologies for calculating GHG emissions based on emerging best practice and improve upon our data quality and accuracy as new information comes available.

GHG Emissions Summary Table

	2018 $MTCO_2e$*	2019 $MTCO_2e$*	2020 $MTCO_2e$
SCOPE 1 EMISSIONS			
Fugitive Emissions (Refrigerants)	1,179	1,158	**1,108**
Natural Gas Combustion	3,462	2,942	**1,232**
Diesel Fuel Combustion	25	14	**14**
Mobile Emissions	787	694	**396**
TOTAL SCOPE 1	**5,452**	**4,808**	**2,749**
SCOPE 2 EMISSIONS (PURCHASED ELECTRICITY)			
Offices	18,363	17,385	**12,101**
Colocated Data Centers	10,455	11,500	**10,143**
TOTAL SCOPE 2 (MARKET BASED)	**28,817**	**28,885**	**22,244**
SCOPE 3 EMISSIONS			
Air & Road Business Travel	32,592	28,244	**6,602**
Employee Commute	19,972	22,884	**7,360**
Employee Work-from-Home			**3,636**
Fuel Well-to-Tank Emissions & Electric Grid Transmission and Distribution Losses	4,497	4,480	**3,199**
Operational Waste	484	538	**144**
Product Transport	600	1,550	**1,060**
End-of-Life of Sold Products		6	**4**
TOTAL REPORTED SCOPE 3	**58,145**	**57,702**	**22,005**
TOTAL EMISSIONS	**92,415**	**91,395**	**46,998**

* Emissions data updated from prior publications to reflect improved measurement methods and enhanced data quality, with revised Product Transport data and the inclusion of Mobile Emissions and the End-of-Life of Sold Products data.

2018, 2019 and 2020 Totals (MTCO2e)

Scope 1
Scope 2
Scope 3

2018

5,452
28,817
92,415
2018
58,145

2019

4,808
28,885
91,395
2019
57,702

2020

2,749
22,244
46,998
2020
22,005

Scope 1 and 2 Emissions Against Reduction Target

-1.7%
-26%
-25%

40,000

30,000

20,000

10,000

0

2018 2019 2020 2021 2022 2023 2024

Scope 1 & 2   Reduction Target -25% by 2024

Enabling Low Power Computing

To ensure the future is both smart and sustainable, we believe the application advancements driving today's electronics must be paired with equal advancements in energy-efficient design. With the establishment of our cross-functional Low Power Taskforce, Synopsys offers a software-driven low power platform of products and solutions that enable our customers to achieve an additional 25% power reduction for the systems on a chip (SoCs) that they design. Through this innovative platform, we're equipping semiconductor manufacturers and the broader electronics industry with the tools to build products that are not only better and faster, but more sustainable.

In 2021, notable low power deployments included:

- An architectural power exploration that enables a 60X power reduction for autonomous driving SoCs
- Software-driven optimization that reduces power consumption by 11% in a state-of-the-art mobile graphics processing unit (GPU)
- Shift-left testing with RTL power exploration to enable 40% more efficient processors
- An end-to-end low power solution for large processors to identify critical software scenarios for power and drive power analysis and optimization
- A revamped RTL-to-signoff low power flow for a networking chip, enabling over 60% power reduction from the previous generation

Building Sustainable Facilities

Between materials, construction, and operation, buildings generate nearly 40% of annual CO_2 emissions globally. Though we lease the majority of our facilities, we have a goal to reduce our owned facilities' impacts, and work to integrate high standards of environmental performance from design through use. For new building construction and renovation, we seek certification from the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program. Currently, Synopsys controls six LEED-certified locations, including our new Gold-certified campus in Sunnyvale, CA.

In 2021, Synopsys became a signatory to CEBA's Commercial Real Estate Principles, a tool to support increased renewable energy procurement in commercial real estate.

Managing Our e-Waste Responsibly

Across our global locations, the Synopsys IT team uses environmentally and socially responsible practices for the disposal of electronic waste (e-waste). Retired electronic equipment is sent directly to iTAD Technologies, a certified e-cycler that recycles or refurbishes technology assets for enterprise-level clients.

In 2021, Synopsys recycled or reused 139,443 pounds of equipment.

Green Teams: Engaging Globally for the Environment

In 2021, Synopsys' Global Green Teams continued to connect employees and advance sustainable practices and reduce environmental impacts. Through quarterly meetings, a shared communication and collaboration platform, marquee events on Earth Day and Global Impact Day, and local initiatives, Global Green Teams engaged and mobilized Synopsys employees across the world.

Bringing Solar Home in California
Marking our first regional sustainability benefit, in 2021 Synopsys partnered with Bay Area SunShares to offer local employees significantly discounted home solar systems and battery storage installations, helping build resilience in the face of California's wildfires and power shutoffs. Non-homeowners could also opt in to clean energy programs and participate in free educational webinars on reducing their home carbon footprint.

SunShares
Simple. Affordable. Together.

Bamboo Forest Restoration (Hsinchu, Taiwan)
The Green Team in our Hsinchu office spent an afternoon working on bamboo forest restoration and trail maintenance in Nature Valley Environmental Trust's 4.5-acre environmental education site. In partnership with the trust, the Hsinchu team also hosted a two-hour environmental education seminar around forest ecosystems for Synopsys employees to attend virtually or in person.

Going "Green at Home" (Santiago, Chile)
With many offices still working from home in 2021, Santiago's Green Team adapted the Synopsys Global Green Teams Guide to create a regional guide to saving energy, reducing transport emissions, conserving water, and avoiding waste. The guide includes factoids around Chile's alternative energy generation and environmental challenges, a detailed list of green providers for consumers, and a team challenge to undertake sustainability activities.

Regional Waste Management Virtual Tours (U.S., Portugal, Armenia)
To drive awareness around everyday actions that can mitigate environmental impacts, Green Teams in Sunnyvale, Porto Salvo, and Yerevan hosted virtual waste management tours in partnership with environmental organizations Rethink Waste (U.S.), LIPOR (Portugal), and Eco Waste (Armenia). Employees got a view into waste sorting, processing, consolidation, and disposal, and received concrete regional recommendations on waste prevention, reuse, and recycling.

04.
Governance and Ethics

Recognizing that integrity is the foundation for long-term business success, Synopsys and our Board of Directors embrace sound corporate governance principles and operate within a framework that promotes accountability and transparency to our stakeholders and their long-term needs. Through robust Board oversight and adherence to our Code of Ethics and Business Conduct and other policies, Synopsys strives for responsible corporate governance and the highest standards of business ethics.

UN SDG Alignment

5 GENDER EQUALITY

Our commitment to a diverse and inclusive workplace begins with our practices at the Board of Directors level, and trickles down through our leadership, teams, and talent pipelines. We place great emphasis on diversity and actively consider it in the recruitment and nomination of directors, including diversity of personal background and professional experience, qualifications and skills as well as gender and ethnic diversity.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Through our governance policies and Code of Ethics and Business Conduct, we seek to prevent discrimination and corruption. Our efforts to develop effective and accountable frameworks to help build a sustainable and just future for all are ongoing.

See SDG Index to learn more about how our governance policies and practices support these SDGs.

Corporate Governance

Our Governance Strategy

Synopsys is committed to following sound principles of corporate governance, with our Board of Directors providing guidance in the management of the company's business operations and maintaining focus on our stakeholders' long-term interests. The Board has established a governance framework comprising our bylaws, committee charters, corporate governance guidelines, and other rules and policies. This framework helps ensure our Board and management act in a responsible, ethical manner while exercising their duties to the business and providing oversight of issues of key importance to our stakeholders, including human capital management, CSR, and cybersecurity.

Our Management Approach

The Board periodically reviews and updates the company's governance framework. As part of this regular review process, our Compensation Committee updated its name to the Compensation and Organizational Development Committee. As part of the update, the Committee gained additional responsibilities recognizing the importance we place on human capital, including how we attract and retain talent, build an inclusive work environment, and recognize and reward our employees.

Our Corporate Governance and Nominating Committee (CGN Committee) is responsible for reviewing and assessing policies, practices, risk assessments, and risk management regarding CSR and sustainability performance, including possible climate change risks and other ESG matters. During each quarterly meeting, our General Counsel provides the CGN Committee with updates on our CDP score and other ESG ratings, our ESG highlights from the prior quarter, and initiatives for the year.

The CGN Committee's duties also include monitoring Board composition and ensuring it contains skills, experience, qualifications, and attributes aligned with Synopsys' long-term business strategy as well as our goals for boardroom diversity. The CGN Committee identifies and recommends new director candidates to the full Board.

Our current Board is comprised of nine members, bringing with them decades of experience in the software, semiconductor, manufacturing, and distribution industries. Three of our Board members are female and, with the exception of our co-CEOs, Drs. de Geus and Chan, all of our Board members are independent.

For a complete description of Synopsys' corporate governance practices, please refer to our most recent Proxy Statement and Annual Report on Form 10-K or visit the Corporate Governance and Ethics page of our website.

