



2022

Environmental, Social, and Governance Report



About This Report

Synopsys is about the future, driving innovations that transform how societies and individuals live. Our ambitions aim both high and wide, as we believe that taking seriously our responsibilities to all of our stakeholders—including our employees, our communities, and the planet—supports the success of our business and drives value for our stockholders. Through our Smart Future Environmental, Social, and Governance (ESG) strategy, Synopsys manages our direct impacts and uses our resources and influence to help make the world more sustainable, just, and secure. This Synopsys 2022 ESG Report covers our ESG performance for our fiscal year 2022, which began November 1, 2021, and ended October 31, 2022. The exceptions include our environmental performance data (calendar year 2021), social impact performance data (calendar year 2022), and as otherwise noted. We considered the recommended disclosures in the Sustainability Accounting Standards Board (SASB) Software & IT Services Standard when determining the content of this report. Our reporting

aligns with the Task Force on Climate-related Financial Disclosures (TCFD) and the United Nations Sustainable Development Goals (UN SDGs). This report has also been prepared with reference to the 2021 GRI Standards. Synopsys also reports separately to the CDP as a part of our disclosure efforts.

Synopsys employees around the world submitted photographs for potential inclusion in this year's report. Photos included in the report are credited to the corresponding Synopsys employee.

From CSR to ESG

Although Synopsys has a practice of reporting annually on our environmental, social, and governance activities and measures via Corporate Social Responsibility reports, this is the first year we're releasing a formally designated ESG Report – a move designed to better align our reporting with the information and data we believe is most relevant to our key stakeholders. We believe that reconfiguring this report will enable readers of our report to better understand the ways in which we assess and manage the ESG matters that are relevant to our business.

The content in this report is intended for multiple stakeholders, including our stockholders, 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 Report: 2021](#)

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Distributing This Report

We promote our report through:

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

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

This 2022 Environmental, Social, and Governance (ESG) Report contains forward-looking statements pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934 and other federal securities laws, and actual results could differ significantly. These statements are based on management's current opinions, expectations, beliefs, plans, objectives, assumptions, or projections regarding future events or results, including, but not limited to, our ESG strategies, initiatives and commitments; our business plans and strategy; our technology, products and services; ESG risks and opportunities; and our stakeholder engagement efforts. 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" 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 ESG goals and initiatives are important, we currently do not believe that such goals, initiatives, or risks are material to our financial results and results of operations, except to the extent referenced in our Annual Report on Form 10-K and subsequent 10-Q filings.

This report also contains human capital measures or objectives that may be different from or are in addition to the human capital measures or objectives that Synopsys is required to disclose in its U.S. Securities and Exchange Commission filings. For a discussion on human capital measures or objectives that Synopsys focuses on in managing its business, please see the "Human Capital Resources" section in our most recent [Annual Report on Form 10-K](#).

01 CEO Letter



In a Smart Future, human prosperity depends on processing power.

It's no exaggeration to say that Synopsys technology makes possible the faster, more efficient computing we will need for a sustainable, just, and secure future. The astonishing team here at Synopsys builds world-changing technology every day, but we do that work from a clear starting point: our commitment to maximize our positive impact on the world and use our influence to drive broad-based change.

In every field of human endeavor, technology holds the key to innovation and future success.

- As we learned during the pandemic, finding new antivirals and vaccines, identifying antibodies, discovering candidate drugs, and designing new testing regimes are all highly dependent on the ability to process vast amounts of data in increasingly sophisticated ways.
- Meanwhile, advances in automated cancer cell identification, which offer hope for a

revolution in treatment, are dependent on artificial intelligence (AI) running at massively improved speeds.

- Smarter technology built on faster computing holds the key to safer, self-driving vehicles, and ultimately radically improved industrial automation and efficiency.
- And as we work to better understand our future in a changing climate, the models that help us simulate the interplay of atmosphere, water, land, and human activity require processing power that takes the world's largest supercomputers and AI algorithms to their limits.

Synopsys stands by our promise to implement our Smart Future Environmental, Social, and Governance (ESG) strategy. This report sets out how we progressed on our Smart Future ambitions.



As you would expect, action on climate change has been front and center. Through our ongoing work to reduce the power consumption of chips, we're tackling greenhouse gas (GHG) emissions from the explosive growth in computing driven by cloud and AI. We submitted more ambitious GHG emissions reduction goals to the Science Based Targets initiative (SBTi), and I was excited to see our virtual power purchase agreement for wind energy come online in summer 2022, securing 15 megawatts of clean power. We also initiated our first renewable energy procurement contract in India, acquiring approximately 400,000 kilowatt hours of clean energy for that market, and began including renewable energy commitments as part of our contracts with data center providers.

Collaboration and industry partnerships are essential if we're going to continue to pave the path of digital solutions to sustainability challenges. So, in 2022, we became part of 21 companies and organizations that pledged to the U.S. Department of Energy to increase semiconductor energy efficiency by a factor of 1,000 over the next 20 years, through the [Energy Efficiency Scaling for 2 Decades \(EES2\)](#) initiative. Initiatives such as EES2, along with commitments by other companies in the semiconductor ecosystem to mitigate their

impact on our climate, are important actions toward a more sustainable future.

Throughout 2022, we also continued to build our culture of innovation and invest in our most critical asset: our people. Through training, we are developing next-generation leaders to fuel next-generation technology. In 2022, approximately 55% of managers completed Compass, a leadership development essentials course, and over 86% of managers completed our Inclusive Leader training course. Synopsys was formed with the foundation of operating with integrity and execution excellence, and we are proud that these remain the bedrock of the company 36 years later.

Synopsys remains steadfast in our commitment to building a more diverse talent pipeline, increasing awareness around inclusion and diversity, and demonstrating the positive impact of a more inclusive culture. In line with our inclusion and diversity goals, we increased representation of women in all roles to 24.9% of our global workforce. We also increased representation of Black, Latinx, and Indigenous (BLI) employees in our U.S. workforce to nearly 6%. We were delighted to see our Employee Resource Groups (ERGs)

grow and our employees also launched a new Next Gen ERG for young professionals in South Asia.

2023 will find Synopsys continuing to proceed with vigor and ambition. A detailed roadmap will set out how we will tackle our Scope 1, 2, and 3 GHG emissions, and include steps to engage our supply chain partners in setting their own science-based emissions reduction targets. We will continue to revise and strengthen our business continuity plans to protect us against growing risks from geopolitical instability, economic crises, public health threats, and climate change. Above all, we'll continue to combine the power of science and technology with our values-based culture to help realize a sustainable, just, and secure future for everyone.

Sincerely,



Aart de Geus,

Chair and Chief Executive Officer



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About Synopsys

2022 by the Numbers

From Silicon to Software—It's What We Do

Creating a SMART FUTURE Together

2022 Progress: SMART FUTURE



At Synopsys, our culture of continuous research and innovation has produced the world's most advanced technologies for chip design and verification, IP integration, and software security and quality testing. Working together with our customers, we're changing the way people live, work, and play via transformative technologies such as AI, autonomous vehicles, the cloud, the metaverse, and 5G.



Synopsys is an innovator in technologies shaping our world



Software that's powering the digital transformation

Virtually all companies differentiate via software



Analytics that are uncovering new insights

Analytics point the way, including toward building and maintaining products more effectively



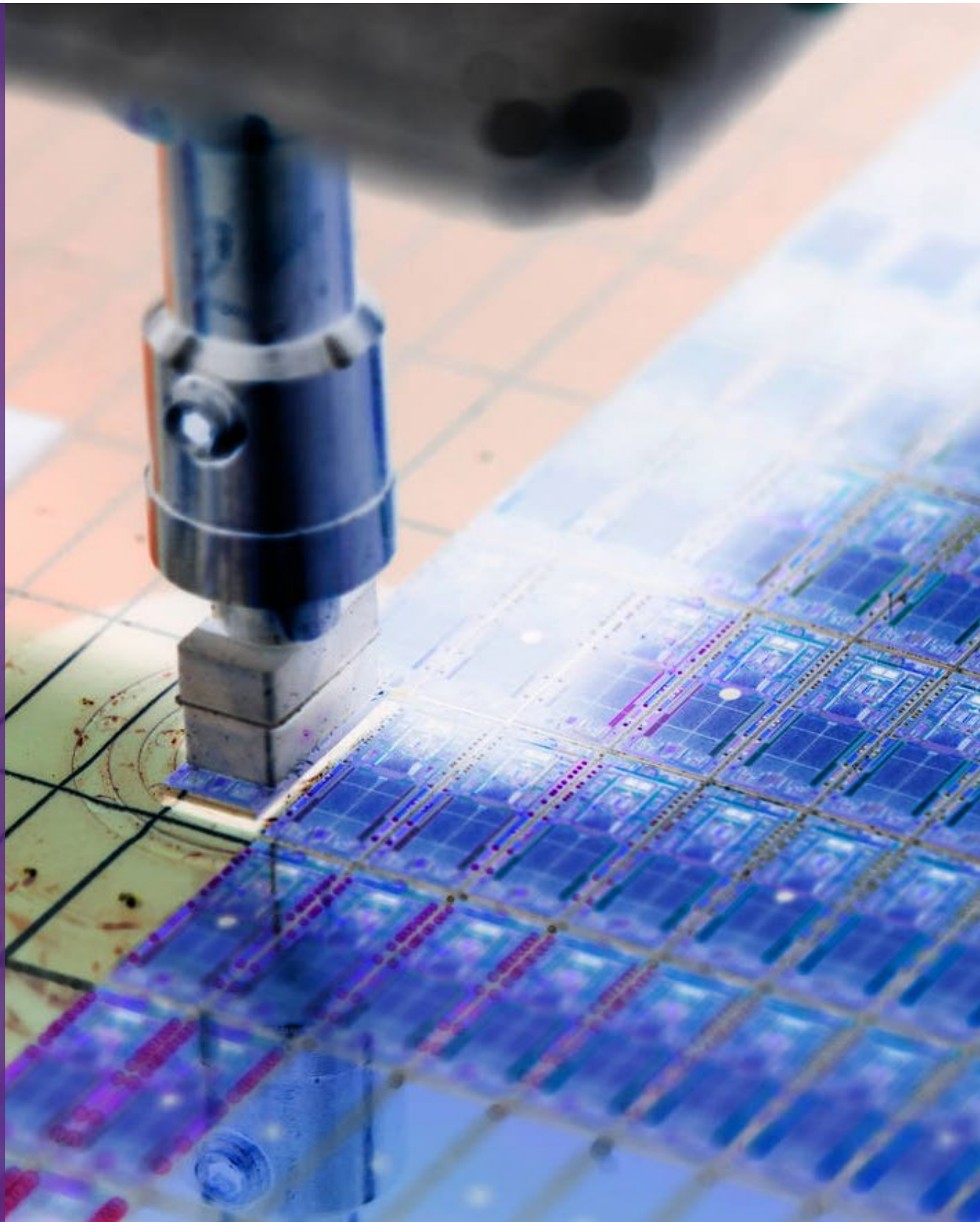
Chips that are differentiating the experience

Advanced chips' massive processing power is bringing new software inventions to life



AI that's accelerating everything

Beyond enabling Smart Everything, AI also enables faster and more efficient chip designs



2022 by the Numbers



125

global offices



3,386

active patents



19,008

employees globally
(26% U.S., 74% non-U.S.)



\$5.08B

annual revenue



80%

engineers, over half with
master's degrees or PhDs



33%

of revenue devoted
to R&D

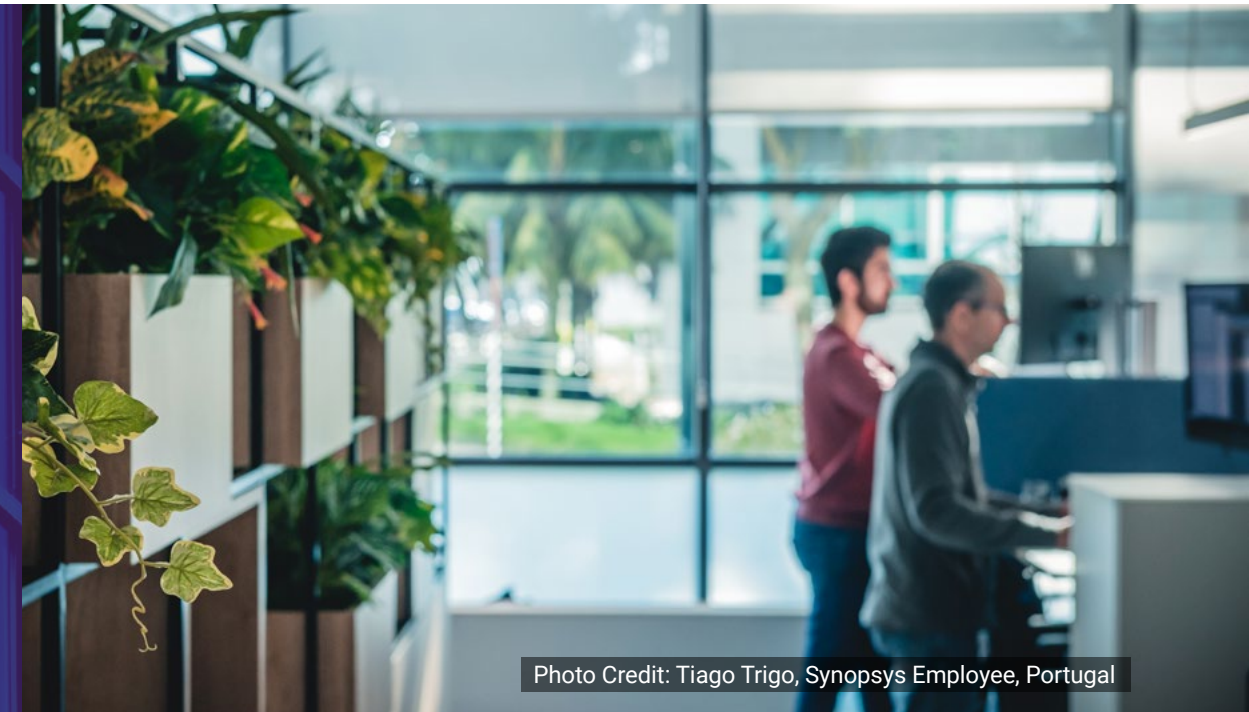
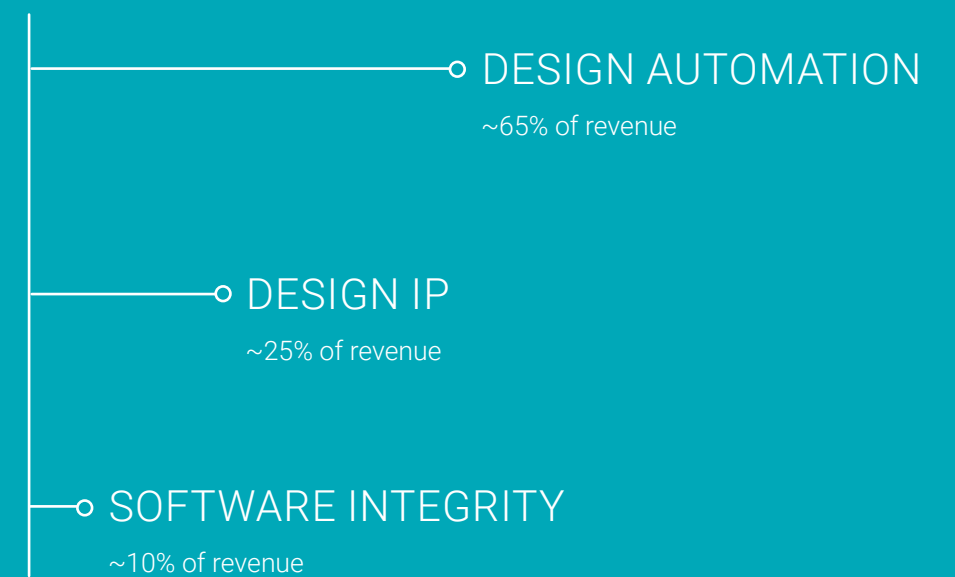


Photo Credit: Tiago Trigo, Synopsys Employee, Portugal

Revenue Breakdown



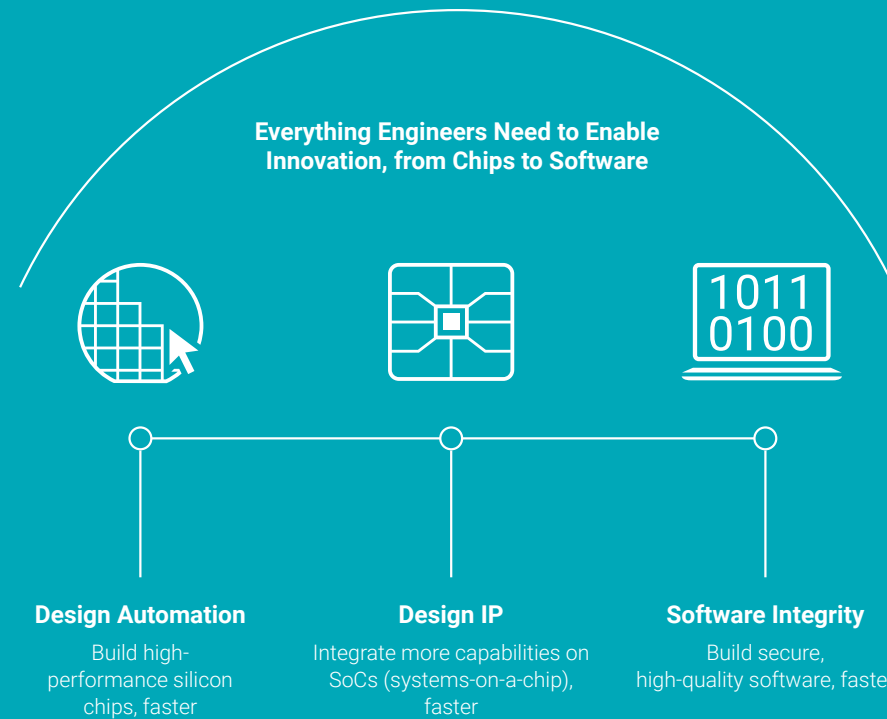
From Silicon to Software—It’s What We Do

Synopsys technology is at the heart of innovations that are changing the way we work and play. Autonomous vehicles. Artificial intelligence. The cloud. 5G. These breakthroughs are ushering in the era of Smart Everything - where devices are getting smarter, everything’s connected, and everything must be secure. Synopsys is at the forefront of Smart Everything with technologies that help our customers innovate from silicon to software so they can deliver Smart Everything.