2021 Governance Highlights

In 2021, our Board and management continued to focus closely on cybersecurity and other key ESG concerns and communicate with current and potential investors on ESG topics. Efforts included:

→ In addition to regular Board and Committee meetings, since the pandemic began, informal interim calls between our Board and management provided **operational oversight** on issues such as workforce health and safety, business operations, continuity planning, and risk management

→ In addition to regular, ongoing outreach to current and potential investors, we also **connected with our top 25 shareholders**, providing an ESG update and an invitation to engage in discussion

→ **Regular cybersecurity updates** were conducted by our Chief Security Officer to the full Board and CGN Committee, in response to the global increase in corporate ransomware attacks

→ Hosting a meeting between our Lead Independent Director, members of senior company leadership, and one of our largest **institutional investors** to discuss our ESG progress, with a concentration on environmental issues and human capital management

→ Engaged investors on ESG topics during our **annual shareholder outreach**

Board Snapshot

Legend: 2019, 2020, 2021

Independent Directors: 7, 7, 7
Non-independent Directors: 2, 2, 2
Female Directors: 2, 3, 3
Male Directors: 7, 6, 6

Minority Directors: 2, 2 (2020, 2021)
Non-minority Directors: 7, 7
Directors <30 years old: 0, 0
Directors 30-50 years old: 0, 0
Directors >50 years old: 9, 9

0-5 years tenure: 2 (2020), 2 (2021)
6-10 years tenure: 2 (2020), 2 (2021)
>10 years tenure: 5 (2020), 5 (2021)

Director Skills and Experiences

2021

SKILLS AND EXPERIENCES	
Executive Leadership	9 out of 9
Global Expertise	9 out of 9
Financial Expertise	6 out of 9
Semiconductor Industry Experience	5 out of 9
Software Industry Experience	5 out of 9
Sales & Marketing	8 out of 9
Strategy	7 out of 9
Risk Management	8 out of 9
Public Company Board	7 out of 9

Business Ethics

The Synopsys Code of Ethics and Business Conduct guides the behaviors and actions of our global workforce in accordance with our core values, high ethical standards, and legal obligations, addressing areas such as equal opportunity and non-discrimination, financial transparency, bribery and corruption, conflicts of interest, insider trading, safeguarding company assets, and fair competition. In 2021, we amended our code to include a section on environmental stewardship and community investment. Extending our values beyond company walls, our Business Partner Code of Conduct and Supplier Code of Conduct communicate our high ethical and legal standards to Synopsys' partners and suppliers.

Our Ethics and Compliance program is led by our Chief Ethics and Compliance Officer, who provides regular reports to the full Board and the Audit Committee.

Anti-Corruption

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

Internal Audit collaborates closely with our Ethics and Compliance team to assess Synopsys' operations for corruption risks. These assessments include general evaluations of our anti-bribery and anti-corruption compliance program's design and implementation as well as substantive testing to evaluate the program's practical effectiveness. We also deploy culture surveys in targeted locations to obtain employee input on what they are seeing and experiencing, and to whom they are reporting concerns.

Ethics and Integrity Training

From our Board members to our management, employees, and contractors, everyone at Synopsys is required to read, understand, and abide by our Code of Ethics and Business Conduct, affirming their commitment to act with integrity. Employees are required to complete this commitment at hiring and renew it through mandatory training on integrity topics (including a Security Awareness module) during our annual Integrity Awareness Month.

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. In 2021, additional training contained content focused on areas of greatest interest to our employees, as identified through responses to recent culture surveys.

Reporting Concerns

Synopsys encourages our people to report suspected violations of laws, rules, regulations, and company policies by other employees or any of our suppliers, vendors, resellers, or distributors. Our open door policy means employees are free to raise these issues with any manager at any time, and our Code of Ethics and Business Conduct strictly prohibits retaliation against anyone who raises an issue in good faith.

Employees can also report suspected violations to our Human Resources, Legal, Internal Audit, or Ethics and Compliance functions, or anonymously to our third-party-managed Integrity Helpline. The helpline is also accessible externally by contractors, customers, suppliers, and other business partners to report concerns. Following a report, our Ethics and Compliance team oversees an investigation appropriate for the situation. Anonymous reports and the results of any investigation are communicated to the Audit Committee.

For more information regarding reporting of violations, please view our Code of Ethics and Business Conduct.

Policies and Statements

Synopsys Code of Ethics and Business Conduct

Synopsys Corporate Governance Guidelines

Synopsys Board Committee Charters

Synopsys Business Partner Code of Conduct

Synopsys Supplier Code of Conduct

Synopsys Conflict Minerals Policy

Synopsys Statement on UK Modern Slavery Act

Synopsys Affirmative Action Policy

Synopsys Environmental Policy

Synopsys Political Activities Policy

Synopsys Privacy Policy

Synopsys Data Privacy and Protection Statement

Business Continuity and Resiliency

Preparedness and resiliency are not only a strategic and competitive advantage, but essential to the overall vitality of our company and our ability to serve our customers and shareholders. Through our Business Continuity and Resiliency program, Synopsys is actively engaged and prepared for potential crisis events and able to absorb impacts, respond and recover in a timely and effective manner, protect the safety and trust of our employees and customers, and avoid or minimize damage to our company and reputation.

Our program is built on the International Organization for Standardization (ISO) 22301 Societal Security and Business Continuity Management Systems framework and follows a resiliency model that includes plans for emergency response and recovery, business continuity, disaster recovery, cyber-response, and the gathering and communication of vital information both internally and externally. Supported by robust cloud-based infrastructure, systems, policies, and procedures, these plans are designed to facilitate

crisis response coordination at any of our sites worldwide, including response on a regional or global scale. Synopsys can quickly activate any or all of these plans as appropriate to the nature and severity of a crisis event.

Business Risk and Continuity Managers (BRCMs) are integral to our Business Continuity Management (BCM) process. BRCMs are responsible for performing business impact assessments to identify the most critical operations of their business group or function, identifying and monitoring potential risks; creating, testing, and validating recovery plans; and refining and updating plans as needed, on an ongoing basis.

In 2021, as we contended daily with the ongoing COVID-19 crisis, we also enhanced our crisis management program by:

- Completing a refresh of our crisis management governance structure and plans

- Publishing a Business Continuity Management audit report

- Completing approximately 90 Business Continuity Planning exercises

- Creating a Crisis Management Resource Center that provides policies, standards, plans, structure, training, important contacts, and other resources for our employees

- Completing crisis management training at all management levels

- Enhancing BRCMs' knowledge of business continuity concepts and recovery strategies through Business Risk and Continuity Manager Certification

COVID-19 in 2021: Crisis Response in Action

In 2021, COVID-19 continued to both test and strengthen our crisis response capabilities. Throughout the year, our top priorities were protecting employee wellbeing, maintaining productivity, and complying with government restrictions, guidelines, mandates, and other policies at each of our locations. For on-site workers, we provided elevated safety measures and personal protective equipment. For employees working from home, we continued extending the IT, HR, ergonomics, and communications support needed to ensure productivity, security, and connection. We facilitated on-site vaccination clinics in locations with limited availability, provided access to COVID-19 testing, conducted a wellness campaign to promote physical and mental health strategies, and instituted periodic "Recharge Days" during which we encourage all Synopsys employees globally to disconnect from work.

As we assess the evolving role of the workplace and the phased reopening of our sites, our Return-to-Office (RTO) strategy now requires that employees in the U.S. and India be fully vaccinated before conducting in-person work. A range of other factors influence our decisions on individual site reopenings, including:

• Local government and health official guidance, plus vaccine availability

• Local infrastructure, including safely functioning transit, schools, and care centers

• Site readiness for occupancy

• Need for office infrastructure to achieve workforce productivity

• Advocacy by site leaders and regional crisis management teams, plus approval of leadership

At this time, employees who are not yet comfortable returning to in-person work may remain on a work-from-home model.

Political Activities and Contributions

Synopsys is committed to compliance with all applicable laws, rules, and regulations that govern our political activities, including lobbying registration and disclosure laws, U.S. Foreign Corrupt Practices Act provisions, and anti-bribery laws worldwide. In 2021, Synopsys engaged in direct advocacy with government officials on public policies, legislation, and regulations relevant to the company. All lobbying was undertaken in accordance with applicable law and relevant internal procedures and approvals, as stipulated in Synopsys' Political Activities Policy. The company also engages in indirect advocacy through trade and industry associations in the U.S. and abroad, which are selected for their integrity and alignment with the policy interests of Synopsys and the broader tech community.

Synopsys does not contribute to political parties, candidates, or political action committees, but may contribute periodically to local ballot initiatives in California that are consistent with the company's quality of life goals. All such contributions are disclosed on our website.
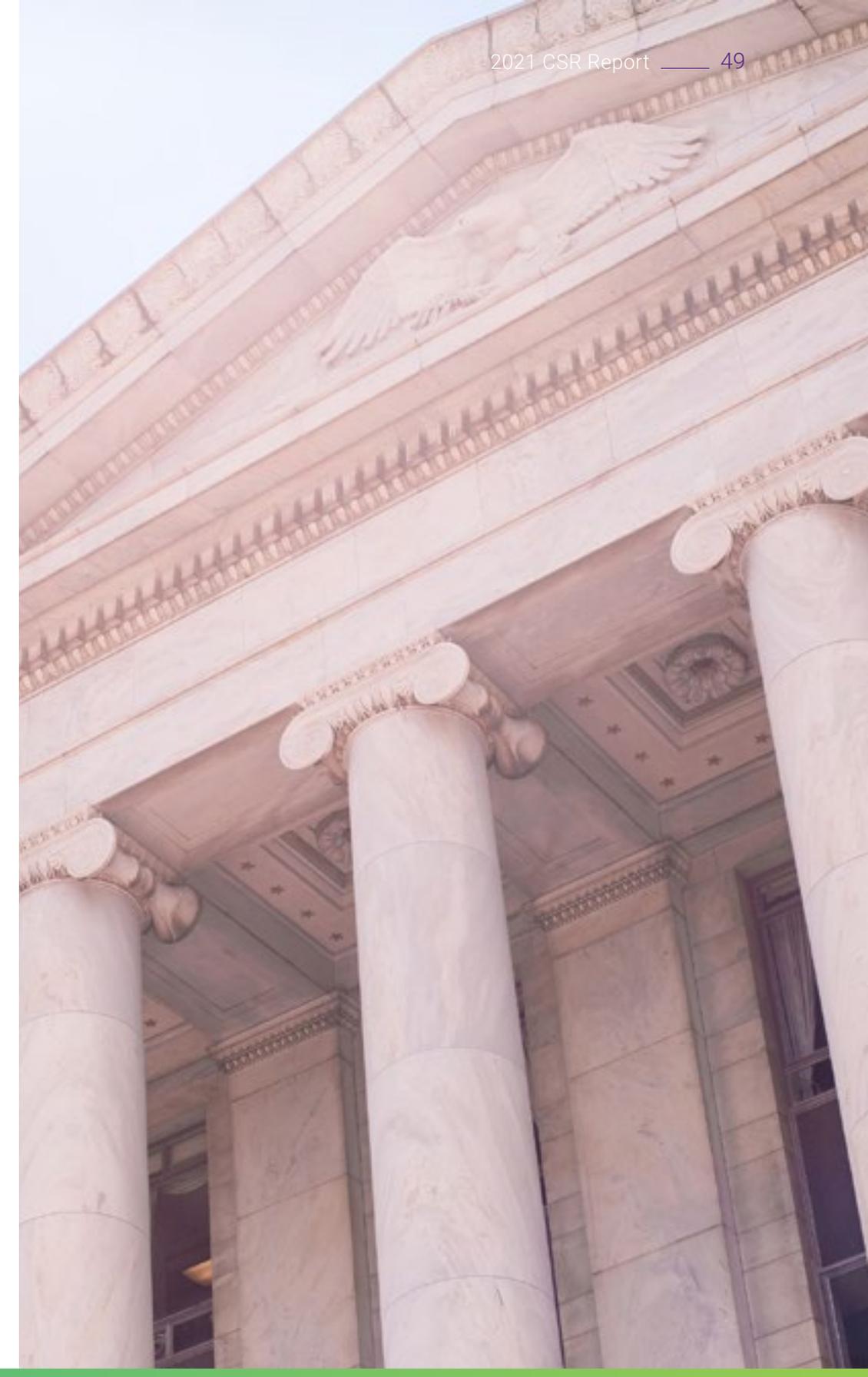
05.
Cybersecurity and Privacy

↓

Synopsys helps to enable a future that's sustainable, just, and secure. Cybersecurity is part of our DNA, whether protecting our own IP, maintaining the security and privacy of our partners' and employees' data, or helping our customers design protections into their systems and software. With the threat landscape expanding daily, we're investing in top talent and innovative new protections to stay ahead of the game.

UN SDG Alignment

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We see our products as an essential component that connects our customers to innovative technological solutions, including solutions that safeguard data privacy and build a resilient global infrastructure.

See SDG Index to learn more about how our cybersecurity and privacy strategy supports this SDG.
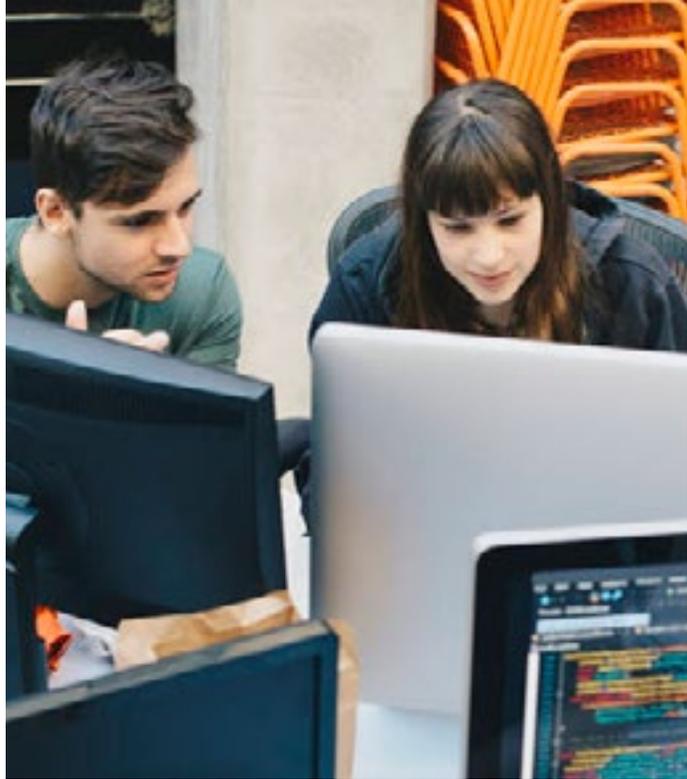
Our Cybersecurity Strategy

To promote security in today's cyber-threat landscape, Synopsys regularly monitors emerging risks, develops and integrates best-of-breed technologies, and recruits and retains top cybersecurity talent. We also leverage products and services from our Software Integrity Group (SIG) to structure, test, and assess the rigor of our enterprise cybersecurity and product security practices. We align with multiple industry-recognized frameworks including the National Institute of Standards and Technology (NIST) Cyber Security Framework and the ISO/IEC 27001 Information Security Management Framework.

Our Management Approach

Our efforts are managed by our Chief Security Officer (CSO), who oversees a comprehensive, multidisciplinary program involving information security, IT, product security, physical security, SIG, and Legal. Our CSO reports directly to our President and Chief Operating Officer (COO), and regularly updates our Board of Directors on our cybersecurity performance and risk profile. All Synopsys cybersecurity policies and procedures are assessed regularly by our internal auditors as well as third-party consultants. We continue to track our alignment with the NIST framework through third-party NIST CSF maturity assessments. We maintain cyber-liability insurance that covers certain liabilities in connection with security breaches or related incidents. Since 2015, Synopsys has experienced no material information security breaches.

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. We conduct regular controlled penetration testing of various environments and tabletop exercises to ensure the proper protection is in place for our data as well as our customers' and partners' data.

Maintaining a robust defense posture against cyberattacks requires a well-equipped team, and over the past two years we've grown ours, increasing our cybersecurity resources and planning for further investment in 2022. Many of our new hires blend cybersecurity expertise with development backgrounds, improving our cloud security readiness and helping us take a DevSecOps (development, security, and operations) approach to integrating security across the IT lifecycle.

2021 Cybersecurity Highlights

Facing elevated risks in 2021 stemming from the global rise in ransomware attacks, potential vulnerabilities related to our distributed pandemic-era workforce, and emerging compliance obligations, Synopsys:

→ Conducted a **ransomware readiness assessment** and reinforced our policies and controls

→ Expanded on our **zero-trust approach** to securing our data and infrastructure, applying robust authentication measures for all users, always and everywhere

→ Further enhanced **cloud security** as we shift to a hybrid workforce model

→ Conducted new **third-party risk assessments** of our global supply chain in preparation for compliance with the U.S. Executive Order on Improving the Nation's Cybersecurity

→ Strengthened our **crisis response planning and resiliency measures**

SMART FUTURE
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Enhancing Product Security

For Synopsys, ensuring effective cybersecurity is an imperative throughout our corporate ecosystem. Through our Software Integrity Group (SIG), we offer a full spectrum of security-enhancing products and services that help our customers build more secure systems, which in turn enhances security for their own customers.

• 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 respond rapidly to evolving threats.

• Our Professional Services team is comprised of hundreds of industry-leading experts who help companies integrate quality and security best practices, tools, and strategies into their architecture and designs.

• Our strategy and 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.

In our Electronic Design Automation (EDA) business, we're helping our customers build more secure chips and hardware, leveraging a broad portfolio of secure IP and R&D investments to deliver on-chip security advancements.

Data Privacy

Synopsys recognizes that privacy is a human right. We are committed to strong privacy principles and transparency about the use of personal data. In no event does Synopsys sell personal information. Our Data Privacy and Protection Statement enumerates our complete data privacy principles and is regularly reviewed and updated for compliance with relevant laws and regulations.

Our Chief Privacy Officer is responsible for reviewing policies, procedures, contracts, services, and technology platforms to ensure we maintain proper controls related to compliance with evolving privacy regulations in Europe, the U.S., Asia, and around the globe.