We’re the world’s leading provider of solutions for designing and verifying advanced silicon chips, the software that runs on those chips, and the next-generation processes and models to manufacture them. Our design technologies maximize productivity while optimizing for reliability, power, performance, speed, and cost. Our chip verification technologies cut months off customers’ project schedules. We offer the world’s broadest portfolio of silicon IP—pre-designed blocks of logic, memory, interfaces, analog, security, and embedded processors that broaden our customers’ capabilities and reduce integration risk. Our static analysis, software composition analysis, and dynamic analysis solutions help customers build security and quality into their software code’s DNA. And our cloud technology gives companies virtually unlimited computing resources to use our products, when and where they’re needed.

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 AI, autonomous vehicles, the cloud, and 5G.



Our Values

For more than 30 years our core values have been the foundation of our culture—Integrity, Execution Excellence, Leadership, and Passion. But we’re also always looking ahead, at what’s next for us. That’s why we bring our values to life with a “Yes, if” mindset – which means we never see solving a problem as impossible. We challenge ourselves and each other to simply shift our perspectives to see how we can make it possible.



2022 Product Innovation Highlights

Our Silicon to Software Solutions empower our customers to drive advancements across application areas, including AI, high-performance compute, cybersecurity, healthcare, data center sustainability, and automotive, including autonomous vehicles. Using [holistic design approaches](#) we're making technology smarter, more secure, and more power efficient. From protecting data to verifying chips, developing software and hardware designs, building in sustainability, and advancing 3D image processing, our innovations help customers meet their goals and accelerate their own innovations.

In 2022, we introduced several new products to help drive our future business growth, including:

- **Synopsys Cloud**, the industry's first cloud-optimized electronic design automation (EDA) model, delivering unparalleled levels of chip and system design flexibility and efficiency via a single-source, pay-as-you-go approach
- **Golden Signoff ECO Solution**, which delivers 10x productivity improvement over traditional engineering change order (ECO) solutions
- **Synopsys Code Sight™ Standard Edition with IntelliJ support**, which enables developers to test code in real time as they write it
- **DesignDash**, a data-visibility and machine-intelligence-guided optimization solution delivering a real-time, unified, 360-degree view of all system-on-a-chip (SoC) design activities
- **Synopsys ARC® NPX6 and NPX6FS NPU IP**, a new neural processing unit (NPU) IP and toolchain that deliver the industry's highest performance and support for automotive, consumer, and data center chip designs



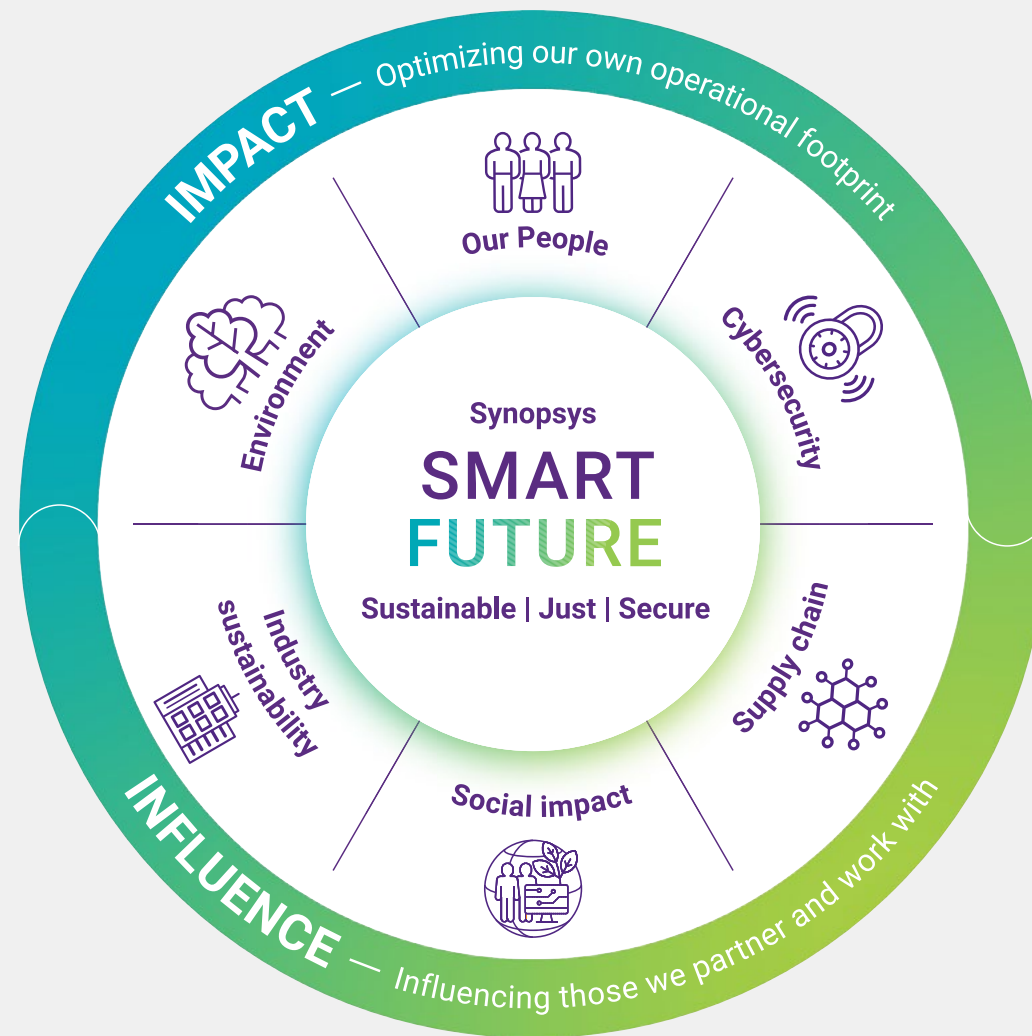
Synopsys' Awards for Fiscal 2022

- **TSMC 2022 OIP Ecosystem Forum: Six Partner of the Year awards**, spanning digital and custom design, IP, and cloud-based solutions
- **2022 Gartner Critical Capabilities for Application Security Testing Report**: Highest scores across five use cases
- **2022 Gartner® Magic Quadrant™ for Application Security Testing**: Named a leader for the sixth consecutive year
- **CRN 2022 Partner Program Guide**: 5-star rating
- **2021 World Electronics Achievement Awards**: Product of the Year honor in the EDA/software category, for our PrimeShield™ design robustness solution
- **TSMC Open Innovation Platform (OIP) Partner of the Year Awards**: Recognized for Interface IP, joint development of 4nm design infrastructure, and joint development of 3DFabric™ design solution

Creating a SMART FUTURE Together

Shaping the future of Smart Everything brings great opportunities and important responsibilities – the future is not smart if it is not sustainable, just, and secure. Our Smart Future ESG strategy provides a framework for how we address our own operational impact on the world and our ability to influence others to do the same. We leverage our strategy and our corporate governance processes to assess and manage the ESG matters that are relevant to our business. By focusing on the resilience of our business and taking into account the interests of our key stakeholders—including our customers, employees, business partners, and local communities—we believe we will ultimately drive business success and generate value for our stockholders, and at the same time, make meaningful progress with respect to environmental and social issues within our ecosystem, such as climate action, inclusion and diversity in our workforce, and social impact in our communities.

Smart Future Strategy



How We Manage ESG

Synopsisys' Smart Future strategy is overseen by the ESG Management Team, with support from the ESG Leadership Committee. The ESG Leadership Committee includes executives from across our business who are tasked with driving Synopsisys' ESG performance and ensuring implementation of our Smart Future strategy in their respective areas of responsibility.

Our Corporate Governance and Nominating (CGN) Committee is responsible for overseeing policies, practices, priority and risk assessments, risk management, initiatives, goals and progress toward goals and public disclosures relating to ESG matters, except to the extent delegated to other committees of the Board, such as matters related to human capital management and diversity, equity and inclusion. The ESG Management Team provides updates to the CGN Committee as well as the full Board of Directors. These updates allow us to inform and educate the Board on topics such as our GHG emissions reduction strategy and targets and ESG-focused regulatory requirements and proposals around the world. We aim to continue to connect stakeholders across the business and integrate ESG more strategically into our corporate governance process.

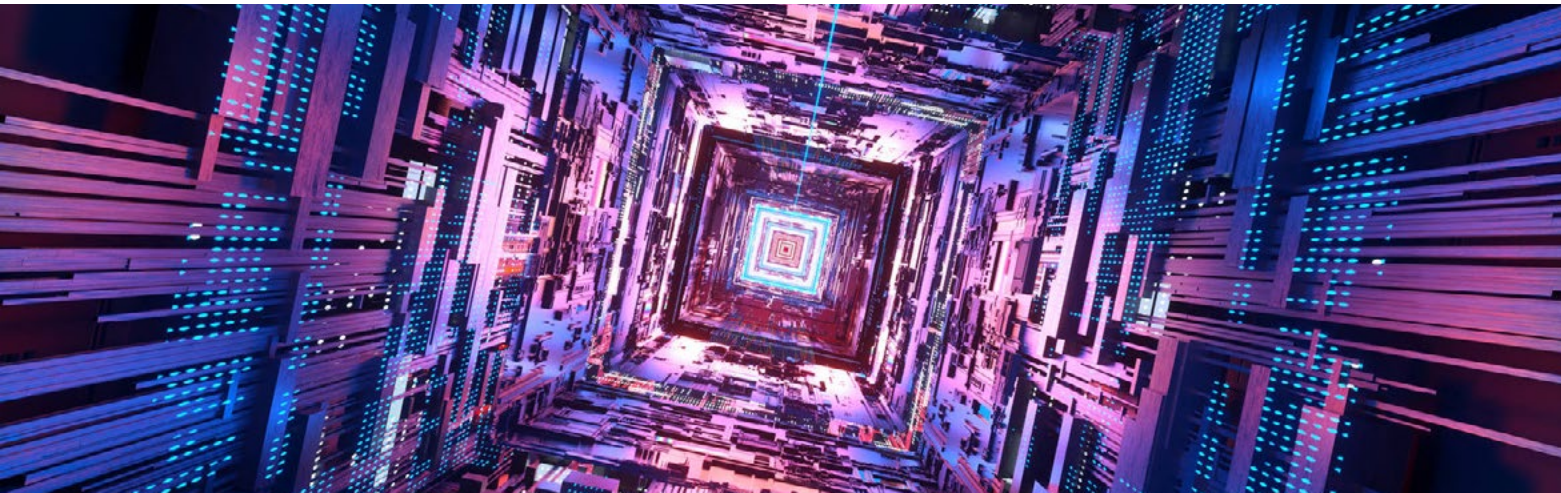
ESG Governance Structure



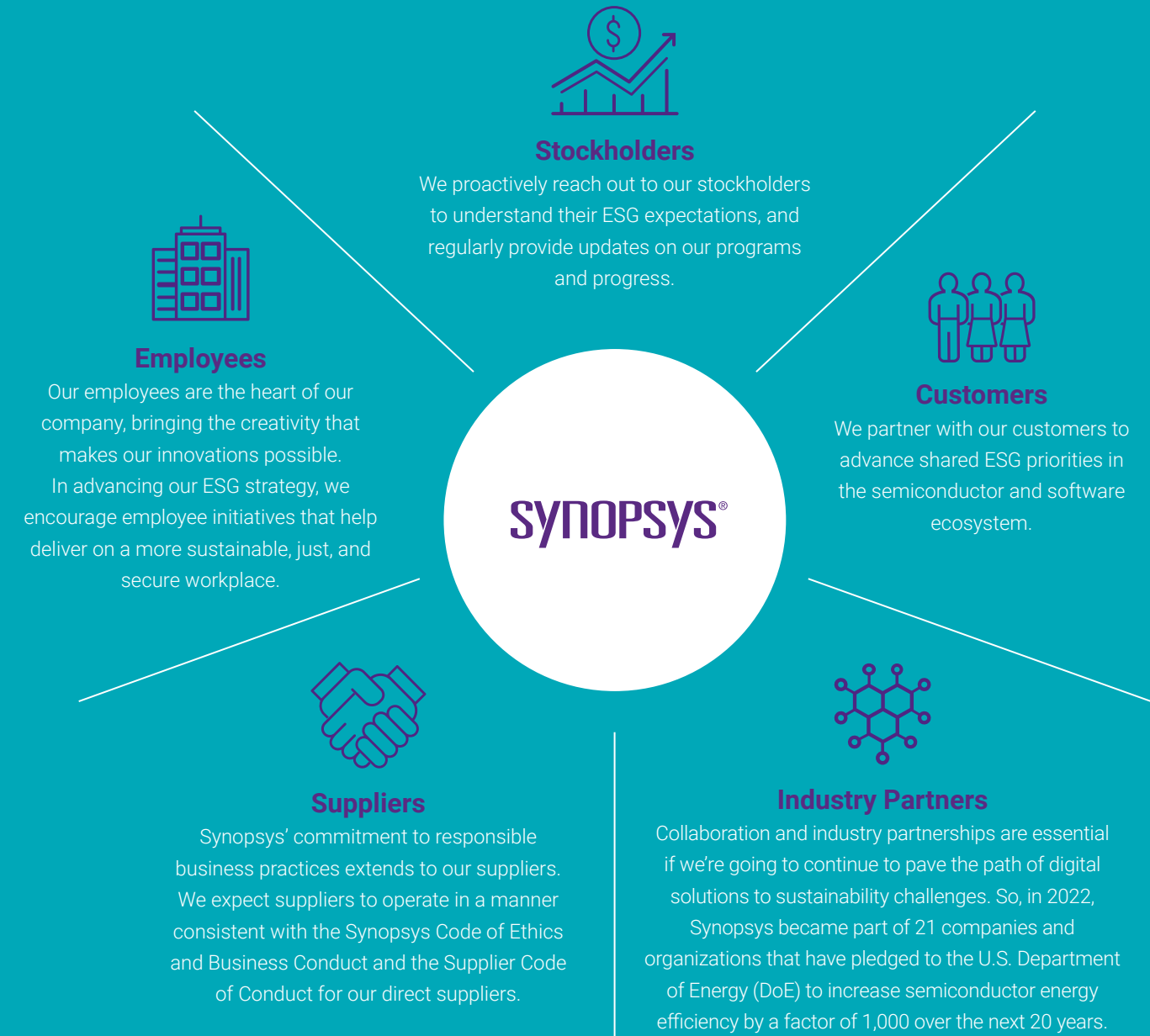
Engaging Our Stakeholders

In 2018, we conducted our first assessment to help us identify priority ESG topics for our strategy. In late 2022, we embarked on a priority assessment refresh exercise to understand whether and how our priority focus areas need to shift to best manage issues of greatest impact for our company and stakeholders. To be finalized in 2023, our priority refresh will incorporate feedback from key stakeholders on our performance and will include updated expectations around mandatory ESG disclosures. We will continue to review and adjust our strategy, management, and disclosure practices in alignment with emerging expectations, regulations, and best practice standards.

In addition to our priority assessment, we engage with key stakeholders on an ongoing basis to get their perspectives on our ESG strategy, policies, and programs and help guide our Smart Future impact and influence.



Engaging Key Stakeholders



Learn more about the ESG priority topics we're managing through our Smart Future strategy [here](#).

2022 Progress: SMART FUTURE

INCLUDING BUT NOT LIMITED TO:

- **Environment:** Submitted new Scope 1, 2 and 3 GHG emissions targets to the SBTi and achieved CarbonNeutral® company certification for our global operations for the fourth consecutive year
- **Inclusion and Diversity:** Increased the overall representation of women in senior roles for five straight years, and increased Black, Latinx and Indigenous (BLI) representation in our U.S. workforce by approximately 30% from fiscal 2021
- **Synopsisys for Good:** Conducted a three-week Season of Service volunteer program with 52 projects around the world and celebrated the company's 35th anniversary by providing a 2:1 match to 35 organizations
- **Supply Chain:** Added renewable energy commitments to our data center vendor agreements and developed ESG criteria for our indirect procurement Request for Proposal process



03 Environment

2022 Environment Highlights

Innovation for a Greener World

Addressing Our Own Operational Impact

Assessing Climate Risks and Opportunities

2023 Environment Goals



Photo Credit: Erika Varga McEnroe, Synopsys Employee, United States

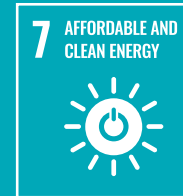
Every year, businesses face escalating calls to not only join but lead the transition to a low-carbon economy. We hear those calls, and we agree.

Through our technologies, we're empowering our customers to design more energy efficient and powerful chips that enable new applications and product lines, expanding our circle of impact worldwide. We are also working to influence greener practices across our supply chain and the wider technology industry, and through continual internal optimization, we're driving down our own environmental impacts—supporting key environmental advances for people, communities, and the planet while driving business success.

We believe a Smart Future is a sustainable future, and we're working to make it a reality.

Photo Credit: Kiran Maddhula, Synopsys Employee, India

UN SDG Alignment



7 AFFORDABLE AND CLEAN ENERGY

Synopsys invests in innovative energy efficiency solutions across our value chain, from our operations and data centers to our research and development of low power solutions for our customers. We engage our facilities in energy efficiency projects and are enabling new grid-scale renewable energy through participation in a major aggregated virtual power purchase agreement (VPPA). We have also prioritized clean energy for our data centers. In 2022, we included language in our data center providers' master service agreements mandating that providers affirm a significant commitment to renewables before we begin any new contract.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our products connect our customers to innovative technological solutions, including mechanisms that safeguard data privacy and build a more resilient, sustainable global infrastructure for all. We envision a future powered by Synopsys technologies that enable reduced energy and emissions footprints for our customers.