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#BeCyberSmart

Through awareness campaigns, training, and education, we ensure that all members of the Synopsys workforce understand their role in safeguarding security and privacy, both within our enterprise and for our customers. During the onboarding process, all new Synopsys employees are required to complete comprehensive training related to our data protection policies and protocols. All employees also receive annual mandatory training on emerging cybersecurity and privacy best practices, along with regular awareness training on topics such as anti-phishing techniques.

Our Repeat Clicker program was designed specifically for employees detected as being susceptible to three or more phishing campaigns in a rolling twelve-month period. Employees are then assigned training via the Synopsys Learning Management System (LMS) on ways to better identify potential risks.

Our Information Security (InfoSec) Governance, Risk, and Compliance team has also developed a new Elevated Privilege training module for admins that have access to elevated privileges in our IT, SIG, and InfoSec teams.

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06.
Supply Chain

Beyond focusing our efforts to manage Synopsys' operational impacts, our Smart Future strategy also informs how we engage our supply chain on our environmental, social, and governance expectations. We expect Synopsys suppliers to align with our standards and to comply with all laws and regulations, and we continue to leverage our commitment to the Responsible Business Alliance (RBA) to ensure responsible practices across our supply chain.

UN SDG Alignment

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We envision a future powered by Synopsys technologies that enable less energy- and carbon-intensive solutions for our customers, helping build a more resilient, sustainable, and inclusive infrastructure for all.

13 CLIMATE ACTION

We are committed to reducing our carbon footprint across the business, including optimizing our supply chain, reducing our energy usage, and enabling renewable energy.

See SDG Index to learn more about how our supply chain strategy supports these SDGs.

Our Supply Chain Strategy

To meet demand and build resiliency, we are investing in our trusted partnerships and forging new supplier relationships. Amid ongoing COVID-19 challenges, shipping bottlenecks, and a semiconductor shortage spurred by high global electronics demand, our long-term planning and strategic supplier relationships helped us source needed materials and maintain business continuity.

Our Management Approach

For Synopsys, smarter supply chain management requires extending environmental, ethical, and social standards across the global supplier base. Our policies, strategy, and initiatives are focused on optimizing procurement operations and influencing our suppliers and partners to ensure a resilient, reliable, and responsible supply chain. We are working to build greater awareness of responsible environmental, labor, and human rights practices to mitigate risk across our business ecosystem while advancing international norms and standards for all stakeholders.

2021 Supplier Engagement Highlights

Amid the global supply chain challenges of 2021, we furthered our goal of building a more responsible procurement program by:

→ Completing our global purchased goods and services spend mapping in preparation for engaging our suppliers in a **Scope 3 emissions reduction target** through the Science-Based Targets initiative (SBTi)

→ Signing on to CEBA's **Commercial Real Estate Principles** and **Corporate Colocation and Cloud Buyers' Principles** as part of a drive to increase renewable energy procurement among real estate and data center providers

→ Automating our **New Vendor Questionnaire** to streamline the supplier vetting process, collect baseline data, and speed up the identification of potential vendor risks

→ Updating our data requests around **supplier diversity** to help understand and grow our diverse supplier base

Supply Chain Risk

To build a more resilient business able to weather periods of uncertainty and disruption, we assess risks to our globally distributed and interconnected supply chain, from business continuity and cyber hazards to a broad range of regulatory, reputational, sustainability, and ethics risks.

Leveraging our membership in the Responsible Business Alliance (RBA), we use the RBA-Online platform to conduct due diligence on key direct vendors in our product manufacturing supply chain, evaluating their corporate self-assessment scores and risk ratings and using these findings to inform next steps for engagement. Contract manufacturers who oversee production of our physical products are located in the United States, France, Germany, and Sweden, all of which maintain high national environmental, health, safety, human rights, governance, and labor standards.

To help advance our CSR standards across our supply chain, we communicate our expectation that direct suppliers of inputs for our hardware products to comply with all applicable laws and regulations and our Supplier Code of Conduct, which mirrors the RBA Code of Conduct standards for labor, governance, health and safety, and environmental and ethical practices, as updated in January 2021.

Supply Chain Opportunities

Supply chain management provides us with the tools not only to mitigate risks but to identify and expand upon opportunities. All new suppliers are required to complete our New Vendor Questionnaire (NVQ), which gives us insight into these and other sustainability matters, including women- or minority-owned business enterprises. With this baseline in hand, we are better positioned to identify opportunities for further influence in our supply chain—for example, adding certified diverse vendors or vendors that have set GHG reduction goals as a part of our selection process.

Leveraging our membership in CEBA, we recently signed onto CEBA's **Commercial Real Estate Principles** and **Corporate Colocation and Cloud Buyers' Principles** and communicated these principles out to key real estate and data center providers along with our commitment to leverage these principles for future contract considerations.

Conflict Minerals Risk: As part of our commitment to responsibly sourcing materials for our hardware products, we maintain a policy and due diligence program focused on conflict minerals: tin, tungsten, tantalum, and gold (3TG) sourced from the Democratic Republic of the Congo (DRC) and adjoining countries. Trade in conflict minerals has been known to finance armed groups, fuel forced labor and other human

rights abuses, and support corruption and money laundering. We comply with U.S. Securities and Exchange Commission (SEC) rules that require publicly traded companies to disclose the use of conflict minerals in their manufacturing, we work with our direct suppliers to reasonably assure that all 3TG minerals in our hardware products are DRC-conflict-free and traceable to non-covered countries. We also partner with our direct suppliers to remove high-risk smelters from our supply chain.

Human Rights in the Supply Chain: Synopsys does not tolerate the use of human trafficking or forced labor, including child labor, in our operations or supply chain. We engage and collaborate with the RBA and other industry groups and supply chain resources to stay abreast of related potential risks and best practices, and have initiated internal trainings to raise awareness around buyer obligations.

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07.
Social Impact

As a global leader in bringing smart technology to life, Synopsys is well positioned to support the communities in which we operate and help deliver real, meaningful change. Our Synopsys for Good program is how we show up in the world and take action in and for the community. As part of our Smart Future strategy, we act as a catalyst for local and global change through our commitments to education, community, and the environment.

UN SDG Alignment

7 AFFORDABLE AND CLEAN ENERGY

As part of our work to improve global access to affordable, reliable, and sustainable energy, we support organizations that facilitate the transition to clean energy in rural and low-income communities.

8 DECENT WORK AND ECONOMIC GROWTH
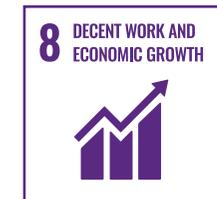
As part of our commitment to promoting inclusive economic growth and decent work for all, our Synopsys for Good investments focus on delivering STEM education to marginalized communities.

See SDG Index to learn more about how our social impact strategy supports these SDGs.

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Our Social Impact Strategy

Synopsys for Good leverages our resources—leaders, employee volunteer time and giving, philanthropy, tech expertise, and partnerships— to address systemic issues in the communities where we operate. By preparing students for the future with STEM education, addressing essential needs and inequities in the community, and working to mitigate climate change and build a cleaner environment, Synopsys for Good is how we show up and create a better, more sustainable future for all—a Smart Future.

Our Management Approach

Synopsys for Good is managed by our social impact team and executed in partnership with employee community engagement leads and teams around the world. Our impact and influence is realized through philanthropy from Synopsys, Inc. and The Synopsys Foundation, technology and expertise, and our employees' contributions of time, energy, and charitable giving. In 2021, 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.

Aimed at helping solve social challenges worldwide, our efforts focus on three primary impact areas: education, community, and environment. Across all three areas, we approach planning and decision-making through an **equity lens**, centering the needs, perspectives, and lived experiences of the diverse communities we aim to serve.

Education: We work to close equity and achievement gaps and prepare students for the future of work and innovation. Focusing on K–12 students, we create and fund engaging, hands-on experiences that build problem-solving, design-thinking, and digital skills, giving underserved students a window into possible future careers.

Community: Working in solidarity with communities, we partner with organizations whose efforts combat food insecurity and hunger, support inclusion and social justice, and use technology to create and scale solutions that improve quality of life for individuals and society.

Environment: To mitigate climate change and its effects on people and the planet, we aim to support nonprofits that help protect ecosystems, facilitate the transition to clean energy in rural and low-income communities, and create experiences that cultivate the next generation of environmental stewards.

2021 Social Impact Highlights

→ **Supported 21 nonprofit organizations** bringing STEM education virtually to underserved communities around the world

→ **Delivered vital school supplies** to support students' and teachers' return to in-person learning

→ **Developed Country specific COVID relief donation** and employee matching gift programs in South Asia, Vietnam, and Chile

→ **Provided $3.4M in total charitable giving** in 2021 to the communities where we operate

→ **Employees donated $1.3M and reported 6,121 volunteer hours** through the Synopsys for Good portal

→ **Hosted Global IMPACT Day**, 24 hours of employee engagement around the world focused on 10 Acts of Goodness

Employees in Action

Each year, Synopsys employees step up to help communities around the world through volunteering, donating to nonprofits, and responding to disasters through recovery and rebuilding efforts. We encourage and facilitate these efforts by connecting our people with nonprofits and offering an employee matching gift program for donations to eligible nonprofits, schools, and organizations. As we navigated the second year of the pandemic in 2021, our global employees and teams continued giving back virtually and through limited in-person activities.