13 CLIMATE ACTION

We are committed to doing our part to limit global warming to 1.5° Celsius above pre-industrial levels. We are an SBTi participant and have submitted near-term targets for SBTi's review and validation. To continue improving emissions measurement and inform reduction of our environmental impacts, we have expanded our GHG emissions inventory and are developing initiatives to address Scope 3 emissions related to employee travel, supply chain, and use of sold hardware products—the latter through innovative low power solutions that help our customers reduce their own products' energy consumption throughout the product life cycle.

See our [UN SDG Index](#) to learn more about how Synopsys' environmental strategy supports these SDGs.

2022 Environment Highlights

↓ 30%

Customers using our Design Space Optimization AI (DSO.ai) application achieved up to a 30% power consumption reduction in chip design, shorter turnaround times, and less use of compute resources

4 Years

Achieved CarbonNeutral® company certification for our global operations for the fourth consecutive year

1.3M Sq Ft

Advanced our commitment to sustainable construction, with 1.3 million square feet of LEED-certified office space, globally

25%

Low power platform to enable an additional 25% power consumption reduction for customer's SoCs

SBTi Commitment

Established new GHG emissions reduction targets and submitted these for SBTi review and validation

Scope 3

Expanded our GHG inventory to include additional Scope 3 emissions categories

40K MWhs

Began sourcing 40,000 megawatt hours (MWhs) of renewable energy per year for our North American offices and data centers

Renewable Energy

Added language to our data center provider agreements detailing our commitment to renewable energy

Carbon Offset Projects

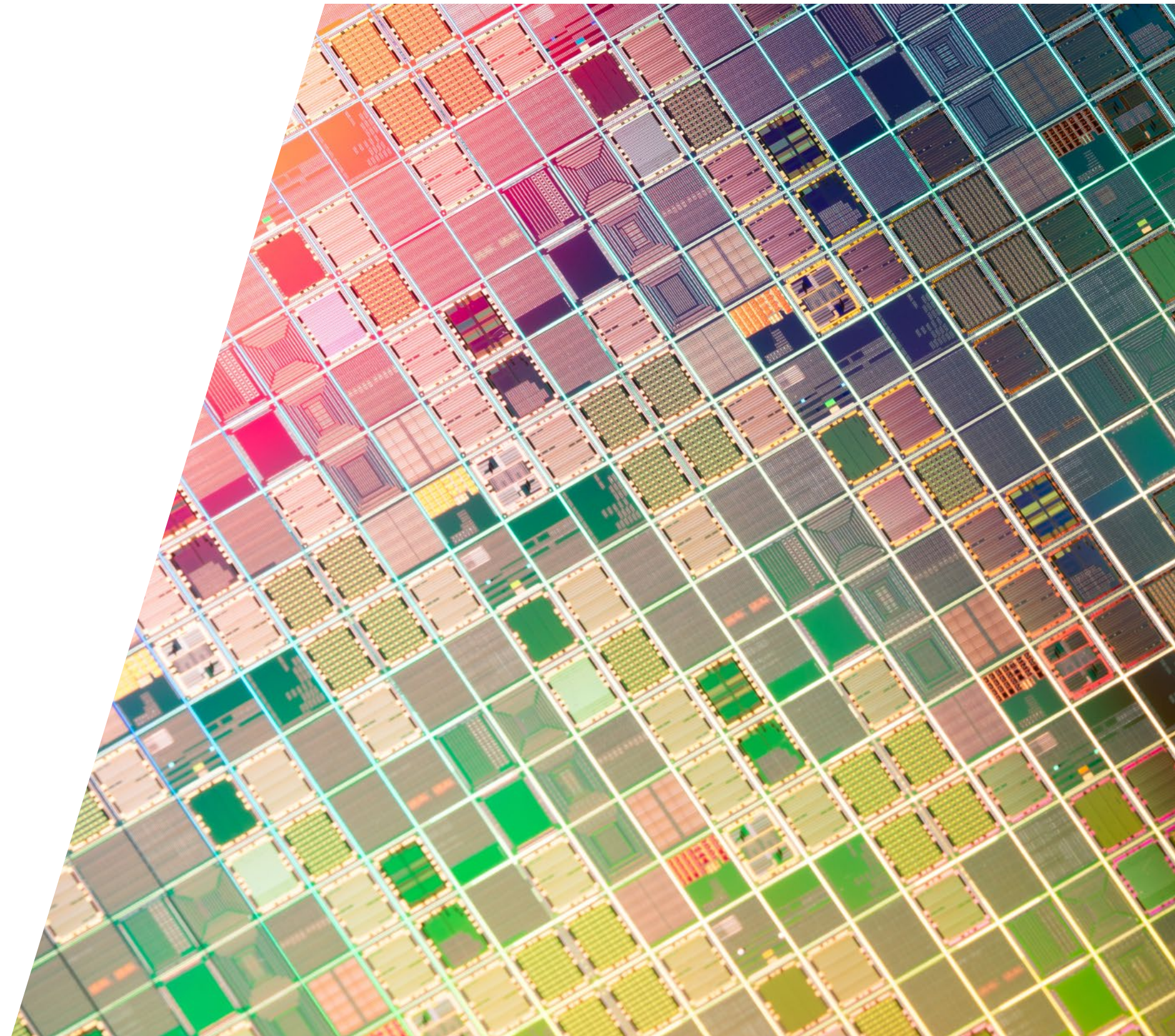
Invested in 4 carbon offset projects through our partnership with Climate Impact Partners

Innovation for a Greener World

Throughout our 36-year history, Synopsys' chip and software innovations have helped to connect companies around the world with smarter technology and achieve greater speed, power efficiency, reliability, and security. From silicon to software, Synopsys is enabling the world to become more digitized, connected, and intelligent, but the shift comes at a cost. Hyperscale data centers and the explosion of internet traffic have driven up energy consumption even as the world finally approaches consensus on reducing fossil fuel use and embracing renewables.

We're already experiencing the effects of a changing climate—torrential flooding, devastating wildfires, and prolonged droughts, just to name a few. We know that every day we fail to act brings us closer to a tipping point with even worse consequences. So what can we do to create a more sustainable, energy-efficient world?

Innovation led us to where we are today, and innovation can put us on a more viable path. From improving the way we produce and deliver energy to changing how we design electronic systems, there are measures our industry can take right now to ensure that all we've built will endure. Synopsys is doing our part, innovating products and solutions that enable our customers to drive radical energy efficiencies in their chip designs and products.





A Holistic Approach to Energy-Efficient Design

Using Synopsys' end-to-end design and verification solutions, our customers have demonstrated significant energy efficiency gains by applying a holistic, software-driven approach across design phases, from architecture to sign-off.

SOFTWARE

The software does a lot of the heavy lifting, orchestrating power management in the chip and determining critical scenarios for power analysis and optimization during SoC design. To ensure maximum energy efficiency in the SoC, it's therefore critical to profile and optimize the software.

ARCHITECTURE

Power management strategies such as dynamic voltage and frequency scaling (DVFS), power domains, and voltage islands

can bring substantial energy savings. Along with these strategies, macro-architectural tradeoffs for power-performance, as well as intelligent IP selection, can deliver power savings of 30% to 50%.

LOGIC DESIGN

Power savings of 15% to 30% can be achieved through micro-architectural tradeoffs for clock, data, memory, and glitch power, and through finding and fixing register transfer level (RTL) power blocks and using tool-guided clock gating, data gating, and memory sizing.

IMPLEMENTATION

10% to 15% power savings can be achieved by applying automatic optimization in areas such as dynamic and leakage power, power-aware test pattern generation, and power integrity with power, performance, and area (PPA) tradeoffs.

SIGNOFF

An approach centered on signoff for power and power integrity targets, along with dynamic and leakage power recovery with surgically precise engineering change order (ECO) changes, can yield 5% to 10% power savings.

VERIFICATION

Centering verification efforts on the verification of Unified Power Format (UPF) power intent and UPF-driven functional verification can contribute to greater energy efficiency.

Click [here](#) for a deeper dive into how Synopsys technologies are driving energy efficiencies and a more sustainable world.

Driving Efficiencies Through AI

AI is changing our lives. From technologies like self-driving cars and smart wearables, to advanced voice recognition behavioral and predictive algorithms that speed and simplify tasks behind the scenes. Every day, AI models become more complex, delivering world-changing capabilities. Over just the past two years, Transformer Models have become 275 times more complex, able to extract meaning from content with less need for human intervention.

As AI models become more complex, the power required to run them increases. Training a single model can consume energy equivalent to multiple U.S. households' annual footprint.

Addressing this energy usage is a major focus for AI research, and at Synopsys we're solving the challenge using the most powerful tool at our disposal: AI itself.

Synopsys' **Design Space Optimization AI (DSO.ai)** is our flagship chip-design application. We have designed it so that our customers can search through billions of potential optimization solutions across chip design, utilizing reinforcement learning to reduce energy consumption and enhance performance. Results reported by our customers include 25% reduction in turnaround time and compute resources and up to 30% power reduction.

Learn more about Synopsys' [AI Solutions](#).

“Our collaboration with Synopsys on DSO.ai exemplifies how AI can lead to disruptive design solutions, revolutionizing the way we design automotive products.”

— Satoshi Shibatani, Director, Digital Design Technology Department, Renesas

Photo Credit: Nakul Jain, Synopsys Employee, India



Low Power Computing

Synopsys has been working on a software-driven low power platform of products and solutions that allow our customers to achieve an additional 25% power reduction for the systems-on-a-chip (SoCs) they design. Through this 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 also use less energy per unit of work they do.

We enable our customers to achieve an additional **25% power reduction** for their SoCs.

Reducing Power at the Design Stage

Complex interactions between a hardware system and its software can have a dramatic impact on the system's power use. Until recently, the options for gauging software's power impact in the design stage were limited. One option was to run numerous software simulation scenarios on the target design—a costly and time consuming process. Emulation technology yielded faster results, but the technology is primarily aimed at functional verification of the target system. Tuning it to measure power consumption typically requires additional modeling and calculations that can also be time consuming and error prone.

To address this, Synopsys' developed **ZeBu Empower**, the industry's first and only emulation system purpose-built for power profiling. Developed for the scale and complexity of large vector sizes and complex billion-gate designs, ZeBu Empower's emulation hardware and software is architected to achieve maximum

throughput for design teams that need multiple iterations per day. The power profiles generated by ZeBu Empower provide actionable information that help hardware design teams find power bugs and improve hardware architectures. For the first time, software teams can optimize their operating systems and drivers to minimize overall power consumption. The result is lower power products for more applications.



Photo Credit: Tiago Trigo, Synopsys Employee, Portugal

Delivering Low Power Processor IP

The core technology, or Neural Processing Units (NPUs), that run AI algorithms provide an important opportunity to optimize system performance and energy efficiency. To realize these gains, Synopsys developed the ARC NPX6 and NPX6FS NPUs.

These devices deliver the industry's highest performance and support for the latest, most complex neural network models. The ARC NPX6 NPU addresses the demands of real-time compute with ultra-low power consumption for AI applications. The ARC NPX6FS NPU meets stringent functional safety requirements for automotive applications, while its power efficiency helps conserve electric vehicles' battery charge and driving range.

A comprehensive development environment is part of the product, making software development and validation more efficient and reliable. Major companies such as Infineon and Kyocera rely on Synopsys processors to build their products.



Addressing Our Own Operational Impact

Environment Strategy and Management Approach

Our ESG Management Team propels Synopsys' environmental strategy and guides its execution, with input and direction from the executive-led Emissions Reduction Task Force and cross-functional ESG Leadership Committee. We review performance against our goals and adjust our approach as needed.

Across Synopsys' operations, we focus on measuring and reporting our energy use, identifying improvement opportunities, and taking specific decarbonization actions to meet our emissions reduction targets and achieve CarbonNeutral® company certification, annually. We also incorporate sustainability into the design and operation of our facilities and work to mitigate global electronic waste. Our contracting and procurement processes aim to advance sustainability by seeking partners that demonstrate their own

sustainability commitment. To set environmental expectations in our hardware supply chain, we leverage industry collaborations such as the Responsible Business Alliance (RBA).

In 2022, we elevated and expanded the ambition of our climate commitments, developing new near-term Scope 1, 2, and 3 targets aligned with SBTi. We have submitted these targets to SBTi and expect to receive their review and validation in 2023.



Photo Credit: Kiran Maddhula, Synopsys Employee, India

Expanding Greenhouse Gas Emissions Commitments

In 2020, we committed to reduce our Scope 1 and 2 emissions by 25% by 2024 from a 2018 baseline.

In spite of an over 35% increase in revenue and an increase in employee headcount of almost 25% from 2018 to 2021, our Scope 1 and 2 emissions were just 0.2% higher than our 2018 base year emissions. While we have made progress with emissions, our progress was less than we anticipated due to greater than projected growth of the business as well as a change in the fuel mix for the electricity supplied to our California colocated data center. This change was derived from a drop in the availability of hydropower used by the utility supplier to produce low-carbon electricity, due to water shortages and wildfires. As a result, the utility was forced to meet power demands by employing fossil-fuel-based energy such as natural gas, which significantly increased the emissions intensity of the electricity supply for our data center. If this situation had not arisen, our 2021 emissions would have registered 14% below our 2018 emissions.

In 2022, our decision to join SBTi and to align our goals with limiting global warming to 1.5°C above pre-industrial levels, required an update to our Scope 1 and 2 emissions commitment, as SBTi requires the target year to be at least five years into the future. We have now submitted a new target for SBTi for review. We will continue our annual emissions inventory and review against our target.

In addition to resetting our Scope 1 and 2 target, we are expanding our emissions reduction commitments to capture almost 70% of our total base-year Scope 3 emissions. These new Scope 3 commitments extend across our value chain and target intensity reductions in emissions from employee travel and customer use of our sold hardware products. We are also committing to engage our vendors to promote increased adoption of science-based targets in our supply chain. We look forward to publicly announcing our new targets following SBTi's review.

Green Teams: Engaging for the Environment

In 2022, Synopsisys' employee-led Green Teams continued bringing our people together to advance sustainable practices and reduce environmental impacts at both the local and global levels.

At **Synopsisys Armenia**, a Green Team led the company's efforts to introduce waste sorting and recycling in our offices—part of a movement of corporate, NGO, and volunteer efforts that helped pioneer recycling across the country in 2022. Synopsisys Armenia also continued its annual efforts with My Forest Armenia to help replant trees in forests that were harvested for firewood during crises in the 1990s. Synopsisys has been working with My Forest Armenia to estimate emissions reduction from planted trees to date and future tree-planting efforts.



Photo Credit: Gayane Markosyan,
Synopsisys Employee, Armenia

GHG Emissions Summary Table

	CY2019 MTCO ₂ e*	CY2020 MTCO ₂ e	CY2021 MTCO ₂ e
SCOPE 1 EMISSIONS			
Fugitive Emissions (Refrigerants)	1,159	1,400	1,601
Natural Gas Combustion	2,942	1,232	2,340
Diesel Fuel Combustion	14	14	38
Mobile Emissions	694	396	125
TOTAL SCOPE 1	4,809	3,041	4,104
SCOPE 2 EMISSIONS (PURCHASED ELECTRICITY)			
Offices	17,385	12,748	13,636
Colocated Data Centers	11,500	10,143	16,582
TOTAL SCOPE 2 (MARKET)	28,885	22,891	30,218
SCOPE 3 EMISSIONS			
Air & Road Business Travel	28,244	6,602	2,200
Employee Commute	22,884	7,360	5,514
Employee Work-from-Home	-	3,636	3,749
Fuel and Energy Related Activities	8,639	5,794	8,072
Operational Waste	538	144	777
Product Transport	1,550	1,060	2,401
End-of-Life of Sold Products	6	4	10
TOTAL SCOPE 3	61,860	24,600	22,723
TOTAL EMISSIONS	95,554	50,532	57,044

* Prior years updated due to changes in methodology.

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.



Growing Our Renewable Energy Portfolio

In summer 2022, Enel Green Power's **Azure Sky hybrid wind project** came online in Throckmorton County, Texas. Combining a 350 megawatt (MW) wind farm with a 180 megawatt-hour (MWh) battery storage facility, the project is expected to generate approximately 1.3 terawatt hours (TWhs) of renewable energy annually—enough to power more than 118,000 U.S. households and save more than 842,000 tons of CO₂ emissions annually.

Synopsisys has been integral to Azure Sky's development. Along with three other companies, we signed one of the largest corporate aggregated virtual power purchase agreements (VPPA) at the time in the U.S. This agreement secured for Synopsisys a portion of the project's output, representing approximately 40,000 MWhs per year, approximately 50% of our 2022 North American energy demand. Since Azure Sky began operations, monthly reporting has shown Synopsisys achieving financially positive returns on its contract, validating both our investment and our commitment to climate action through innovation, partnership, and collaboration.

Globally, we continue to explore new renewables procurement opportunities across our operating regions. In Bangalore, India, we signed a power purchase agreement (PPA) for 400,000 kilowatt hours of wind capacity per month. Our current commitment covers the period of March 2023 to March 2025, with the option to renew. We are exploring short- and longer-term contract options for our other India office locations, as market conditions and economic feasibility allow. We are also in the process of securing a Solar Power agreement, which will be an alternate source to the existing wind power supply in Bangalore.