In September, employees around the world came together for our 24-hour Global IMPACT Day, aligning across 10 "Acts of Goodness" categories to make a difference in local and global communities.

Social Initiatives
Employees designed social media content for girls in STEM, recorded audiobooks for youth with low vision or blindness, made cards for frontline workers, learned sign language, and upcycled items from home to construct bird feeders.

Citizen Scientists
Individuals signed up to become citizen scientists using online platforms such as Earthwatch, GLOBE Observer, Science Buddies, Zoological Society of London, and Zooniverse.

Local IMPACT Days
Synopsys sites developed local IMPACT Day initiatives. In Hyderabad and Mumbai, employees became *didis* and *bhaiyas* (elder sisters and brothers) for third and sixth graders, teaching math, science, nutrition, and yoga through Teach for India.
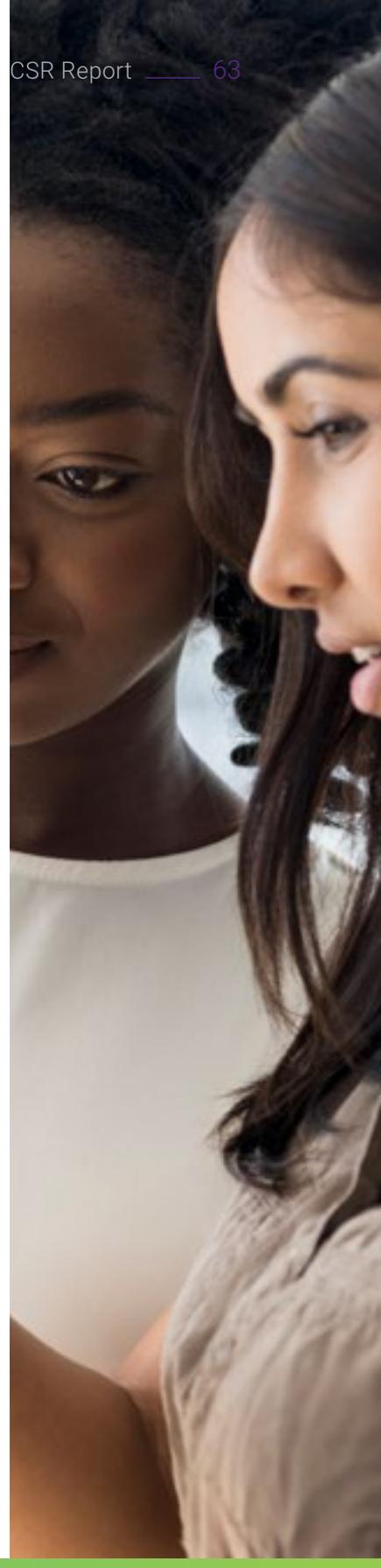
Partnerships for Positive Impact

Synopsys Outreach Foundation

In 2021, the Synopsys Outreach Foundation executed on its updated vision and mission by collaborating with San Francisco Greater Bay Area education stakeholders and community partners to provide equitable and inclusive opportunities in project-based STEM. The foundation's updated three-point strategy focuses on:

- Supporting educators through teacher training opportunities

- Engaging, educating, and exciting K–12 students about science at schools with predominantly marginalized populations

- Providing increased visibility and support for Greater Bay Area STEM events

To better engage K–12 students, the Outreach Foundation built out a robust "Building STEM Classrooms" program that included distribution of material supplies, event grants, visits from the RAFT (Resource Area for Teaching) Maker Mobile van, and teacher stipends and STEM kits. This program operates in spring and fall, providing holistic support to teachers during these uncertain times.

The Outreach Foundation also launched a pro bono consulting program for project-based STEM events in need of assistance, as well as quarterly STEM Summits that bring together thought leaders in STEM education to share best practices. In partnership with RAFT and the Krause Center for Innovation at Foothill College, the Outreach Foundation also hosted teacher trainings focused on environmental literacy, as well as a signature training program that supports elementary educators' efforts to integrate STEM into their curriculum.

Building Capacity Through Collaboration

Through new and existing partnerships, we are committed to positively impacting our communities and influencing those we partner with to create a better world.

EdTech nonprofit UPchieve connects low-income students with live, volunteer STEM tutors and college counselors. Our grant funding supports technology development, creation of volunteer training and certification materials, and outreach to students and volunteers.

Around the world, our partnerships with Fundación Kodea (Chile), Apps for Good (Portugal), and Technovation Girls (Global), are **helping build students' STEM and problem-solving skills and expanding the pipeline of underrepresented students in STEM fields**.

Synopsys employees from Bangalore, India, to Glasgow, Scotland, volunteered for a 90-minute hackathon hosted by SuitUp, a nonprofit committed to equipping students for life in and beyond the classroom. **Our hackers created and pitched solutions for students returning to in-person learning**. Their winning concept has been shared with SuitUp's 200+ school and youth organization partners across Canada, the UK, and the U.S.

In Taiwan, we partnered with DOMI Earth, which drives community action on climate change. To spur carbon emission reduction, DOMI facilitated a Sustainability Leadership Workshop in which employees developed personal 21-day Sustainable Green Action Plans for themselves and their families. As part of the collaboration, our people also planted 200 tree saplings representing an offset of up to 2,400kg of carbon dioxide reduction annually.

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08.
Appendices

GRI Content Index

This table covers the Global Reporting Initiative's Sustainability Reporting Standards and Disclosures found in our 2021 Corporate Social Responsibility Report, SEC filings, and company website. We anticipate transitioning to GRI's new 2021 Standards for our 2022 report.

GRI Standard	Disclosure	Description	Location & Notes	Page Number
GRI 102: General Disclosures				
102: Organizational Profile [2021]				
	102-1	Name of the organization	Synopsys, Inc. (NASDAQ: SNPS)	N/A
	102-2	Activities, brands, products, and services	About Synopsys	4 - 8
	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 fiscal year-end October 31, 2021.	N/A
	102-6	Markets served	See Synopsys' Annual Report on Form 10-K for the fiscal year-end October 31, 2021.	4 - 9
	102-7	Scale of the organization	About Synopsys: 2021 by the Numbers	9
	102-8	Information on employees and other workers	About Synopsys: 2021 by the Numbers Talent: Talent Snapshot	9, 28
	102-9	Supply chain	Supply Chain	55 - 59

GRI Standard	Disclosure	Description	Location & Notes	Page Number
	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 2021.	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: • Carbon Disclosure Project (CDP) • The CarbonNeutral® Protocol • Global Reporting Initiative (GRI) • Responsible Business Alliance (RBA) Code of Conduct • Clean Energy Buyers Association (CEBA) Commercial Real Estate Principles and Corporate Colocation and Cloud Buyers' Principles • The Task Force on Climate-related Financial Disclosures (TCFD) • United Nations Sustainable Development Goals (SDGs) • 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: • Responsible Business Alliance (RBA) • Clean Energy Buyers Association (CEBA)	N/A
102: Strategy [2021]				
	102-14	Statement from senior decision-maker	Co-CEO Letter	3 - 4
	102-15	Key impacts, risks, and opportunities	See Synopsys' Annual Report on Form 10-K for fiscal year-end October 31, 2021.	N/A

GRI Standard	Disclosure	Description	Location & Notes	Page Number
102: Ethics and Integrity				
	102-16	Values, principles, standards, and norms of behavior	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 complete description of Synopsys' corporate governance practices, please refer to our Annual Report on Form 10-K or visit our Corporate Governance and Ethics website.	45 - 46
	102-17	Mechanisms for advice and concerns about ethics	Governance and Ethics: Business Ethics	45
102: Governance [2021]				
	102-18	Governance structure	Governance and Ethics: Corporate Governance For a comprehensive description of Synopsys' corporate governance practices, please refer to our most recent Proxy Statement and Annual Report on Form 10-K or visit our Corporate Governance and Ethics website.	43
	102-20	Executive-level responsibility for economic, environmental, and social topics	How We Manage CSR: CSR Oversight Governance: Corporate Governance	12, 43
	102-22	Composition of the highest governance body and its committees	To learn more about the composition of Synopsys' highest governance body 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 Synopsys' highest governance body and its committees, visit our Corporate Governance and Ethics website.	N/A
	102-29	Identifying and managing economic, environmental, and social impacts	How We Manage CSR: CSR Oversight How We Manage CSR: Engaging Key Stakeholders on CSR	13 - 14
	102-31	Review of economic, environmental, and social topics	How We Manage CSR	13 - 17

GRI Standard	Disclosure	Description	Location & Notes	Page Number
102: Stakeholder Engagement [2021]				
	102-40	List of stakeholder groups	Our key stakeholder groups include, but are not limited to: • Employees • Customers • Stockholders • Suppliers • Industry Partners	N/A
	102-41	Collective bargaining agreements	Collective bargaining agreements with our employees are a function of the local laws in Europe. Approximately 27% of our employees in Europe are 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	How We Manage CSR: Engaging Key Stakeholders on CSR	14
	102-44	Key topics and concerns raised	How We Manage CSR: Engaging Key Stakeholders on CSR	14
102: Reporting Practice [2021]				
	102-45	Entities included in the consolidated financial statements	See Synopsys' Annual Report on Form 10-K for fiscal year-end October 31, 2021.	N/A
	102-46	Defining report content and topic boundaries	About This Report How We Manage CSR We determined the focus of this report by reviewing our most recent CSR materiality assessment outcomes and through ongoing engagement with our CSR Leadership Committee, our employees, and key external stakeholders such as our customers and investors.	2, 6