Photo Credit: Erika Varga McEnroe, Synopsisys Employee, United States

Boosting Data Center Sustainability

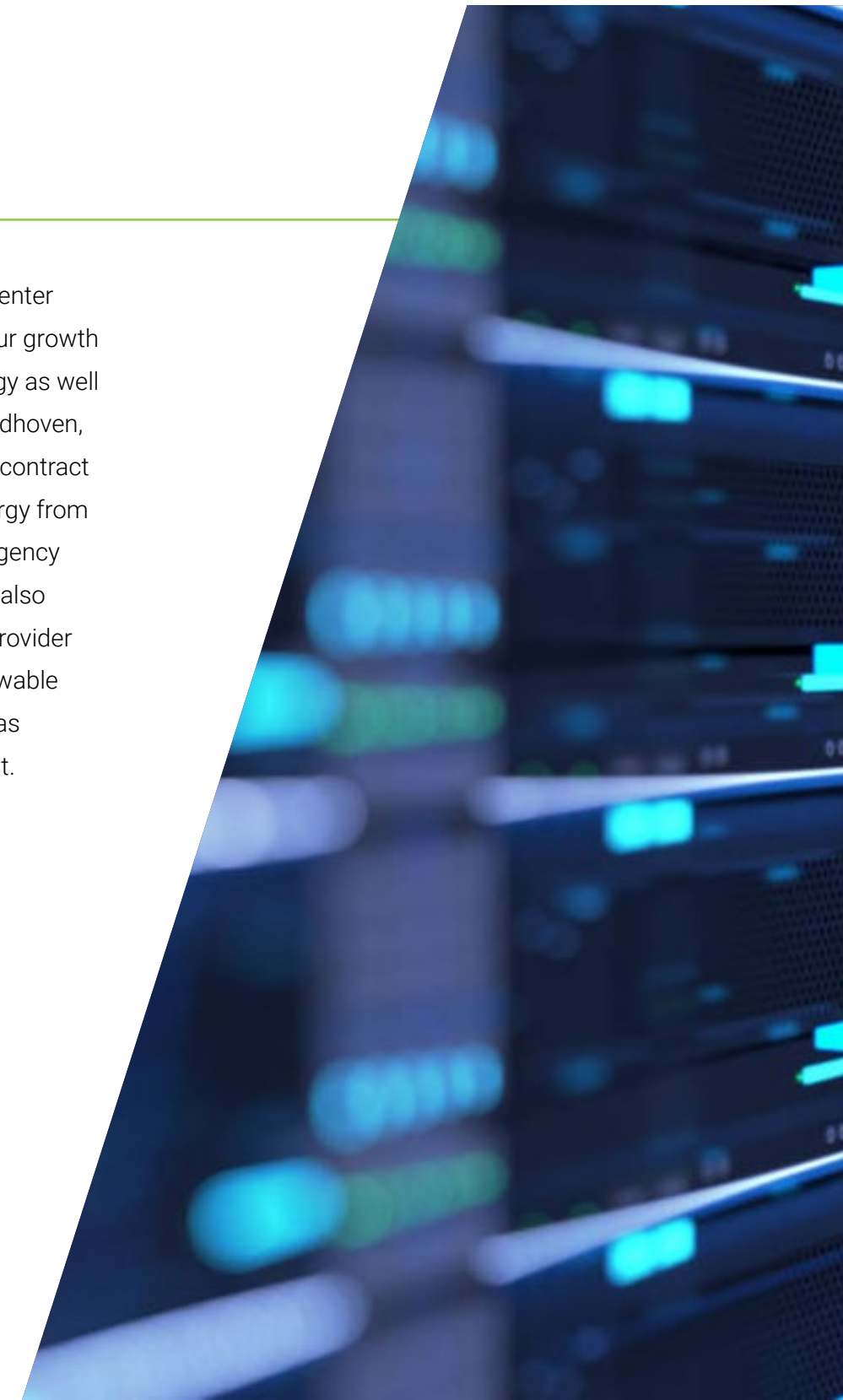
In 2022, we progressed a multi-year initiative to optimize our global data center footprint, working internally across business units and externally with our vendors to consolidate and decarbonize these operations while continuing to support rapid business growth.

Over the course of the year, we closed 10 inefficient on-premise data centers, bringing our total closures to 21 since summer 2021. Largely acquired through mergers and acquisitions, these on-premise centers are frequently equipped with outdated servers and other technology, are inefficiently cooled, and are located in regions where the grids continue to rely on more carbon-intensive energy sources. Based on our current plans, by 2024, our optimization initiative will have transitioned 1.58 MW of data processing capacity to assets and colocation providers that are both more energy-efficient and located in regions with less carbon-intensive grids.

To give us direct, real-time visibility into data center power usage—down to the level of each individual server in a given rack—in 2022 we began using the Sunbird **Data Center Infrastructure Management (DCIM)** tool for all of our owned data center assets. Using this tool, our teams can optimize power-intensive cooling to achieve greater than 90% efficiency.

In addition to managing our consumption at the server level, we are also addressing energy inflows. To extend our renewable energy commitments through our data center partners, we have begun including language in our data center providers' **master service agreements** requiring that providers affirm a significant commitment to renewables before beginning any new contract with Synopsys. Ideally, this will provide for 100% renewable energy unless prohibited by regulatory/market availability, in which case we will work internally to mitigate the remaining dirty power through VPPAs or other mechanisms.

In 2023, we will continue working with data center providers to mitigate the climate impact of our growth and secure commitments to renewable energy as well as alignment to science based targets. In Eindhoven, Netherlands, we have signed a new five-year contract with a data center that will provide 100% energy from wind, solar, or hydroelectric dams, with emergency backup power fueled by green hydrogen. We also extended our partnership with a colocation provider in India that has committed to sourcing renewable energy for our future growth and expansion, as regulatory and market availability can support.



Building Sustainable Facilities

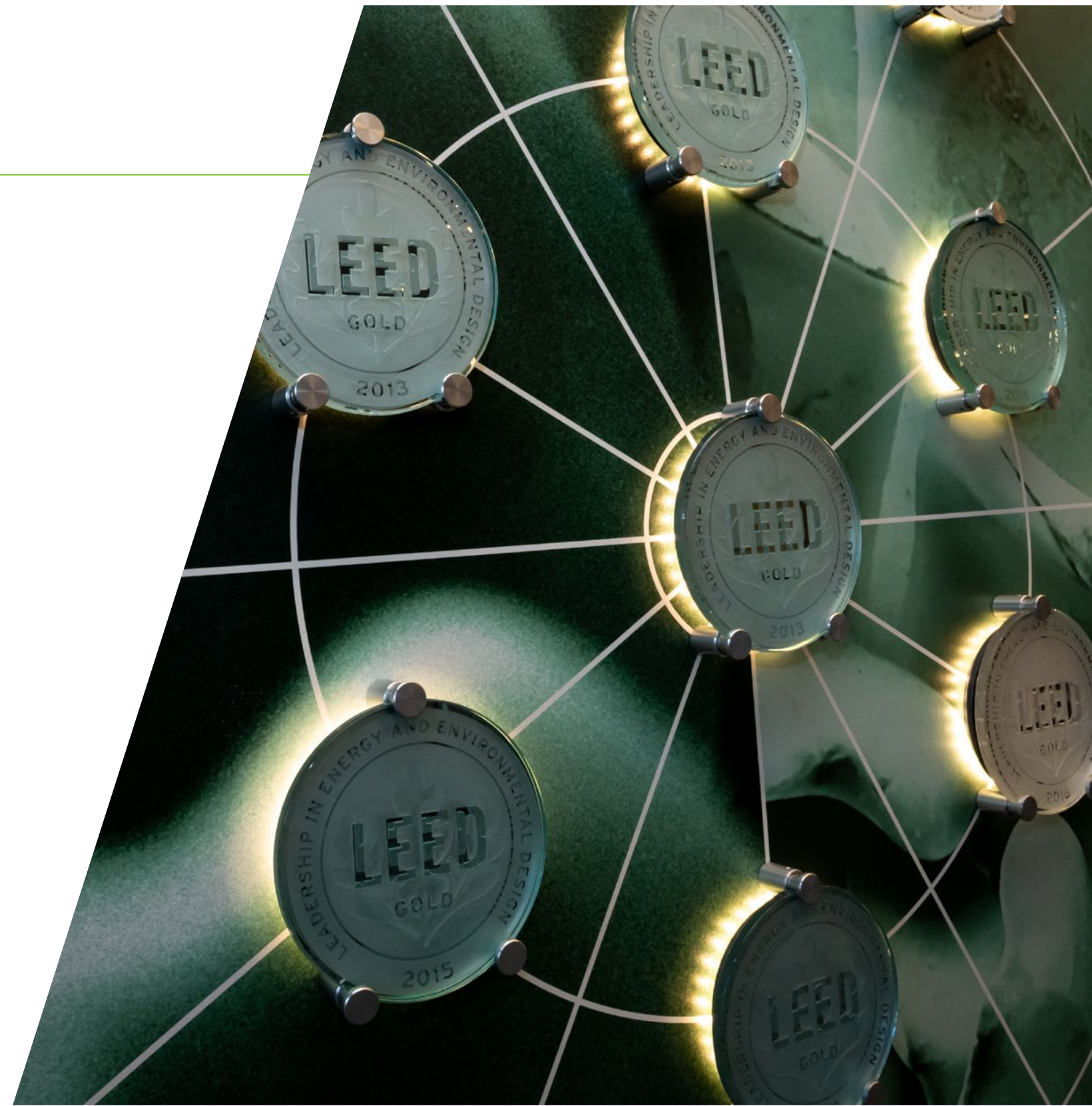
The operations of our facilities have historically accounted for nearly 50% of annual CO₂ emissions annually, from Scope 1 and 2 sources.* Though Synopsys leases the majority of our facilities, we have a goal to reduce our owned facilities' impacts, working to integrate high standards of environmental 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. For existing buildings, we work with our vendors and consultants to achieve LEED criteria as feasible. Currently, Synopsys occupies 1.3 million square feet of LEED-certified office space around the world, 39% of our total square footage.

Furthermore, we are working to implement new software solutions and tracking tools such as

Schneider Electric's Resources Advisor and Brightworks' Building OS to give us a better understanding of our carbon, waste, and water footprints. Synopsys also works with sustainability associations such as the Clean Energy Buyers Association (CEBA) and other groups with a specific focus on facilities.

In 2021, Synopsys became a signatory to CEBA's Commercial Real Estate Principles, a tool to support increased data transparency, energy efficiency, and renewable energy procurement in commercial real estate. The principles outline key areas of partnership and transparency between tenants and landlords. Since a large amount of square footage we utilize is leased, engagement with our landlords is pivotal to achieving our renewable energy and climate goals.

* As evidenced from the data in our 2020 and 2021 GHG Inventories.



Carbon Offset Projects

Through our partnership with Climate Impact Partners, Synopsys invested in the following carbon offset projects in 2022:

Albany Water | Improved Forest Management | United States

This project permanently protects the watershed of the Alcove Reservoir, Basic Creek Reservoir, and Troutner Lake. It provides clean water, protects 6,000 acres of land, and provides critical habitat and ecosystem protections for fish, amphibians, and other aquatic species. Learn more [here](#).

Darkwoods Forest Conservation | Improved Forest Management | Canada

In 2008, a project developer purchased approximately 63,000 hectares (156,000 acres) of private boreal forest to protect it from subdivision, high-impact logging, and other environmental threats. The project zones and monitors different areas of the property, targeting specific areas for strict biodiversity protection, invasive species control, conservation research, and a low level of sustainable harvesting. Learn more [here](#).

Improved Rice Cultivation | Soil Carbon and Agriculture | China

This project creates controllable irrigation and drainage infrastructure (ditches and reservoirs) essential for conserving water, increasing production, and reducing methane emissions from rice paddies. The project also provides trainings that empower women as technicians in program deployment, contributing to economic growth through job creation. Learn more [here](#).

Solar Water Heating | Micro Renewables | India

This project provides solar water heaters for residences, small and medium-sized enterprises, and institutions in India, driving greater uptake through awareness programs at schools and general public exhibitions. Benefits include energy savings and climate protection, job creation for women as managers, and job training for others. Learn more [here](#).



Assessing Climate Risks and Opportunities

We undertake various assessments in order to understand and evaluate risks and opportunities that are relevant for our business, including a climate risk and opportunity assessment, which we refresh periodically, including in 2022.

To date, our risk assessments have not identified significant climate risks to our overall business, strategy, or financial planning related to transitional aspects of climate change such as carbon pricing, stakeholder expectations (reputation), and legislation, or the physical risks of climate change. Nevertheless, we are committed to taking responsibility for our carbon footprint as part of our ESG strategy and in alignment with the expectations of our key stakeholders. We factor costs associated with the delivery of our annual GHG accounting, carbon neutral commitment, and emissions reduction initiatives into our annual financial planning. We understand the carbon intensity of our operations and supply chain impact, and we work continually to mitigate these impacts as technologies allow.

For more information on physical risks see [Business Continuity and Resiliency](#). See our risk and opportunity screening in our [TCFD Index](#) for more details.

We report on our climate-related practices using four leading assessment frameworks:

- The CDP Climate Change survey, where we annually disclose our potential climate impacts, risks, and opportunities
- The RBA self-assessment questionnaire and tools, to assess operational performance on shared metrics and share with customers
- EcoVadis assessments, to evaluate our sustainability practices and make accessible to our customers
- The Task Force on Climate-related Financial Disclosures (TCFD), to provide investors with information on climate-related risks to our products, operations, and supply chain



2023 Environment Goals

Establish a new governance structure and management program to incorporate our new GHG emissions reduction targets into strategic planning and review cycles

Increase renewable energy procurement in the U.S. and South Asia

Advance energy efficiency and renewable energy use for data centers

Develop plans to address our major Scope 3 emissions categories related to employee travel, use of sold hardware products, and our purchased goods and services, including our hardware manufacturing supply chain

See the [Business Continuity and Resiliency](#) section of this report for more on climate risk and the [Supply Chain](#) section for more on how we are engaging suppliers on our climate strategy.



Photo Credit: Leo Lu, Synopsys Employee, Taiwan

04 Social

2022 Social Highlights

Our People

Social Impact

2023 Social Goals



Photo Credit: Donna Mabry, Synopsys Employee, United States

To help shape a Smart Future, Synopsys must remain at the forefront of innovation—day after day, year after year. To do so, we focus on our people, ensuring our ability to recruit, support, and retain the most talented, diverse teams. From there, our circle of impact expands outward, helping develop the next generation of innovators through science, technology, engineering, and math (STEM) education investments and acting as a catalyst for local and global change through our commitment to communities and the environment.



Photo Credit: Tasleema Shaik Moham, Synopsys Employee, India

UN SDG Alignment

4 QUALITY EDUCATION

We are committed to working with our partners to enable equitable educational opportunities for youth and adults, fostering technical skills, and access to employment opportunities in our industry.

5 GENDER EQUALITY

We are committed to pursuing diversity and pay equity in our teams and talent pipelines, encouraging women's empowerment, and providing equal opportunities for people of all genders, ethnicities, ages, and orientations at all levels of decision making. To foster a culture that promotes equity, we set and make progress towards gender and diversity goals and invest in inclusion and diversity trainings for all employees.

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 renewable energy and focus on conservation efforts for all communities.

8 DECENT WORK AND ECONOMIC GROWTH

We are committed to fostering learning and skills development, helping build a stronger and more resilient enterprise, and supporting a more sustainable and just future for all. Internally, we invest in employee learning and development.

See our [UN SDG Index](#) to learn more about how Synopsys' people and social impact strategy supports these SDGs.

2022 Social Highlights

At Synopsys, we create the world's most advanced technologies for chip design, verification, IP integration, and software security and quality testing. We work at the heart of technology, and we know the heart of our business is the talented individuals in our workforce.

In fiscal 2022, we increased our total employee headcount by approximately 16%. Like our technology industry peers, however, our fiscal 2022 also saw an increase in undesired employee turnover, which totaled 6.9% as of our fiscal year-end.*

Throughout the year, we continued our work toward a more diverse and inclusive culture and delivered positive social change through corporate and employee giving and volunteering.

* We calculate undesired turnover rate by dividing the number of undesired exits from Synopsys by the average headcount for fiscal 2022, and we define undesired turnover as exits by high-performing employees who resigned from Synopsys (or its subsidiaries) to pursue other work opportunities. Undesired turnover does not include employees with low performance or whose resignation was mutual or due to personal reasons, such as retirement and returning to school.

24.9%

Our hiring rate for women rose by 0.9% from fiscal 2021, bringing the total representation of women globally to 24.9%

86%

Over 86% of managers completed our **Inclusive Leader course**

\$4.7M

We provided \$4.7M in total **charitable giving** to the communities in which we operate

12.4%

Women in senior level positions comprised 12.4% of all senior-level positions at the company

2

We conducted two **Come Together employee engagement surveys**, which gauged employee sentiment

\$1.4M

Synopsys employees **donated \$1.4M** and reported **13,978 volunteer hours** through our Synopsys for Good portal

30%

We increased **BLI representation** in our U.S. workforce by approximately 30% from fiscal 2021

2

We launched new **Onboarding and Exiting Survey programs**

52

Our three-week Season of Service volunteer program engaged employees in 52 projects in 11 countries

Our People

Driving a Smart Future for our customers and the world requires attracting and retaining the brightest talent in every part of our enterprise. Synopsys remains committed to supporting, engaging, and optimizing our employees' capabilities and experiences throughout their careers, within a culture defined by our values of integrity, execution excellence, leadership, and passion.

People Strategy and Management Approach

Our People Team, led by the People and Workplace Resources Officer, is a key driver of the employee experience at Synopsys. The team operates from a core set of guiding principles and continuously evolves our talent strategy to align with internal business objectives and the ever-changing market.

Our talent strategy helps Synopsys pursue and achieve a high level of employee engagement, with all leaders and managers feeling accountable for delivering a positive employee experience. Our values-driven culture gives us a strong foundation to create a thriving workforce that enjoys robust opportunities to grow and learn internally. We leverage our collective experiences and our individual expertise and perspectives to help drive Synopsys forward.

The People Leadership Team provides quarterly reports on human capital performance to the Compensation and Organizational Development Committee of the Board of Directors. In 2022, we added workforce metrics such as diversity, employee

retention, and leadership succession planning as performance criteria that are considered by our Compensation and Organizational Development Committee when establishing incentive goals for our executive officers. This reinforces that inclusion and diversity (I&D) are a key part of our culture and amplifies the importance of executive involvement to advance our progress.

Learn more about our people-related [policies and commitments](#), the focus areas of our [talent strategy](#), and how we regularly [engage with employees](#).

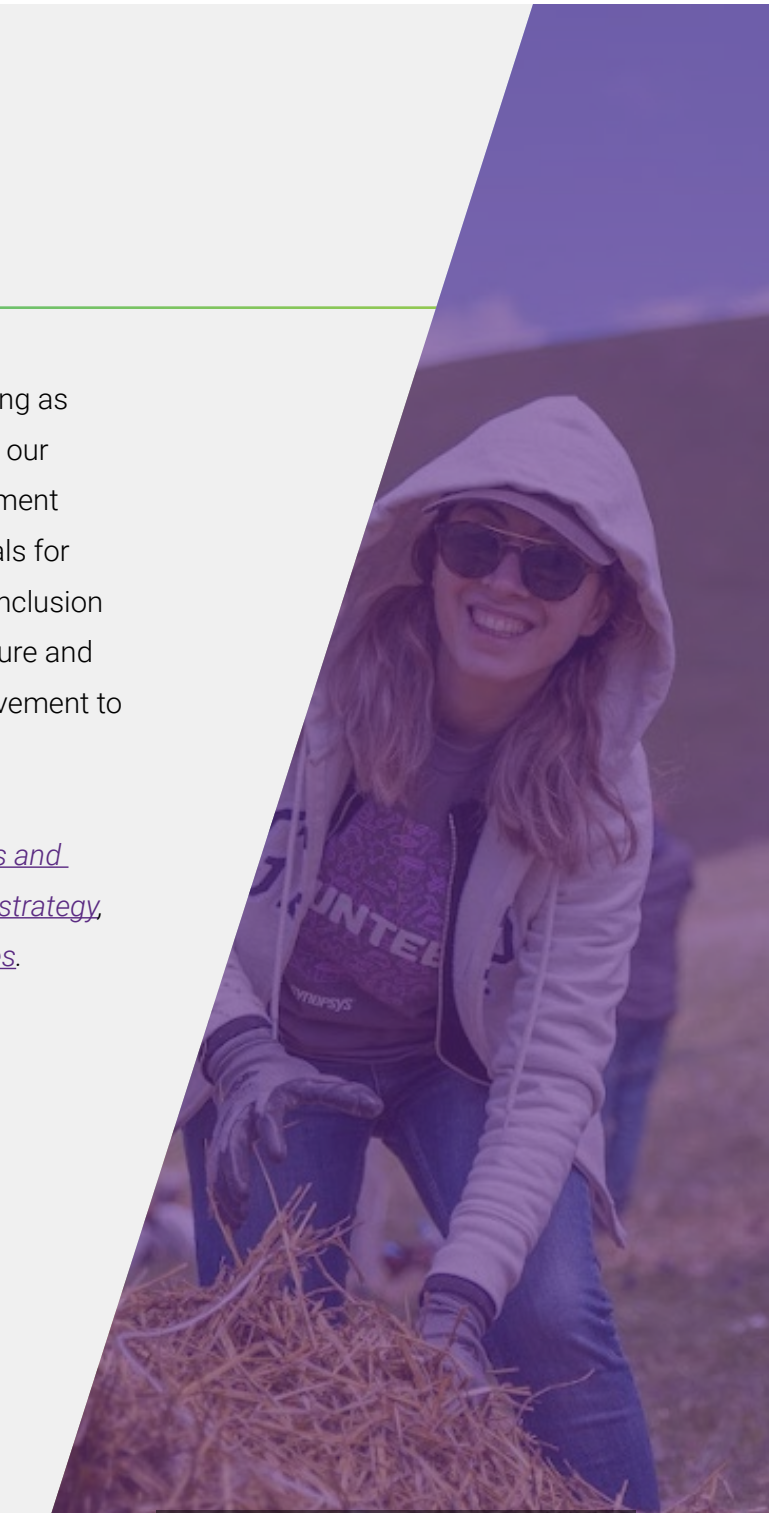


Photo Credit: Gayane Markosyan, Synopsys Employee, Armenia

Fostering an Inclusive Culture

Synopsys is a vibrant community and destination for top talent. In a year characterized by geopolitical instability, continued pandemic concerns, and unprecedented competition for talent, we remained committed to diversifying our workforce and cultivating an inclusive and welcoming culture.

Through continued investments in I&D, we boosted representation of women globally to 24.9% and U.S. BLI representation reached 5.8% of our U.S. workforce in 2022. To improve performance and results across both recruitment and I&D, we:

- Incorporated **Act for Impact** performance measurement into our annual Performance Review process, involving every Synopsys employee in shaping and advancing our inclusive culture
- Continued and expanded our **Celebration and Education Series**. We annually celebrate Black History Month, Juneteenth, Hispanic Heritage

Month, Pride Month, Women's History Month, Global Diversity Awareness Month, and discuss topics related to neurodiversity, veterans, and Asian-Americans and Pacific Islanders (AAPI). In 2022, we added Juneteenth to our list of paid holidays in the U.S.

- Attended our first national conference for awareness and **recruitment of Indigenous peoples** of North America and the Pacific Islands, and participated in additional talent recruiting events to connect with Black and Latinx talent
- Launched an **I&D Resource Hub** with learning pathways and resources available to all employees
- Grew our **Employee Resource Groups (ERGs)** and facilitated education and awareness events on behalf of ERG communities
- Launched **NEX-GEN**, a new ERG for early-career professionals at Synopsys South Asia
- Expanded collection of **voluntary applicant data** to better understand talent pool diversity and gain insights that help mitigate bias in the application screening and interview process
- Hosted **Why it Matters**, an executive briefing where ERG representatives shared their perspectives on I&D's importance and what leaders can do to help advance I&D at Synopsys
- Doubled our investment in the **GEM Fellowship Program**, providing full graduate tuition and paid summer internships for MS- and PhD-level BLI students in engineering and science
- Continued conducting an **annual pay equity review** to assure all Synopsys employees in similar roles are compensated fairly for their skills and expertise



Looking toward 2023, we are committed to building rich and diverse talent pipelines for the organization through greater investments in our FUTUREx internship program and early career recruitment programs. We are also elevating the recruitment experience through technological investments, with the intention of creating a personalized journey for each candidate. We're continuing our work to increase representation of women globally and of BLI employees in the U.S.

In 2022, **Black, Latinx, and Indigenous (BLI) representation** in our U.S. workforce increased by 30% from fiscal 2021, reaching 5.8% of our U.S. workforce.

FUTUREx in '22

In 2022, 1,230 students at various stages of their academic careers participated in Synopsis' global FUTUREx internship program (formerly InternX).

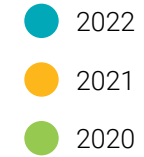
This contributed to 29% of all full-time roles being filled by new college grads.



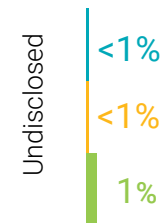
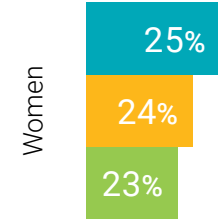
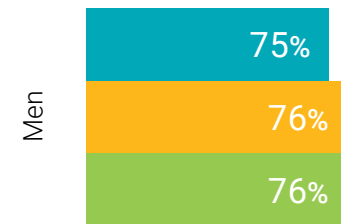
Diversity Metrics Snapshot

Gender Representation

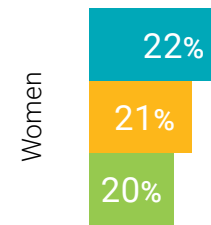
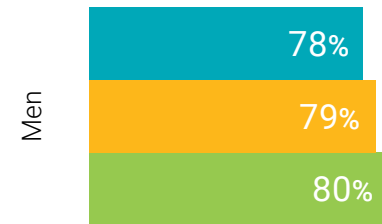
(Global)



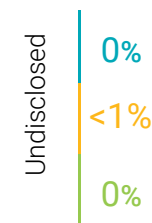
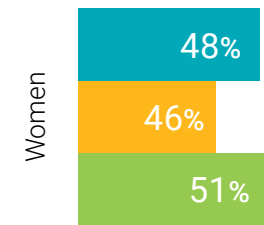
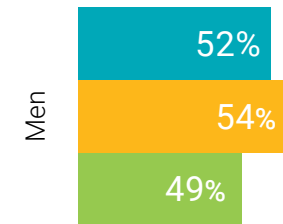
Overall



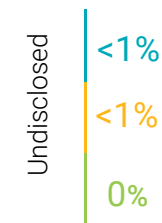
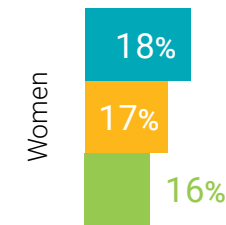
Technical



Non-technical



People Managers



Senior Level Positions

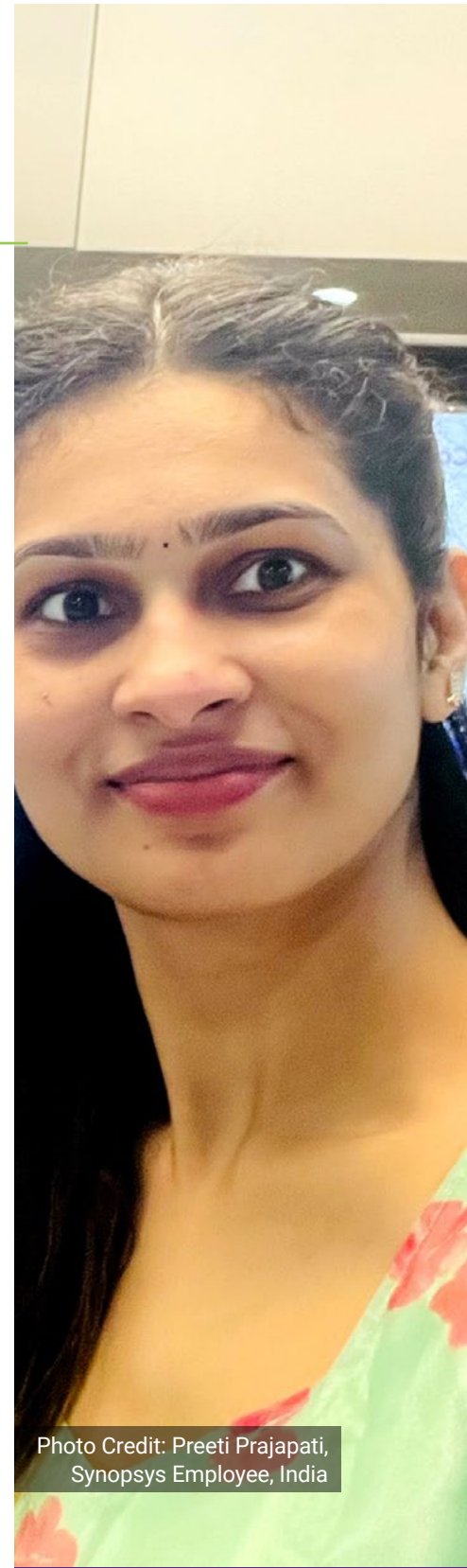
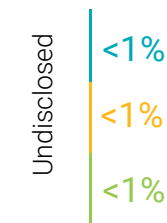
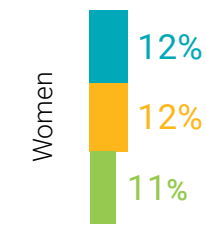


Photo Credit: Preeti Prajapati, Synopsys Employee, India



Photo Credit: Marcela Lopez Ojeda, Synopsys Employee, Mexico

Ethnicity Representation (U.S. Ethnic Diversity)

	2020	2021	2022
Overall			
Asian	53%	51%	50%
White	40%	41%	40%
Hispanic or Latino	3%	3%	4%
Black or African American	1%	1%	2%
Other*	1%	2%	1%
Undisclosed	2%	2%	3%

	2020	2021	2022
Technical			
Asian	58%	58%	57%
White	36%	36%	35%
Hispanic or Latino	2%	2%	3%
Black or African American	1%	1%	1%
Other*	1%	1%	1%
Undisclosed	2%	2%	3%

	2020	2021	2022
Non-technical			
Asian	27%	25%	26%
White	59%	61%	58%
Hispanic or Latino	7%	7%	7%
Black or African American	3%	3%	3%
Other*	2%	2%	2%
Undisclosed	2%	2%	4%

	2020	2021	2022
People Managers			
Asian	52%	50%	50%
White	42%	44%	42%
Hispanic or Latino	2%	3%	3%
Black or African American	1%	1%	1%
Other*	1%	<1%	1%
Undisclosed	2%	2%	3%

	2020	2021	2022
Senior Level Positions			
Asian	51%	51%	52%
White	42%	42%	40%
Hispanic or Latino	2%	2%	3%
Black or African American	1%	1%	1%
Other*	1%	<1%	1%
Undisclosed	3%	3%	3%

* "Other" is defined as American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, Two or More Races.

Investing in Our People

By fostering an “always learning” culture, engaging leaders at all levels, and driving for what’s next and what’s possible, Synopsys is developing the people to discover and advance next-generation technology.

We know that focusing on our employees’ knowledge, skills, and satisfaction throughout their careers not only supports their personal goals and wellbeing, but also helps Synopsys become a stronger, more creative, and more resilient enterprise. Across the company, our **Learn, Lead, Grow** strategy puts those aspirations into practice, delivering relevant, outcomes-oriented training; ensuring our managers have the skills to motivate their teams and set individual team members up for success; and promoting a vibrant, engaged work environment for all.

Talent Strategies



Learn

Foster an Always Learning Culture

- Reframe learning
- Make it easy and relevant
- Focus on outcomes



Lead

Engage Leaders at All Levels

- Reinforce smarter teamwork
- Accelerate leadership success
- Advocate for inclusion and diversity



Grow

Accelerate for What’s Next and What’s possible

- Increase knowledge of Synopsys’ strategy and goals
- Drive vitality and world-class engagement
- Cultivate a vibrant internal talent environment

Taking Action on Pay Equity

Synopsys conducts a comprehensive annual review to ensure pay equity across similar roles, with follow-up from People and Workplace Resources in cases of potential disparity. In 2022, women at Synopsys earned an average of \$0.99 for every \$1 men earned in the same position and location, and U.S. BLI employees earned an average of \$0.99 for every \$1 earned by white employees.



Photo Credit: Mohammed Ghassan, Synopsys Employee, India

We work to ensure our people are equipped to take on the challenges they face and to thrive from day one onward. Synopsys' **onboarding process** engages and welcomes new hires with content focused on our global culture, values, and regional/local topics. We aim to drive vitality and instill a "Yes, if" mindset through world-class engagement for our new hires. In 2022, we:

- Introduced an improved **New Hire SharePoint** site that received more than 25,000 quarterly visits, providing helpful content for new hires, managers, and buddies

- Updated our **buddy resources** to deliver more specific guidance on actions for new hires' prestart, first day, first week, and first month, along with greater detail on setting expectations and the importance of the buddy role
- Introduced a new **three-tier listening strategy** (1 week, 1 month, 1 quarter) with a coordinated global/cross-functional team to address feedback quickly and identify local opportunities for improvement

As Synopsys employees advance in their careers, our training framework builds new competencies on established foundational skills, equipping people

for new challenges and promoting advancement and retention. Through our **Degreed digital learning platform** and **instructor-led learning sessions**, we encourage our employees to curate, create, share, and discuss what they are learning, helping cascade the skills and capabilities we need as an enterprise to meet current and future challenges. In 2022, we refined Degreed to yield better search results and point more clearly to content curated and created by Synopsys. We also completely redesigned all of our **SharePoint sites** for learning, technical training, and manager resources, making them easier to navigate. Together, the sites registered significant usage following their Q2 relaunch, with nearly 100,000 page views during FY22 and a 40% increase in traffic

from Q3 to Q4. On our **Synopsys Learning page**, we promoted more than 125 internal and vendor-led learning opportunities during Q4, spiking site views to 19,000 for the quarter to facilitate employee growth and development.

In Q4, we implemented an **analysis tool** that provides explicit data on searches and success rates in our SharePoint sites, allowing us to better understand activity and make continued improvements.



Photo Credit: Tiago Trigo, Synopsys Employee, Portugal

Our **leadership training** teaches and reinforces the skills to attract, retain, and develop talent in today's competitive environment. In 2022:

- We offered **104 instructor-led courses**, totaling 600 teaching hours
- Approximately 55% of managers completed our **Compass Leadership Development Essentials Course**, which coaches managers on their role, the business, and how to inspire, direct, and recognize their team
- Over 86% of managers completed our **Inclusive Leader** instructor-led series, which enables managers to expand their understanding of inclusion while engaging with peers in a game-based setting

We employ various metrics to measure and report on the success of our training programs. For instructor-led training, we measure completion, net promoter score, and class fill rate. For on-demand courses, we measure access to platform, type of information accessed, and any sharing or posting of additional content. For SharePoint, we measure access by site, page, and document.

In 2023, we will continue investing in our people with immersive training opportunities to position leaders to be effective in an ever-changing environment, and by expanding top-tier, on-demand learning experiences to give our early career employees a strong foundation.



Photo Credit: Satenik Barseghyan, Synopsys Employee, Armenia

Driving Employee Connection and Engagement

For Synopsys, learning about our people's needs, opinions, and priorities is a continuous process, as is building the capability of our leaders and managers to drive the types of meaningful change our people want. In 2022, with many in our workforce remaining on a hybrid work model even as COVID-19 waned, we promoted connection through frequent casual and personal communication, as well as formal employee listening mechanisms.

Our semi-annual **SHAPE Synopsys** surveys give employees a chance to share their experience; create conversations about who we are, where we're going, and how we connect with each other and our work; and influence management efforts across the organization to make Synopsys an excellent place to work. This year we enhanced SHAPE through improved communications and renewed action-taking resources to further empower all employees to be part of cultivating a highly engaged work environment.

Our most recent SHAPE survey, completed in November 2022, showed that despite significant organizational change and growing uncertainty in global markets, our overall engagement score remained very strong at 80. Scores for "I would recommend Synopsys as a great place to work" were strong at 82, and measures of employee satisfaction were above industry average at 78. Survey participation reached its highest level ever, with approximately 90% of our employee population participating.

In 2022, three new targeted surveys joined SHAPE to improve how we listen. Our **Onboarding Survey** is part of how we help new employees acclimate to the Synopsys environment, assuring they have the tools, support, and guidance to thrive. At the other end of the employee life cycle, our new **Exiting Survey** provides critical feedback to help us improve engagement and reduce attrition.

Finally, we conducted a **Come Together Survey** at corporate headquarters, which gauged employee sentiment. Through analyzing survey results and providing managers with post-survey guidance and suggested actions, the surveys helped our leaders and people managers lead more effectively as we returned to an in-person environment. In addition, our Ethics & Compliance and Internal Audit teams periodically use culture surveys at various sites around the world.