GRI Standard	Disclosure	Description	Location & Notes	Page Number
	102-47	List of material topics	Our priority CSR topics include: • Human Capital Management (Talent Management, Employee Engagement, Inclusion and Diversity, Health and Wellness) • Innovation • Cybersecurity & Data Privacy • Product Security • Market Access • Crisis Management and Business Continuity • Climate Change and GHG Emissions • Corporate Governance • Ethics • Supply Chain • Public Policy • Social Impact	N/A
	102-48	Restatements of information	Emissions data updated from prior publications to reflect improved measurement methods and enhanced data quality, with revised Product Transport data and the inclusion of Mobile Emissions and the End-of-Life of Sold Products data.	37
	102-49	Changes in reporting	There were no significant changes in reporting this year.	N/A
	102-50	Reporting period	About This Report The Synopsys 2021 CSR Report covers our environmental, social, and governance performance for our fiscal year 2021, which began on November 1, 2020, and ended on October 31, 2021. The exceptions include our environment performance data (calendar year 2020) and social impact performance data (calendar year 2021), and as otherwise noted.	2
	102-51	Date of most recent report	2020 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

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GRI Standard	Disclosure	Description	Location & Notes	Page Number
	102-55	GRI content index	This GRI Content Index	N/A
	102-56	External assurance	2021 marked the first year we sought external assurance on our CSR data, covering the 2021 Talent data and calendar year 2020 Emissions data.	N/A
GRI 200: Economic				
205: Anti-Corruption [2016]				
	103-1 to 103-3	Management Approach	Governance and Ethics: Anti-Corruption	45
	205-1	Operations assessed for risks related to corruption	Internal Audit collaborates closely with our Ethics and Compliance team to assess Synopsys' operations for corruption risks. These assessments include general evaluations of our anti-bribery and anti-corruption compliance program's design and implementation as well as substantive testing to evaluate the program's practical effectiveness. We also deploy culture surveys in targeted locations to obtain employee input on what they are seeing and experiencing, and to whom they are reporting concerns.	45
	205-2	Communication and training about anti-corruption policies and procedures	Governance and Ethics: Business Ethics Governance and Ethics: Anti-Corruption Governance and Ethics: Ethics and Integrity Training From our Board members to our management, employees, and contractors, everyone at Synopsys is required to read, understand, and abide by our Code of Ethics and Business Conduct, affirming their commitment to act with integrity. Employees are required to complete this commitment at hiring and renew it through mandatory training on integrity topics (including a Security Awareness module) during our annual Integrity Awareness Month.	45 - 46
206: Anti-Competitive Behavior [2016]				
	103-1 to 103-3	Management Approach	Governance and Ethics: Business Ethics	45

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GRI Standard	Disclosure	Description	Location & Notes	Page Number
	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 300: Environment				
302: Energy [2016]				
	103-1 to 103-3	Management Approach	Environment: Our Environmental Strategy Environment: Our Management Approach Environment: Driving Emissions Reduction	33 - 35
	302-1	Energy consumption within the organization (GJ)	Fuel: 30,603 GJ Electricity: 354,845 GJ Total Energy: 385,448 GJ	N/A
	302-2	Energy consumption outside of the organization (GJ)	189,317 GJ We expanded our accounting of 2020 Scope 3 emissions beyond business travel, employee commute, and product transport to also include employee work-from-home emissions during the pandemic.	N/A
	302-4	Reduction of energy consumption (GJ)	Environment: Driving Emissions Reduction Approximately 3,700 GJ (fuel and electricity)	35, 37
305: Emissions [2016]				
	103-1 to 103-3	Management Approach	Environment: Our Environmental Strategy Environment: Our Management Approach Environment: Driving Emissions Reduction	33 - 35
	305-1	Direct (Scope 1) GHG emissions	Environment: Driving Emissions Reduction Environment: Improving Data Center Efficiency	35 - 37
	305-2	Energy indirect (Scope 2) GHG emissions	Environment: Driving Emissions Reduction Environment: Improving Data Center Efficiency	35 - 37
	305-3	Other indirect (Scope 3) GHG emissions	Environment: Driving Emissions Reduction Environment: Improving Data Center Efficiency	35 - 37

GRI Standard	Disclosure	Description	Location & Notes	Page Number
	305-5	Reduction of GHG emissions (MTCO2e)	In 2020, approximately 280 MTCO2e of GHG emissions were reduced as a direct result of reduction initiatives.	N/A
307: Environmental Compliance [2016]				
	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 [2016]				
	103-1 to 103-3	Management Approach	Supply Chain: Supplier Engagement	56 - 57
	308-1	New suppliers that were screened using environmental criteria	Supply Chain: Our Supply Chain Strategy Supply Chain: Supply Chain Risk Supply Chain: Supply Chain Opportunities All new suppliers are required to complete and return the New Vendor Questionnaire (NVQ), which addresses topics including GHG emissions, conflict minerals, sourcing from diverse or minority-owned businesses, cybersecurity and data privacy practices, and more. In 2021, approximately 1,500 vendors completed the NVQ from both the direct and indirect sides of our global supplier base.	56 - 59
GRI 400: Social				
401: Employment [2016]				
	103-1 to 103-3	Management Approach	Talent: Our Talent Strategy Talent: Our Management Approach Talent: Wellbeing and Total Rewards	19, 30
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent: Wellbeing and Total Rewards	30

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GRI Standard	Disclosure	Description	Location & Notes	Page Number
403: Occupational Health & Safety [2018]				
	103-1 to 103-3	Management Approach	Talent: Wellbeing and Total Rewards	30
	403-6	Promotion of worker health	Talent: Prioritizing Our People	31
404: Training & Education [2016]				
	103-1 to 103-3	Management Approach	Talent: Our Talent Strategy Talent: Investing in Our Talent	19, 22
	404-1	Average hours of training per year per employee	In 2021, 77% of our employees accessed the training, external articles, videos, and blogs made available through our digital platform.	N/A
	404-2	Programs for upgrading employee skills and transition assistance programs	Talent: Investing in Our Talent	22
	404-3	Percentage of employees receiving regular performance and career development reviews	Talent: Wellbeing and Total Rewards Approximately 99% of employees have completed a performance review during the reporting period.	30
405: Diversity & Equal Opportunity [2016]				
	103-1 to 103-3	Management Approach	Talent: Attracting and Onboarding Talent Talent: Investing in Our Talent Talent: Inclusion and Diversity	21 - 27
	405-1	Diversity of governance bodies and employees	Talent: Talent Snapshot Governance and Ethics: Corporate Governance	28, 43
	405-2	Ratio of basic salary and remuneration of women to men	Talent: Pay Equity	27

GRI Standard	Disclosure	Description	Location & Notes	Page Number
414: Supplier Social Assessment [2016]				
	103-1 to 103-3	Management Approach	Supply Chain: Our Supply Chain Strategy Supply Chain: Supply Chain Risk Supply Chain: Supply Chain Opportunities	56 - 59
	414-1	New suppliers that were screened using social criteria	Supply Chain: Supply Chain Opportunities All new suppliers are required to complete and return the New Vendor Questionnaire (NVQ), which addresses topics including GHG emissions, conflict minerals, sourcing from diverse or minority-owned businesses, cybersecurity and data privacy practices, and more. In 2021, approximately 1,500 vendors completed the NVQ questionnaire from both the direct and indirect sides of our global supplier base. In addition, 188 suppliers were assessed through our 2020 Conflict Minerals Due Diligence process. Responses were received from approximately 88% of suppliers.	59
415: Public Policy [2016]				
	103-1 to 103-3	Management Approach	Governance and Ethics: Political Activities and Contributions	49
	415-1	Political contributions	Governance and Ethics: Political Activities and Contributions Also see Political Activities Policy	49
418: Customer Privacy [2016]				
	103-1 to 103-3	Management Approach	Cybersecurity and Privacy: Our Cybersecurity Strategy Cybersecurity and Privacy: Data Privacy	51, 53
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Since 2015, Synopsys has experienced no material information security breaches. Data breaches that may result in a material adverse effect on Synopsys' financial position or the business would be disclosed in our public filings with the Securities and Exchange Commission (SEC).	N/A

GRI Standard	Disclosure	Description	Location & Notes	Page Number
419: Socioeconomic Compliance [2016]				
	419-1	Non-compliance with laws and regulations in the social and economic area	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

SASB Index:
Software & IT Services

Synopsys has elected to report to the Sustainability 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 intend to continue to evaluate them in the future. All data is for the fiscal year ending October 31, 2021, except for the environmental data, which is for calendar year 2020.