For 2023, we will continue maturing and expanding our employee listening program in support of specific business needs. Our plans include providing more direct post-survey support, including extra support for leaders and teams facing difficult situations.



Photo Credit:
Satenik Barseghyan, Synopsys Employee, Armenia

Wellbeing and Total Rewards

Total Rewards at Synopsys is designed to offer meaningful benefits and compensation for the time, energy, commitment, skills, and expertise employees bring to the organization every day. While specific programs are determined by where an employee lives and works, Synopsys is committed to ensuring that all employees and their families can maintain their health and overall wellbeing, to grow and thrive personally and professionally.

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, surrogacy and adoption benefits, and family planning travel and lodging allowance
- Matching Gift program for employee donations



Photo Credit: Priyanka Patil, Synopsys Employee, India

Continuously Improving Benefits

In 2022, we added a cancer concierge benefit managed through Navvisa, a partner that provides patients and caregivers with expert, one-on-one guidance from a personal oncology nurse throughout the cancer journey. This service started as a pilot program in 2021 and is now available to all U.S. employees at no cost.

In 2023, we will add **gender affirmation benefits** through UnitedHealthcare and Kaiser Permanente.

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. One way we are doing our part to alleviate this burden and help employees focus on the future is by offering an extra \$400 per month (up to a lifetime maximum of \$24,000) to help clear federal student loan debt. Since launching this benefit in 2021, we have seen participation grow 40% year-over-year.

Supporting Balance

Synopsisys is committed to helping our employees achieve balance in their lives, and we continue to provide a variety of resources to help with this. In 2022, our focus included providing tools, programs and resources to support the transition back to in-person work. We continue to keep health, safety, and emotional wellbeing at the forefront of how we support our people.

→ **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. Synopsisys pays for a specific number of sessions for employees and each eligible family member per year.

→ **Caregiver Resources.** To assist working parents transitioning back to the office, Synopsisys offers Bright Horizons programs that include short- and long-term backup childcare, eldercare, and pet services (all at reduced cost), along with Rethink, a U.S.-based resource for caregivers of children with neurological differences. We also launched Ways & Wane this year to help our busy caregiver employees solve eldercare challenges such as arranging housing and in-home care.

→ **meQuilibrium.** Available to our employees in Canada, Chile, Europe, India, Mexico and the U.S., this stress management app helps employees avoid burnout, build resilience, and focus on what's important.

Wellness, Health, and Safety

Our health and safety programs continue to evolve at Synopsisys in response to global health threats, safety risks, and a changing regulatory environment. To protect the health and wellness of our employees from workplace

risk and exposures, we constantly evaluate our operations and take appropriate mitigating actions. In 2022, as more employees returned to an in-person work environment, we provided resources including personal protective equipment, COVID-19 test kits, and one-on-one ergonomic consultations.

We continue to make investments in global emergency response and preparedness programs, refining our ability to monitor geopolitical and climate risks and provide employees with early warnings so they can initiate response. In 2022, we tested our SynopsisysALERT emergency notification system in every region where we have employees and operations. In actual emergencies, we also conduct safety and wellbeing checks, positioning us to provide care and assistance to employees and their families.



Photo Credit: Priyanka Patil,
Synopsisys Employee, India

Social Impact

Synopsys aims to create a Smart Future that's sustainable, just, and secure, both through technological innovation and through our work in society. Our Synopsys for Good social impact program is our engine for driving societal impact, channeling Synopsys' social conscience, energy, and funding into tangible benefits.

During more than two years of pandemic restrictions, Synopsys' social impact and community engagement efforts were largely virtual, but now we're coming back—together.



SYNOPSISYS FOR GOOD

Social Impact Strategy and Management Approach

We generate positive community impact, solve social challenges around the world, and create access to opportunity by mobilizing the resources of Synopsys, Inc. and The Synopsys Foundation, as well as our employees' contributions of time, expertise, and charitable giving. By working to deliver meaningful change, we bring our Smart Future strategy to the local level and execute upon our commitments across three primary focus areas: education, community, and environment.

Our Synopsys for Good program is managed by our social impact team and executed in partnership with employee Community Leads and Community Involvement Teams around the world. We take a regional management approach to philanthropy and employee community engagement, and utilize

a globally accessible online portal to manage volunteer projects, monetary and volunteer-time matching gifts, and employee giving campaigns.

In 2022, our India operations updated their grant strategy, management structure, processes, and procedures to enhance impact and visibility and better align with corporate ESG policies.

In 2022, \$4.2 million in charitable giving was made through The Synopsys Foundation and Synopsys, India. In addition, The Synopsys Foundation donated approximately \$500,000 through our 35th Anniversary matching gift campaign, for a total of \$4.7 million in charitable giving by Synopsys.

2022 Social Impact Highlights

\$4.7M
in charitable giving

\$1.4M
in employee giving

13,978
volunteer hours reported

56
sites engaged in social impact efforts

Synopsys for Good Focus 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 (primary and secondary) education, we fund engaging, hands-on experiences that build problem-solving, design-thinking, and digital skills, and programs that create STEM curriculum and content oriented toward the future.

Community: We work in solidarity with community organizations to improve the quality of life for individuals and society. We fund organizations combating food insecurity and hunger, supporting inclusion and social justice, and using technology to create and scale solutions that address social challenges. These efforts are focused in the communities where we operate.

Environment: We work 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.

Delivering Positive Change

During the pandemic, our focus and that of many employees shifted to supporting COVID-19 relief efforts globally. Going forward, we recognize the necessity of maintaining that kind of adaptability for community and employee engagement.

We celebrated Synopsys' 35th anniversary with a **matching gift campaign** aimed at delivering meaningful change to those most in need. Around the world, we identified 35 charities and offered our employees a 2:1 match, with the Synopsys Foundation contributing up to \$1,000 per employee.

We also launched **Season of Service**, a three-week volunteer program offering a variety of volunteer projects around the world, aligned with our Synopsys for Good focus areas. To provide flexibility for employees and nonprofit partners, we offered projects virtually, on-site, outdoors, and at nonprofit locations.

These projects not only support the communities in which we work and live, but they encourage team-building and help improve employee community engagement across the organization.



SEASON OF
SERVICE



52
Projects



24
Office
Locations
Globally



11
Countries



Photo Credit: Nicole Chmura,
Synopsys Employee, United States

Synopsys Outreach Foundation



Founded in July 1999, the Synopsys Outreach Foundation works to ignite interest, nurture potential, and empower K–12 students in science, technology, engineering, and mathematics. Collaborating with Greater Bay Area education stakeholders and community partners, the Foundation aims to provide equitable and inclusive opportunities in project-based STEM.

Synopsys Outreach Foundation program areas include:



Building STEM Classrooms



Supporting and Fostering STEM Experiences



Training STEM Teachers



In 2022:

- The Synopsys Outreach Foundation was named **Partner of the Year by RAFT**, a Silicon Valley nonprofit providing educators with engaging, hands-on learning resources
- The **Opportunity Fund** supported 20 organizations working to increase the participation of marginalized students in project-based STEM
- A new **STEM Shops** program helped meet the back-to-school needs of over 400 Bay Area teachers, providing STEM materials and resources and helping build community
- The **Summer Development Leadership Academy** focused on building educators' STEM identity and influence

Activities for 2023 include:

- **Spring into STEM** program providing students with experiences and hands-on opportunities to build their STEM identity
- **sciencepalooza!** high school STEM pathways event offered in partnership with San Jose State University, with expanded hands-on activities
- **Ten RAFT MakerMobile** visits engaging more than 1,000 students

Philanthropic Partnerships

Building on 30+ years of community nonprofit partnerships, we keep equity and justice at the center of Synopsys for Good relationships across all focus areas, from the projects we develop and partners we engage to how we allocate resources. We recognize and work to alleviate historic and ongoing discrepancies in access to opportunity, treatment, and outcomes.



Photo Credit: Bijay Chowdhury, Synopsys Employee, India

SEASON OF SERVICE

Education

- Empowered teachers and STEM professionals serving schools in underserved districts to activate K–8 students' curiosity about future science career pathways. Synopsys volunteers prepared DIY Science Kits for students to be distributed by the **Community Resources for Science** organization.
- Helped improve the **Amy Imai Elementary School** by deep cleaning, organizing, and beautifying multiple rooms and outdoor areas used by teachers and students, creating a more welcoming environment.

Community

- Collaborated with two nonprofits for an employee volunteer project, assembling hygiene kits and creating blankets for clients in need. The **Homeless Prenatal Program** works to break the cycle of poverty, and the **Izzi Early Education Program** offers comprehensive early care, education, and family services to those facing challenges.
- Supported seniors with fixed incomes and limited capabilities through our association with **H.O.P.E.**, where our volunteers provided yard maintenance including raking leaves, weeding, and cleaning gutters.

Environment

- Aligned with our Environment focus, Synopsys Korea volunteers worked with the **Korea Volunteer Culture** to upcycle PET plastic bottles into toys for underserved children. When not upcycled, PET degrades into tiny microplastics that are frequently consumed by marine life.
- Provided environmental maintenance at **Guandu Nature Park** in Taipei, with Synopsys employees and their families dredging ditches, removing invasive species, and weeding. In addition, the Nature Center provided conservation education through a wetland ecological tour, friendly farming education, and do-it-yourself projects.

INDIA CSR GRANTS

Education

- Supported the **Innovation and Science Promotion Foundation (ISPF)** in sharing its STEM-oriented 12-hour Raman Innovation and Scientific Enquiry (RISE) program with 50 government schools, introducing processes and tools for scientific exploration and inquiry. Synopsys India's donation benefited 5,000 students at Raman Clubs across Karnataka.
- Partnered with the **Foundation for Excellence India Trust** to provide financial scholarships to 20 academically bright students from underprivileged backgrounds, helping them attain engineering degrees and reach their full potential.

Community

- Supported children and youth with intellectual developmental disabilities through the **Jai Vakeel Foundation and Research Centre**. The project focused on early intervention, functional academics, and pre-vocational training for 18 youths to expand their core capabilities.
- Collaborated with the **GiftAble Foundation** to train 150 youths with disabilities in skill sets matched to the needs of various sized company across business sectors.

Innovation With Academics

Achieving a Smart Future requires inspiration, innovation, and collaboration. As part of our Chief Innovation Office, we cultivate new partnerships with industry and academia to build relationships, surface new ideas, create value, and drive business growth.

Synopsys Academic & Research Alliances (SARA) empowers universities through programs that further education and research including innovative collaborations, strategic engagements, and access to advanced technologies. Through these investments, we aim to nurture the interests and skills that will propel the next generations of engineers into careers in research and industry.

Our efforts touch a spectrum of academic stakeholders:

- **Students:** Empower and educate the next generation of engineers to be ready to tackle tomorrow's challenges
- **Educators:** Provide learning opportunities and training materials while lowering access barriers to Synopsys technology for education and research
- **Researchers:** Address evolving challenges in the semiconductor industry, uncover new solutions, and pave the path toward future technologies
- **Entrepreneurs:** Collaborate to discover new technologies and turn fresh ideas into market-ready products



2023 Social Goals

Increase representation of women employees globally

Increase representation of BLI employees in the U.S.

Advance internal mobility opportunities to increase talent attraction, retention, and engagement

Increase grants to environment-focused nonprofits to help mitigate climate change and its effects on people and the planet

Expand employee community engagement programs aligned with the hybrid work environment



1634

Photo Credit: Mary Ann White, Synopsys Employee, United States

05 Governance

2022 Governance Highlights

Corporate Governance

Business Continuity and Resiliency

Cybersecurity and Privacy

Supply Chain

Political Activities and Contributions

2023 Governance Goals



Integrity has long been a hallmark of our success. Synopsys' management and Board embrace sound corporate governance principles and the highest standards of business ethics. In a time of environmental, geopolitical, and business disruption, we focus on ensuring Synopsys' preparedness and resiliency—including our defenses against today's complex cyberthreats.



Photo Credit: Kurma Chandra Shekar, Synopsys Employee, India

UN SDG Alignment



Our commitment to a diverse and inclusive workplace begins with corporate governance. From talent recruitment to nominations to our Board of Directors, we carefully consider diversity of personal and professional backgrounds, including gender and ethnic diversity. We conduct a comprehensive annual review to ensure pay equity across similar roles by gender and ethnic background, with follow-up from People and Workplace Resources in cases of potential disparity.



Our products connect our customers to innovative technological solutions, including mechanisms that safeguard data privacy and build a more resilient, sustainable global infrastructure for all. We envision a future powered by Synopsys technologies that enable reduced energy and carbon footprints for our customers.



We are committed to assessing, understanding, and mitigating our potential business continuity risks stemming from climate change.



Through our Code of Ethics and Business Conduct, we seek to mitigate discrimination and corruption across our value chain. Our efforts to develop effective, accountable, and transparent governance frameworks are part of our ongoing work to build a Smart Future that is sustainable and just for all.

See our [UN SDG Index](#) to learn more about how Synopsys' governance policies and practices support these SDGs.

2022 Governance Highlights

24

Certified an additional 10 **Business Risk and Continuity Managers (BRCMs)**, bringing our total to 24

ISO 22301

Obtained **ISO 22301 Business Continuity Management Systems certification**

104

Updated and completed testing on **104 business continuity plans** using scenario-based events

24/7

Launched new **24/7 Security Operations Center (SOC)** and deployed security operations automation to achieve more proactive incident response

99%

Received **Conflict Minerals Reporting Template (CMRT) responses** from approximately 92% of our hardware suppliers, encompassing products that account for over 99% of our total spend on hardware products for the reporting year

Corporate Governance

Our Board of Directors oversees the management of Synopsys' business operations and ensures that the interests of Synopsys' stockholders are served. The Board recognizes that to advance the interests of stockholders, the interests of other Synopsys stakeholders, including, among others, customers, employees, business partners and local communities are important. The Board has established a governance framework comprised of bylaws, corporate governance guidelines, committee charters and other policies and practices, to exercise its duties to the business and provide oversight of issues of key importance to our stakeholders, including human capital management, ESG, and cybersecurity. The Board executes its oversight responsibility directly and through its committees, who regularly report back to the Board. For information on specific areas of risk oversight, as well as a complete description of Synopsys corporate governance practices generally, 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.



Policies and Statements

[Synopsys Bylaws](#)

[Synopsys Corporate Governance Guidelines](#)

[Synopsys Board Committee Charters](#)

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

[Synopsys Business Partner Code of Conduct](#)

[Synopsys Supplier Code of Conduct](#)

[Synopsys Conflict Minerals Policy](#)

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

[Synopsys Affirmative Action Policy](#)

[Synopsys Political Activities Policy](#)

[Synopsys Privacy Policy](#)

[Synopsys Data Privacy and Protection Statement](#)

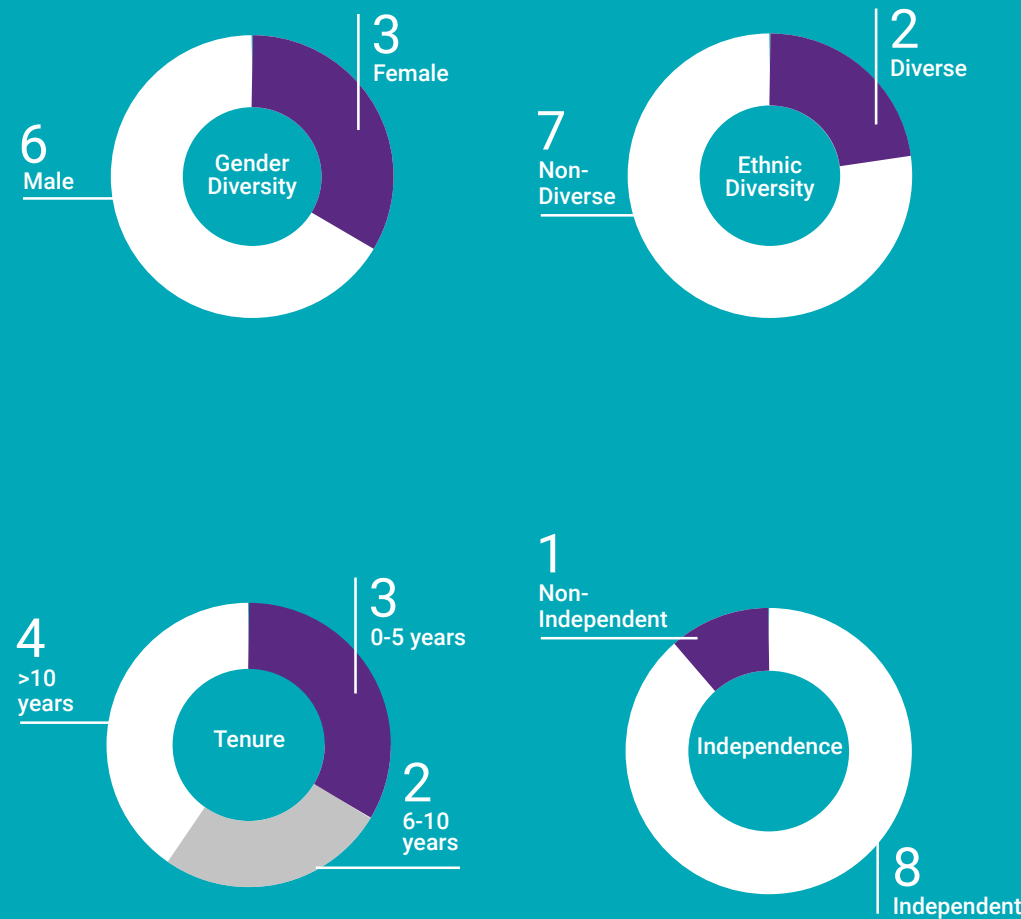
Board Composition

The Corporate Governance and Nominating Committee of the Board works to ensure that the Board of Directors is comprised of directors that bring diverse viewpoints and perspectives and exhibit a variety of skills, professional experiences, and backgrounds, in order to effectively represent the interests of our stockholders. To achieve this, the Governance Committee works with our Board to determine the appropriate skills, experience, qualifications, and attributes that we seek in new board members in light of our business environment and existing Board composition.

Our current Board is comprised of nine members. With the exception of our CEO, Dr. de Geus, all of our Board members are independent. Over the last three years, three longer tenured directors were replaced by three new directors.