Topic	Code	Accounting Metric	Unit of Measure	Response/Location	Page Number
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) 212,834 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 (m³), 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: Improving Data Center Efficiency	37

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Topic	Code	Accounting Metric	Unit of Measure	Response/Location	Page Number
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	N/A	Cybersecurity and Privacy: Data Privacy Synopsys Data Protection and Privacy Statement.	53
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	N/A	Synopsys Data Protection and Privacy Statement: 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	In 2021, we had zero monetary losses as a result of legal proceedings associated with user privacy that required disclosure in our public SEC filings.	N/A
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Number, Percentage (%)	Since 2015, Synopsys has experienced no material information security breaches.	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: Our Cybersecurity Strategy	51

Topic	Code	Accounting Metric	Unit of Measure	Response/Location	Page Number
Recruiting & 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 16,361 employees as of 2021. Approximately 28% of these employees are based in the U.S.	N/A
	TC-SI-330a.2	Employee engagement as a percentage	Percentage (%)	Our 2021 engagement score was 79, well above the technology industry benchmark of 74. Engagement at Synopsys is calculated from the average responses to the following question and statement: (1) How happy are you working at Synopsys?, and (2) I would recommend Synopsys as a great place to work. In 2021, 83% 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	28
Intellectual Property Protection & 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.1**	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Number, Days	Synopsys activity monitors the availability and performance of our technology infrastructure. In 2021, Synopsys did not experience any technology incident that caused a material disruption to our business or to our customers.	N/A
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	N/A	Governance and Ethics: Business Continuity and Resiliency	47

UN SDG Index

The United Nations adopted 17 Sustainable Development Goals (SDGs) in 2015 as part of its 2030 Agenda for Sustainable Development. These SDGs are a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone around the globe. We support this call to action and see close alignment of many of our activities, as noted in the table below.

SDG	Target	Synopsys Actions and Initiatives in 2021
5 GENDER EQUALITY **Achieve gender equality and empower all women and girls**	5.1: End all forms of discrimination against all women and girls everywhere.	Synopsys works to end discrimination against women through the following policies and practices: • Synopsys Code of Ethics and Business Conduct • Synopsys Affirmative Action Policy • Annual gender pay equity reviews
	5.4: Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.	Synopsys recognizes the value of unpaid care and domestic work through the following programs: • Provide Dependent Day Care Flexible Spending Accounts (FSAs) • Offer a variety of leave options to help employees deal with whatever circumstances may arise • Provide extended leave for employees during COVID-19
	5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	Through the following programs, Synopsys works to ensure inclusive participation and leadership opportunities for women: • Annually conduct and report on gender pay equity; in 2021, women at Synopsys earned an average of $.99 cents for every $1 men earned in the same position and location • Reimagined internal mobility/transfer with a focus on training women employees • Launched WIN (Women's Impact Network) as one of first four Employee Resource Groups • Partner with Technovation to empower girls and families (especially women) in using cutting-edge technology to solve problems in their communities • See Talent Snapshot for diversity at management levels and at the Board level

| SDG	Target	Synopsys Actions and Initiatives in 2021
7 AFFORDABLE AND CLEAN ENERGY **Ensure access to affordable, reliable, sustainable and modern energy for all**	7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.	• Accelerated the development of renewable energy through participation in one of the largest aggregated virtual power purchase agreements (VPPA) • Annually invest in affordable and clean energy projects as part of annual carbon neutrality initiative • Became a signatory to CEBA's Commercial Real Estate Principles, committing us to a set of standards supporting increased renewable energy procurement in commercial real estate • Signed CEBA's Corporate Colocation and Cloud Buyers' Principles and communicated to all our colocation partners our intention to give preference to providers that commit to CEBA's industry goals for energy management and renewable energy procurement
	7.3: By 2030, double the global rate of improvement in energy efficiency.	• Operate six LEED-certified locations, including our new Gold-certified campus in Sunnyvale, CA • Developed low power platform built on Synopsys products and solutions to enable an additional 25% power reduction for system on a chip (SoC) over existing solutions and flows
8 DECENT WORK AND ECONOMIC GROWTH **Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**	8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labour-intensive sectors.	Through the following programs, Synopsys leverages our industry influence to contribute to higher levels of economic productivity and innovation across the globe: • The Synopsys University Program seeks to create a bridge between academia and industry, creating innovative opportunities by establishing relationships and cultivating a network of professors to drive research • We provide Synopsys technologies to universities on a discounted or free basis to support innovation and increase our market share • Through our University Programs, Synopsys also creates a platform for our employees to engage with university partners, enabling growth and development and catalyzing new collaborative research

SDG	Target	Synopsys Actions and Initiatives in 2021
	8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	Through the following programs, Synopsys works to ensure inclusive and productive work for our people: • Developed Inclusive Leader training program, and provide additional technical training for all employees through our digital platform • Released High Impact Hiring training program to promote a more fair and inclusive hiring process • Annually conduct and report on pay equity based on gender (global) and Black, Latinx, Indigenous (BLI) employees (U.S.); in 2021, BLI employees earned an average of $1.01 for every $1 earned by white employees • Expectation that every Synopsys employee set a personal inclusion and diversity goal for the coming year • Launched four Employee Resource Groups for employees and allies including: WIN (Women's Impact Network), VIBE (Very Inclusive Black Employee), La Communidad (Latinx), and PRIDE (LGBTQIA+) to promote a diverse, inclusive workplace aligned with our values and goals • Starting in 2021, offered employees with federal student loans an extra $400 per month (up to a lifetime $24,000 cap) to help clear their obligations • Provide medical insurance to participants in our InternX program

	8.6: By 2030, substantially reduce the proportion of youth not in employment, education or training.	In 2021, Synopsys for Good focused on the following STEM education programs for underserved communities:
		• Supported the Synopsys Outreach Foundation to provide equitable and inclusive opportunities in project based STEM in the Greater Bay Area
		• Funded nonprofit CareerVillage.org, which democratizes career planning for underrepresented youth
		• Supported EdTech nonprofit UPchieve, which connects low-income students with live, volunteer STEM tutors and college counselors
		• Supported SuitUp by funding 90-minute hackathon-style virtual project where Synopsys volunteers prepared a solution to address challenges associated with the return to in-person K–12 learning
		• Remained committed to internships, even through COVID-19:
		  - Through InternX, welcomed 730 global interns at various stages of their academic careers, with 29% accepting full-time positions with Synopsys upon graduation
		  - Formed new relationships with HBCUs and HACU schools to promote hiring of BLI candidates for internships and early-career roles

SDG	Target	Synopsys Actions and Initiatives in 2021
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE **Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**	9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	• Provide customers with innovative mobile and IoT solutions that are less energy -and carbon-intensive for business verticals including AI, automotive, low power computing, etc. • Developed low power platform built on Synopsys products and solutions to enable an additional 25% power reduction for system on a chip (SoC) over the solutions and flows currently used by our customers • Initiated global data center optimization project to close inefficient on-premise data centers
13 CLIMATE ACTION **Take urgent action to combat climate change and its impacts**	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	• 2024 goal: 25% reduction in emissions against 2018 base year • Accelerated the development of renewable energy through participation in one of the largest aggregated virtual power purchase agreements (VPPAs) • Annually invest in clean energy projects and purchase RECs as part of annual carbon neutrality initiative • Initiated global data center optimization project to close inefficient on-premise data centers • Conducted a climate risk screening for the incorporation of climate-related risks into our annual, company-wide prioritization of business risks and opportunities
16 PEACE, JUSTICE AND STRONG INSTITUTIONS **Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**	16.5: Substantially reduce corruption and bribery in all their forms. 16b: Promote and enforce non-discriminatory laws and policies for sustainable development.	Synopsys works to reduce corruption and bribery in all forms and to enforce non-discriminatory laws and policies in many ways, including the following: • Robust compliance program, led by our Chief Ethics & Compliance Officer, with Board oversight • Internal audits and external program assessments • Anti-Corruption policy, internal audits • Code of Ethics and Business Conduct • Integrity Helpline • Supplier Code of Conduct, which mirrors the RBA Code of Conduct

TCFD Index

The table below identifies the disclosures in our 2021 Corporate Social Responsibility Report, in our 2021 Annual Report and on our website that are responsive to the recommendations of the Task Force on Climate-related Financial Disclosures. Synopsys does not believe that the climate risks described below are material to its financial results and results of operations.

Recommendations	Disclosure/Location
Governance	
Describe the board's oversight of climate-related risks and opportunities	The Corporate Governance and Nominating Committee (CGN) of the Synopsys Board of Directors has direct oversight of our Corporate Social Responsibility (CSR) program, the scope of which includes climate-related issues. The CGN receives quarterly updates from members of the CSR Leadership Committee. The CSR Leadership Committee played a guiding role in establishing a science-based GHG emissions goal to reduce our total Scope 1 and 2 emissions by 25% by 2024 (2018 baseline) and has been briefed on Synopsys' climate risk screening results.
Describe management's role in assessing and managing climate-related risks and opportunities	The Synopsys CSR Leadership Committee has senior management responsibility for climate issues, including the monitoring and management of climate-related risks and opportunities. The CSR Leadership Committee is comprised of Vice President and Director level leaders representing Workplace Resources, Finance, Information Technology, Human Resources, Investor Relations, Supply Chain, and Legal. The Committee meets four times per year, is chaired by our Deputy General Counsel and Chief Ethics & Compliance Officer, provides senior level direction to our CSR program, and reports out quarterly to the Corporate Governance and Nominating Committee. Additionally, a management-level cross-functional Emissions Reduction Taskforce drives all climate-related initiatives.