Board Snapshot

As of April 2023



Skills and Experience

9/9
Executive Leadership

8/9
Global Expertise

7/9
Financial Expert

4/9
Semiconductor Industry Experience

6/9
Software Industry Experience

6/9
Sales & Marketing

7/9
Strategy

9/9
Public Company Board

9/9
Risk Management

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. It addresses areas such as: equal opportunity and non-discrimination, financial transparency, bribery and corruption, conflicts of interest, insider trading, safeguarding company assets, fair competition, environmental stewardship, and community investment. Our Business Partner Code of Conduct and Supplier Code of Conduct communicate our high ethical and legal standards throughout our business ecosystem.

Our Ethics & Compliance (E&C) program is led by our Chief Ethics and Compliance Officer, who provides regular reports to the full Board of Directors 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 E&C 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 input on what our employees 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 complete this requirement at hiring and renew it through mandatory training on integrity topics (including security awareness) 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.

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 report suspected violations to our People and Workplace Resources, Legal, Internal Audit, or E&C functions. Employees, contractors, customers, suppliers, and other business partners can also report anonymously to our third-party-managed [Integrity Helpline web portal](#), our U.S. telephone helpline (1-888-399-0402), or any of the non-U.S. helpline numbers listed at the Helpline web portal. In 2022, to better enable our speak-up culture and increase awareness of reporting mechanisms for E&C questions or concerns, we upgraded our Integrity Helpline with a new web intake interface and case management system. Following a report, our E&C team oversees an investigation appropriate for the situation. Anonymous reports and the results of investigations are communicated to the Audit Committee.

For more information regarding reporting of violations, please view our [Code of Ethics and Business Conduct](#).

Business Continuity and Resiliency

Preparedness and resiliency are essential to Synopsys' continued ability to serve our employees, customers, and stockholders. In 2022, events including the ongoing COVID-19 pandemic, trade sanctions associated with the Russia-Ukraine conflict, and other geopolitical tensions confirmed our operating resilience and ability to respond to shifting legal and trade compliance requirements.

To maintain Synopsys' resilience, we refresh our business continuity plans on an annual basis, maturing and testing their ability to perform during scenario-based events such as economic or geopolitical crises, public health emergencies, and extreme climate events that threaten the safety of our people, offices, operations, and assets. To ensure continued alignment with evolving risks and expectations, we continually strengthen our

capabilities around business continuity and resiliency via investments in people, technology, processes, and controls. In fiscal 2022, we:

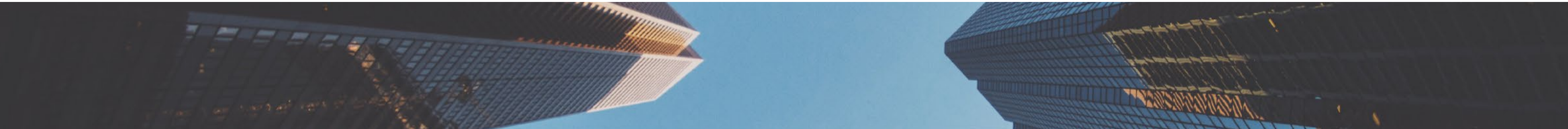
- Obtained **ISO 22301 certification**, the international standard for Business Continuity Management Systems
- Performed **risk and vulnerability assessments** that align risk areas, risk-rating scoring, and risk frequency with our identified climate change threats (wildfires, flooding, air pollution)
- Updated our **business continuity plans** to also include climate risks

- Updated and fully tested **104 scenario-based business continuity plans** using risk scenarios
- Tested our ability to assemble Synopsys' crisis management teams using **SynopsysALERT**, our internal mass-notification system
- Certified an additional **10 Business Risk and Continuity Managers (BRCMs)**, bringing our total to 24

These initiatives demonstrate our continuing commitment to enterprise resiliency. In 2023, we will increase awareness and training through targeted communications, and conducting ongoing exercises with our crisis management teams.

In late 2022, we obtained **ISO 22301 certification** (Business Continuity Management System), which will help Synopsys safeguard business operations from all disruptions, including natural disasters, cyber-attacks, infrastructure failure, and more.

Learn more about our climate risk assessment work in this report's [TCFD Index](#).



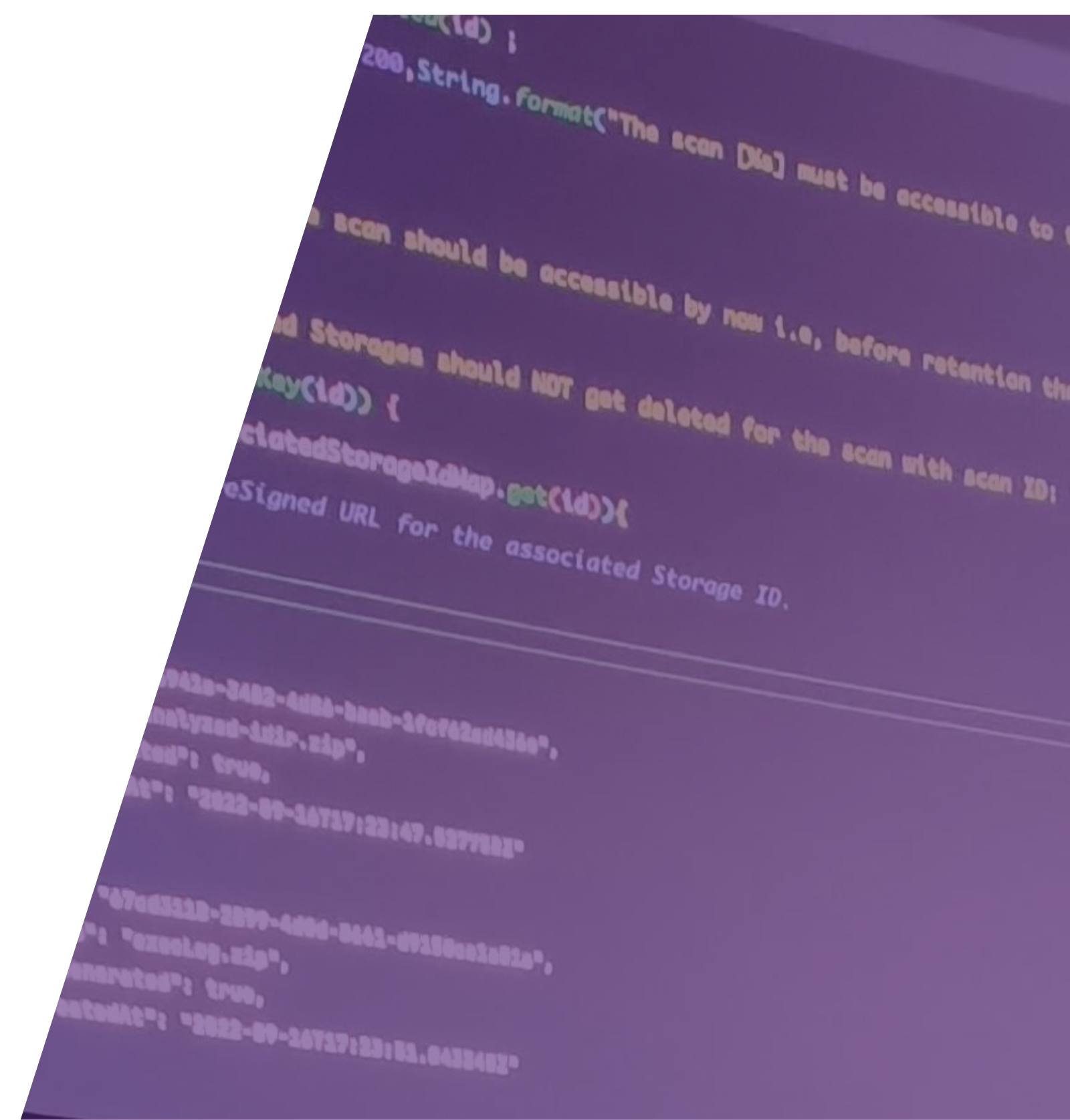
Cybersecurity and Privacy

Every day, the cyberthreat landscape gets more complex—and every day, we evolve to address that complexity. 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, Synopsys delivers top talent and innovation to every challenge, enabling a future that’s sustainable, just, and secure.

Cybersecurity and Privacy Strategy and Management Approach

To manage today’s complex cyberthreat landscape, Synopsys monitors emerging risks, develops and integrates best-of-breed technologies, and recruits and retains top cybersecurity talent. We align with multiple industry-recognized frameworks including the National Institute of Standards and Technology

Cyber Security Framework (NIST CSF) and the ISO/IEC 27001 Information Security Management Framework. We also leverage the power of software testing products and services from our Software Integrity Group (SIG) to structure, test, and assess the rigor of our software security practices.

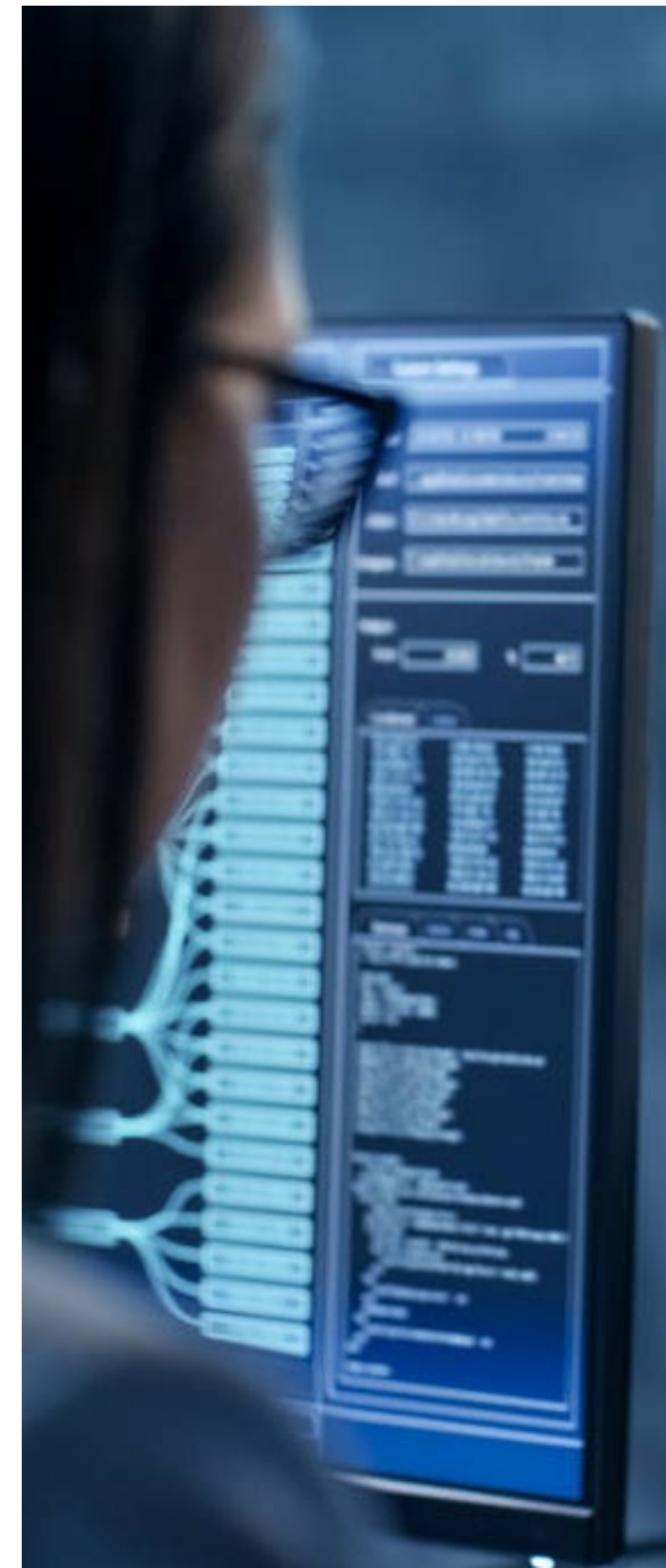


Our efforts are managed by our Chief Security Officer (CSO), who oversees a comprehensive, multidisciplinary program comprised of information security, IT, product security, physical security, SIG, and Legal. Our CSO reports directly to our President and Chief Operating Officer (COO) and regularly updates 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 implementation of the NIST framework through regular third-party NIST CSF maturity assessments that provide the basis for establishment of performance goals for the coming period.

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 annual cyber incident exercises to ensure proper protections are in place for our data and that of our customers and partners.

More than anything else, staying ahead of today's cybersecurity risks takes people. At Synopsys, we've doubled the size of our team over the past two years and are continually recruiting to grow our expertise. 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 life cycle. The information security team also leverages the cyber experts from our Software Integrity Group. We have also grown our capacities in incident response, forensics, and investigations.



The Synopsys 20 Key Security Controls

The Synopsys 20 Key Security Controls are safeguards that help our Information Security team prevent, detect, correct, compensate for, and deter threats and vulnerabilities related to the confidentiality, integrity, and availability of our systems and data. We enforce the use and adoption of the 20 key controls on all technology related projects from their inception. Infosec audits these controls in several parts of the business annually to ensure compliance. In addition, we require all Synopsys IT environments be compliant with these controls to reduce technical, administrative, and physical cybersecurity risks; prevent security incidents; and mitigate potential impacts.

2022 Cybersecurity Highlights

The work of cybersecurity is continuous, operating as a 24/7 defense against emerging risks.

Incident Response

Deployed new security operations automation to achieve more proactive incident response with our 24/7 Security Operations Center (SOC)

Cybersecurity Training

Updated our cybersecurity training, with mandatory training for all employees in September followed by Cybersecurity Awareness Month in October

Zero-Trust Approach

In 2022, we **completed phase 1 of zero-trust architecture** to reduce risk in hybrid and work-from-home environments

Tabletop Exercises

Conducted a ransomware executive tabletop exercise, updated our business resiliency plans, and implemented a new data backup strategy

M&A Processes

Formalized new security processes for all incoming mergers and acquisitions (M&As) and ensured all previous M&As are aligned with these new security standards

Certifications

Achieved multiple certifications and attestations, including ISO 27001 Certification for Secure Cluster (U.S., Germany) and SIG products; SOC 2 Attestation for Synopsys Cloud and SIG products; TISAX certification (U.S., Germany) for compliance with new ISO/SAE 21434 and UNR155 automotive cybersecurity standards; and ISO 22301 certification for business continuity management

Designing Cyber-Resilience

Helping our customers build trust in their software, increase resiliency against cyberattacks, and design protections into their systems and software is at the core of Synopsys product design and innovation.

Our Software Integrity Group offers the most comprehensive set of application security testing (AST) tools to detect security, quality, and compliance issues in proprietary code, open-source and third-party dependencies, application behavior, and deployment configurations. In 2022, we were named a leader in Gartner's Magic Quadrant™ for Application Security Testing (AST) for the sixth straight year. We also received the highest scores across the board in the 2022 Gartner® Critical Capabilities for Application Security Testing Report, which ranks vendors' capabilities across five common use cases: enterprise, continuous testing, mobile and client, DevSecOps, and cloud-native applications.

In the past year, Synopsys has made significant investments in cybersecurity innovation, including:

- **Acquisition of WhiteHat Security**, a leading provider of application security software-as-a-service (SaaS),

which brings Synopsys significant SaaS capabilities and market-segment-leading dynamic application security testing (DAST) technologies

- **Expansion of the Synopsys Polaris Software Integrity Platform®**, our integrated, cloud-based application security testing solution, via announcement of two new SaaS offerings: Polaris fAST Static and fAST SCA
- **Release of new Rapid Scan capabilities** for Coverity SAST and Black Duck SCA
- **Launch of Synopsys Code Sight™ Standard Edition**, a standalone version of our IDE plugin for developer-driven testing

Learn more about Synopsys' portfolio of [Software Integrity Solutions](#).

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.

Customer Case Study: Blue Yonder

For the past 30 years, Blue Yonder has been the world's leading supply chain provider, enabling more than 4,000 global customers with an unmatched end-to-end solutions portfolio that shortens their supply chains, increases speed of execution, and profitably delivers to their customers. Blue Yonder's portfolio of 100-plus applications contains a mix of custom-built codebases and commercial and open-source components. They needed a solution to ensure they could accurately track and manage their open-source components and identify any security vulnerabilities.

The solution was Synopsys' **Black Duck software composition analysis (SCA)**, a comprehensive solution for managing security, license compliance, and code quality risks stemming from the use of open-source in applications and containers, across the software supply chain and throughout the application life cycle. Added in 2017 to Blue Yonder's 2015 Black Duck Code Center implementation, Black Duck SCA enabled Blue Yonder to set and enforce open-source use and security policies, automate policy enforcement with DevOps integrations, and prioritize and track remediation activities.

With the Black Duck SCA, "We're now able to ensure that none of our products are released with open-source license risks or security issues," said John Vrankovich, Principal Architect at Blue Yonder.

Cybersecurity Awareness Month: Everyone Can Be a Human Firewall

Synopsys' Security Awareness and Education program ensures that all employees understand their responsibilities for the appropriate handling and protection of Synopsys' systems, data, and other computing resources. We provide educational opportunities to support Synopsys employees in mastering proper security techniques, and each October we amplify our outreach as part of Cybersecurity Awareness Month. In 2022, the campaign's theme, "See Yourself in Cyber," focused on the people aspect of cybersecurity, with topics and materials focusing on recognizing the employee's personal responsibility for:

- Taking the necessary steps for ensuring the safety of our systems, documents, code, and intellectual property
- Helping govern our vital data assets
- Helping build secure products that our customers will trust as part of a secure supply chain
- Caring about keeping Synopsys, its people, its information, and its assets safe and secure

Our Data Privacy Commitment

Synopsys recognizes that privacy is a fundamental human right. We are committed to strong privacy principles and transparency about the use of personal data. As a business-to-business company, our access to personal information is limited and we never sell such 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, and our [Data Processing Addendum \(DPA\) Supplement](#) enumerates the duties and obligations of our data controller and data processor partners. 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 data privacy regulations in Europe, the U.S., Asia, and around the globe.