Recommendations	Disclosure/Location

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	In 2021, we completed a climate screening review to examine the potential relevance and significance of the following climate-related risks and opportunities which we identified as being applicable to our business over short (0—2 years), medium (2—5 years), and long (5+ years) time horizons.

Risk Category	Description	Timeframe
Acute Physical	Increasing frequency/severity of climate-driven events (e.g., floods, wildfires, heatwaves, power interruptions) and potential disruption of operations and/or supply chain	Short-long term
Chronic Physical	Long-term changes in mean temperatures, weather patterns, and sea levels; potential implications for location of company activities as well as costs (e.g., increased cooling energy demand in data centers)	Medium-long term
Transitional – Policy	Policy-driven carbon pricing escalates fossil fuel costs, thereby increasing operating expenses	Medium-long term
Transitional – Regulatory/Legal	Proliferation of legislation mandating corporate GHG disclosure and/or reductions; potential for mandatory product energy efficiency standards to accelerate hardware product obsolescence and increase product development costs	Short-long term
Transitional – Reputational	Potential implications for attracting and retaining talent, customers, and institutional investment	Short-long term

Opportunity Category	Description	Timeframe
Resilience	Potential to increase resilience through incorporation of climate scenarios to business continuity planning	Short-long term
Products/Services/Market	Drivers for the clean economy transition stimulate increased demand for Synopsys' low power products	Medium-long term
Resource Efficiency	Opportunities to hedge against future increases in fossil fuel costs driven by carbon pricing and other factors, through investments in energy efficiency	Medium-long term

Recommendations	Disclosure/Location
Strategy	
Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning	We have not identified any climate risks as having a high impact on our business, strategy, and financial planning. In the physical risk category, potential business disruption due to acute physical events impacting our hardware and/or digital supply chain operations is factored into the financial planning for our business continuity and disaster recovery programs, including related measures such as the maintenance of buffer stocks of parts and finished goods. As a technology company, our operations and supply chain are not carbon intensive and we have not identified significant impacts to our overall business, strategy, and financial planning related to transitional aspects such as carbon pricing, stakeholder expectations (reputation), and legislation. However, we are committed to taking responsibility for our carbon footprint as part of our CSR program and we factor costs associated with the delivery of our annual greenhouse gas accounting, carbon neutral commitment, and emissions reduction initiatives into our annual financial planning. The opportunity identified as having the highest impact on our business, strategy, and financial planning relates to the development of products for low power and energy consumption optimization. The technology industry has tremendous potential to minimize energy consumption through the design and integration of more energy-efficient silicon chips. The future of smart devices depends on silicon chips running faster, scaling down to fit into smaller devices, integrating more capabilities, and processing massive amounts of data—all while consuming less power. Synopsys has more than 25 years of low power design and verification technology leadership and has contributed extensive technical input to industry groups advancing standards on this topic. Our advanced silicon chip design technologies directly enable our customers to optimize power consumption—for example, by extending battery life or reducing heat generated or adding cooling structures—as they develop their next-generation products. This opportunity is strategically relevant to our research and development investments and financial planning.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario	While we have not completed a detailed climate-related scenario analysis, we have considered the potential implications of a policy-driven carbon price for our operating costs under various transitional scenarios, including International Energy Agency (IEA) 2DS and the Central Banks and Supervisors Network for Greening the Financial System (NGFS) scenarios. The potential impacts of the carbon price scenarios considered were not identified as being significant to our operating costs. Additionally, we are working to increase our resiliency to future carbon pricing of fossil fuels by placing an internal cost on carbon through our carbon neutrality program, thereby improving the net present value of internal efficiency and emissions reduction projects. Finally, we are reducing our reliance on fossil-fuel-based electricity, for example through our participation in one of the largest aggregated virtual renewable power purchase agreements to date, as described in the Environment chapter. Our operating model for our offices and data centers means that we lease the majority of office space from third-party landlords and in colocation data centers, with limited-term leases and service agreements. This enables us to be flexible in the face of a changing climate and means that we are not exposed to the financial and strategic implications of climate change for property asset maintenance, repair and upgrade costs, or property valuation. Additionally, the implementation of effective work-from-anywhere strategies during the COVID-19 pandemic have increased our ability to be adaptable in the face of physical climate change.

Recommendations	Disclosure/Location
Risk Management	
Describe the organization's processes for identifying and assessing climate-related risks	In order to complete our 2021 climate risk screening we worked with a consulting partner to research potentially relevant risks and opportunities relevant to the company. We convened a working group of functional leaders with responsibilities across our value chain, including operations, supply chain, and products. Using the assessment framework outlined below, the working group rated each risk and opportunity as low, medium, or high assuming the absence of management strategies and programs to mitigate the risk or realize the opportunity. The working group also rated each risk and opportunity when taking account of the management strategies and programs in place or in development. The assessment considered: • Inherent Risk/Opportunity Rating • Likelihood—the frequency and/or probability of events/impacts arising • Impact—implications for revenue, operating costs, business continuity, safety, reputation, compliance Residual Risk/Opportunity Rating (adjustment of inherent rating taking into consideration): • Preparedness – how prepared (i.e., on track, plans in process, needs improvement) management is to effectively mitigate the risk or realize the opportunity, taking into consideration both active and developing plans High-rated residual risks and opportunities are those where we intend to focus additional investments to either mitigate the risk to an acceptable level or to realize opportunities. For medium-rated risks and opportunities, we plan to maintain current programs or implement plans to achieve "on track" status and monitor for changes in risk profile. For low-rated risks and opportunities, we plan to maintain any existing programs and periodically re-evaluate the risk/opportunity rating.

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Recommendations	Disclosure/Location
Risk Management	

Describe the organization's processes for managing climate-related risks	Our climate risk and opportunity management processes include:
	• Products and solutions
	  - Low Power Taskforce with executive oversight that is driving a 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
	• Physical climate change
	  - Business continuity and disaster recovery program, which helps us maintain a high degree of readiness for extreme events, including those driven by climate change
	  - Maintenance of buffer inventories of parts and finished goods within our hardware product supply chain
	  - Financial support to organizations working to create adaptation measures in the San Francisco Bay Area, the location of Synopsys' headquarters and the greatest concentration of Synopsys employees
	• Emissions footprint (transitional risks)
	  - Emissions Reduction Taskforce to provide oversight to our work to achieve our Scope 1 and 2 emissions reduction target
	  - Carbon neutral protocol certification, which serves to compensate for our operational footprint and place a cost on carbon, supporting the financial case for internal reduction measures and investment in renewable energy
	• Investing in renewable energy and energy efficiency projects including LEED certified workplaces, reducing our reliance on fossil fuels through investments in renewable energy projects
	• Requiring new vendors to disclose their GHG emissions

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	We intend to regularly evaluate our climate-related risks and in doing so, we plan to continue to improve processes used to identify, assess, and monitor risks and opportunities. Climate change was considered in Synopsys' company-wide risk prioritization process and will be overseen by the CSR Management Team with cross-functional engagement.

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Recommendations	Disclosure/Location
Metrics and Targets	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics we use to help us understand our exposure to climate-related risks and opportunities include: • Low power software products and solutions, delivering an additional 25% power reduction for systems on a chip over existing solutions used by our customers • Scope 1, 2, and 3 GHG emissions and progress towards our emissions reduction target • Annual costs to realize our carbon neutral commitment • Volume of customer and investor requests for information about our corporate climate strategies and performance, and evolving stakeholder expectations in this area • ESG ratings and rankings that include climate risk management indicators Once our renewable VPPA project comes online, we will track the financial performance of this "contract for differences" vehicle over time, and we anticipate that this monitoring will inform our future renewables investment strategies.
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Our Scope 1, Scope 2, and Scope 3 emissions are reported in the Environment chapter. Risks related to our emissions footprint include the potential for policy-driven carbon pricing, increasing expectations from stakeholders (e.g., employees, customers, and investors) for emissions disclosure and reduction, and regulation of corporate climate disclosure and reduction. We have assessed these risks as having a low residual risk rating considering the relatively low carbon intensity of our business and the management programs we have in place to reduce our footprint over time.
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Synopsys is committed to being a part of the transition to a lower-carbon economy. We have set a science-based emissions reduction target of reducing our Scope 1 and 2 emissions 25% by 2024 compared with a 2018 baseline. Progress towards this target is reported in the Driving Emissions Reduction section of our report. Synopsys has an ongoing initiative to reduce our global data center footprint through a strategy of optimization, consolidation, and decarbonization. We are targeting the closure of 38 less efficient on-premise data centers and transitioning operations to more efficient colocation data centers. As part of our low power platform, we are targeting enablement of >25% reduction in power for system on a chip over existing solutions used by our customers. Examples of products that are contributing towards this target are provided in the Enabling Low Power Computing section of our report.

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