In 2022, Synopsys began taking steps to comply with new privacy laws coming into effect in China and in five U.S. states: California, Colorado, Connecticut, Utah, and Virginia. Synopsys has also taken steps to assure the legality of its cross-border data transfers under the revised Standard Contractual Clauses issued by the European Commission and the United Kingdom. We will continue to evolve our posture to stay in compliance with new developments in privacy law.



Photo Credit: Joseph Chen, Synopsys Employee, China

Supply Chain

Synopsys' Smart Future strategy not only focuses internally to manage our operational impacts, but also engages externally with supply chain partners on our expectations around environmental, health and safety, human rights, governance, and labor standards.

Supply Chain Strategy and Management Approach

Synopsys' supply chain management strategy, policies, and initiatives aim to optimize our procurement operations and influence supplier and partner behaviors to ensure a resilient, reliable, and ethical supply chain. Across our business ecosystem, we work to build greater awareness of responsible environmental, labor, and human rights practices to mitigate risk while advancing international norms and standards. Direct suppliers of inputs for our hardware products must comply with all applicable laws and regulations and our Supplier Code of Conduct, which mirrors the Responsible Business Alliance (RBA) Code of Conduct standards for labor, governance, health and safety, and environmental and ethical practices.

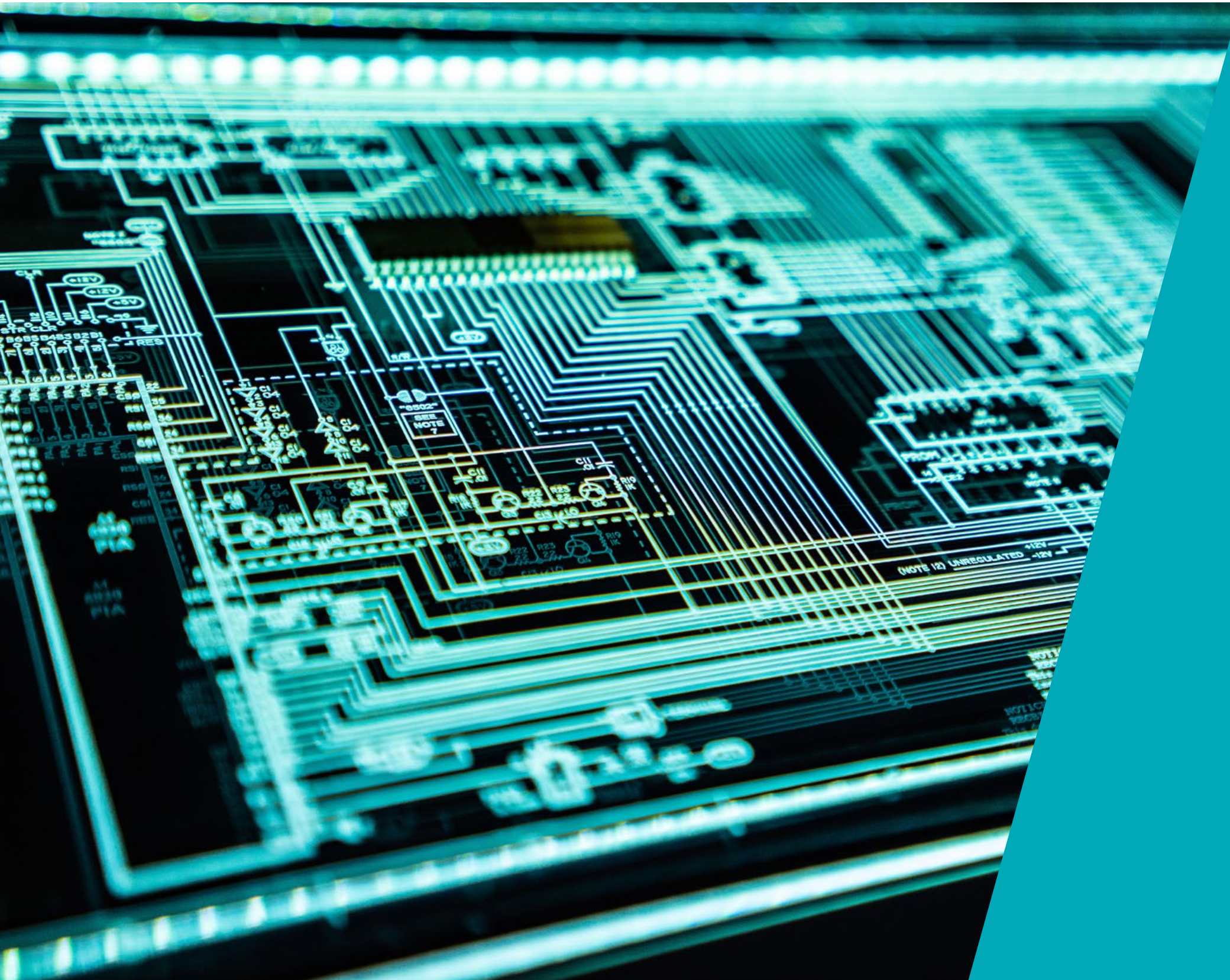


2022 Supply Chain Highlights

In 2022, we focused on analyzing and understanding our direct and indirect spend with select suppliers around the world. These efforts set the stage for increased engagement and due diligence of our suppliers while building greater ESG diligence into decision making around sourcing and indirect procurement. During the year, we:

- **Added renewable energy commitments** to our data center vendor agreements, addressing a significant source of Scope 2 electricity consumption
- **Developed ESG criteria** for our indirect procurement Request for Proposal process
- Completed an RBA **facility-risk self-assessment questionnaire** in preparation for an RBA Validated Assessment Program (VAP) audit
- **Improved supplier categorization by spend reporting** and began tracking suppliers with science-based emissions reduction targets

Additionally, in May 2022 we made our annual **conflict minerals filing** with the Securities and Exchange Commission (SEC) for the 2021 reporting year. We sought to survey all of our suppliers and identify high-priority suppliers that account for over 99% of our total spend on hardware products for this reporting year. We received Conflict Minerals Reporting Template (CMRT) responses from approximately 92% of our suppliers.



Software Supply Chain Risk Management

In 2022, we experienced increasing demand for solutions related to Software Supply Chain Risk Management (SSCRM), which includes, among other things, provision and use of a software bill of materials (SBOM, a nested inventory of the components in a piece of software) to help manage risks. SSCRM has been the topic of executive and legislative activity in the U.S. and globally, across governments and industry and among our customers. To help shape this demand signal, Synopsys experts have been intimately engaged in public-private collaborations to influence government and industry thinking and action. Of note, Synopsys received public acknowledgement of our contributions to the SSCRM community from NIST in its publication of the Secure Software Development Framework (SSDF) and from the Department of Homeland Security and the White House for our contributions to the Cyber Safety Review Board's report on Log4j.

In 2022, our Software Integrity Group (SIG) began aligning our capabilities related to SSCRM, SSDF, and SBOM into a coordinated effort, developing a SIG SSCRM strategy and defining a set of new solutions that address various aspects of SSCRM for different customer groups and will evolve in parallel with SSCRM requirements.

Political Activities and Contributions

Synopsys is committed to compliance with applicable laws, rules, and regulations including lobbying registration and disclosure laws, ethics rules, provisions of the Foreign Corrupt Practices Act, and anti-bribery laws worldwide. In 2022, 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, and none of our advocacy required any Lobbying Disclosure Act (LDA) filings. In the U.S. and abroad, we also engage with trade and industry associations that may undertake advocacy on behalf of their members.

Synopsys does not contribute to political parties or candidates, nor do we contribute to political action committees. We may contribute periodically to local ballot initiatives in California that are consistent with our quality-of-life goals. All such contributions are disclosed on our website.



Photo Credit: Bhaskara P, Synopsys Employee, India

2023 Governance Goals

Strengthen our controls and process around ESG data management and disclosure

Continue to engage with stockholders to align ESG initiatives with stockholder feedback and best governance practices

Launch a new executive-level Climate Action Steering Committee

Develop a supply chain engagement plan to address Scope 3 GHG emissions

Adopt a formal Human Rights Policy

06 Appendices

SASB Index

TCFD Index

GRI Content Index

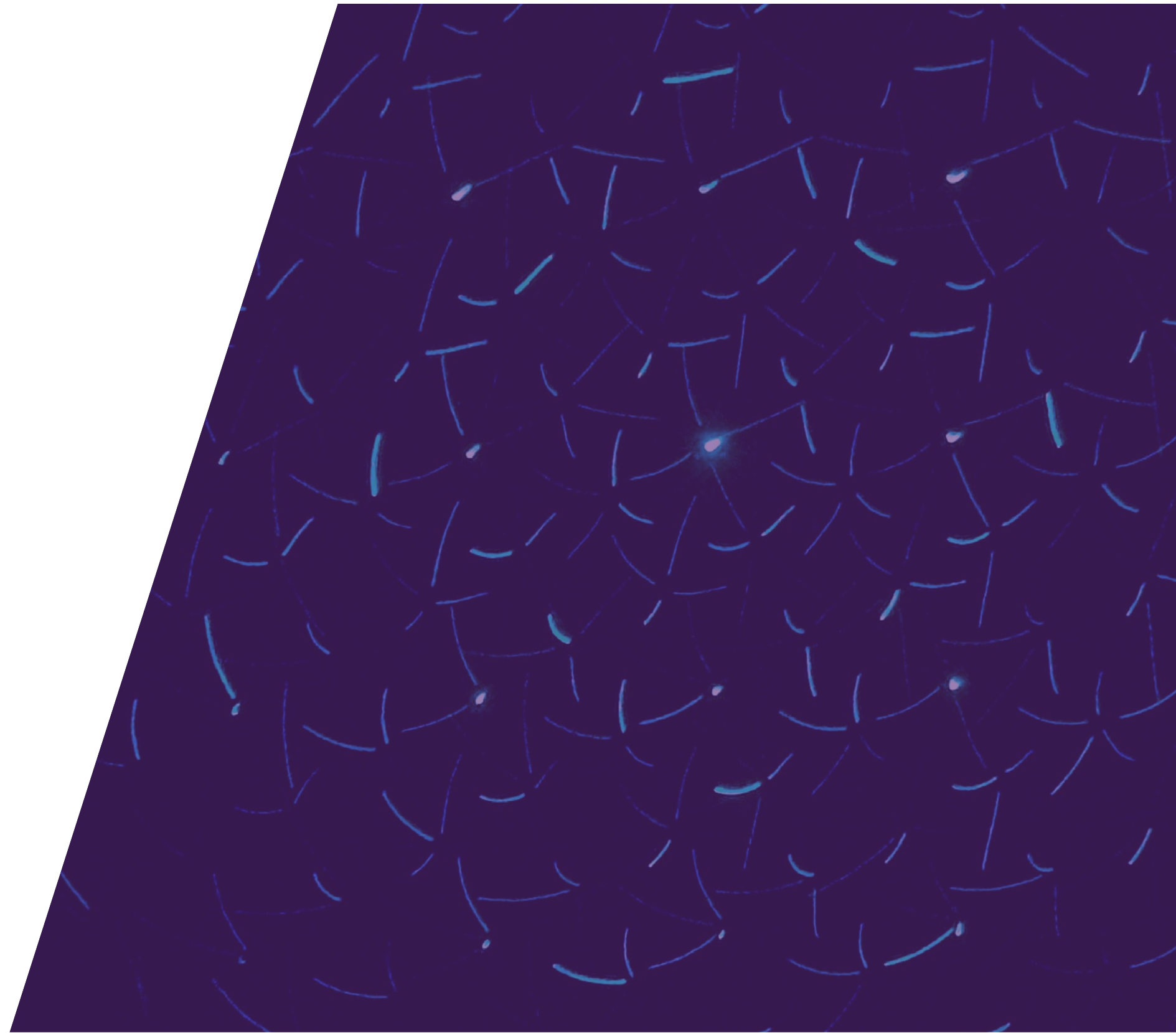
UN SDG Index



Photo Credit: Kurma Chandra Shekar, Synopsys Employee, India

SASB Index: Software & IT Services

Synopsis has elected to report to the Sustainability Accounting Standards Board (SASB): Software & 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, 2022, except for the environmental data, which is for calendar year 2021.



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) 244,823 GJ, 2) 100%, 3) 9%	
	TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m ³), Percentage (%)	We do not currently calculate total water withdrawals as it is not considered a priority topic for our business.	
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	n/a	Environment: Boosting Data Center Sustainability	Page 28
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	n/a	Governance: Cybersecurity and Privacy Synopsys Data Protection and Privacy Statement	Page 61
	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 and uses information only for the reasons we give when we collect the data.	
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	U.S. Dollars	In FY22, we had zero monetary losses as a result of legal proceedings associated with user privacy that required disclosure in our public Securities and Exchange Commission (SEC) filings.	
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 (%), Number	Since 2015, Synopsys has experienced no material information security breaches.	
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	n/a	Governance: Cybersecurity and Privacy Strategy and Management Approach	Page 61

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 19,008 employees as of 2022. Approximately 74% of these employees are based outside of the U.S.	
	TC-SI-330a.2	Employee engagement as a percentage	Percentage (%)	Our November 2022 engagement score was 80. Scores for “I would recommend Synopsys as a great place to work” were strong at 82, and measures of employee satisfaction were above industry average at 78. 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.	
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	Social: Diversity Metrics Snapshot Governance: Board Snapshot	Page 39 Page 57
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 anticompetitive behavior or violations of antitrust or monopoly legislation.	
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of (1) performance issues, (2) service disruptions and (3) total customer downtime	Number, Days	Synopsys actively monitors the availability and performance of our technology infrastructure. In 2022, Synopsys did not experience any technology incident that caused a material disruption to our business or to our customers.	
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	n/a	Governance: Business Continuity and Resiliency	Page 60

TCFD Index

The table below addresses the recommendations of the Task Force on Climate-related Financial Disclosures.

Synopsis maintains that the climate risks outlined below do not have a material impact on its financial performance and operational results.

Recommendations	Disclosure/Links to More Information	CDP Reference
Governance		
Describe the board's oversight of climate-related risks and opportunities	The Board oversees risk management at Synopsis and executes its oversight responsibility directly and through its committees, who regularly report back to the Board. The Corporate Governance and Nominating (CGN) Committee of the Synopsis Board of Directors has direct oversight of environment, social and governance (ESG) matters, the scope of which includes climate-related issues. As stated in its publicly available charter , the CGN Committee is responsible for overseeing policies, practices, priority and risk assessments, risk management, initiatives, goals, progress toward goals and public disclosures relating to ESG matters, except to the extent delegated to other committees of the Board. The CGN Committee receives updates from the ESG Leadership Committee, led by Synopsis' SVP and Deputy General Counsel. Each of Synopsis' three standing Board committees coordinate with other committees to oversee "ESG Matters," including reporting standards with respect to ESG Matters.	CDP Report (C1.1b)
Describe management's role in assessing and managing climate-related risks and opportunities	The Synopsis ESG Management Team is responsible for our ESG strategy and goals, which includes assessing, monitoring, and managing climate-related risks and opportunities. The ESG Management Team is made up of senior leaders in the Legal and ESG team. The ESG Leadership Committee includes executives from across our business who are tasked with driving Synopsis' ESG performance and ensuring the implementation of our Smart Future strategy in their respective areas of responsibility. Members of the ESG Leadership Committee participate in the climate-related risk and opportunity assessment of business activities and strategies. They also help inform the climate-related aspects of our ESG strategy and roadmap, including stakeholder engagement, metrics and disclosures, and special projects.	CDP Report (C1.2, C1.2a)

Recommendations

Disclosure/Links to More Information

CDP Reference

In 2022, we completed a climate-related risk and opportunity assessment of the potential relevance and significance of the following climate-related risk and opportunity drivers applicable to our business over short (0–2 years), medium (2–5 years), and long (5+ years) time horizons.

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term

Risk Category	Description	Timeframe
Acute Physical	Increasing frequency/severity of climate-driven events (e.g., floods, wildfires, heatwaves, power interruptions) and potential disruption of operational and supply chain activities	Short–long term
Chronic Physical	Long-term changes in mean temperatures, weather patterns, and sea levels; potential implications for location of company activities and costs (e.g., increased cooling in data centers)	Medium–long term
Transitional – Policy	Carbon pricing escalating 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 that may increase product development costs	Short–long term
Transitional – Reputational	Potential implications for attracting and retaining talent, customers, and investment	Short–long term

CDP Report (C2.1a, C2.3, C2.3a, C2.4, C2.4a)

Opportunity Category	Description	Timeframe
Resilience	Potential to increase resilience through incorporation of climate scenarios into business resiliency planning	Short–long term
Products/Services/Market	Drivers for the low carbon economy transition to 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/Links to More Information	CDP Reference
Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning	<p>We have not identified any physical or transitional climate risks as having a high risk or material impact on our business, strategy, or financial planning.</p> <p>In the physical risk category, potential business disruption due to acute physical events impacting our hardware and digital supply chain operations is factored into financial planning and our business continuity and disaster recovery programs, including related measures such as the maintenance of buffer stocks of parts and finished goods.</p> <p>As a technology company we have not identified significant impacts to our overall business, strategy, or financial planning related to transitional risks such as carbon pricing, changing stakeholder expectations (reputation), and legislation. We are, however, committed to taking responsibility for our carbon footprint 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.</p> <p>The opportunity identified as having a high impact on our business, strategy, and financial planning relates to the development of products for low power and solutions for chip design that optimize performance per watt. Future applications from AI to smart devices depend on silicon chips running faster, scaling down to smaller node sizes, integrating more capabilities, and processing more data—all while consuming less power. Synopsis 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. This broader opportunity is strategically relevant to our research and development investments and financial planning.</p>	CDP Report (C2.3a, C2.4a, C3.1, C3.3, C3.4)
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario	<p>We have considered the potential implications of a policy-driven carbon price for our direct operations (scope 1 and 2) and upstream (scope 3) activities under various transitional scenarios. The carbon price scenarios (2°C orderly, 2°C disorderly, 1.5°C orderly and 1.5°C disorderly) were drawn from the NGFS (Network for Greening the Financial System) data.</p> <p>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. We are also 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.</p> <p>Our operating model means that we lease the majority of our office and data center space from third-party landlords and colocated data center vendors, with limited-term leases and service agreements. This enables us to be flexible and responsive to the changing climate and means that our exposure to the financial and strategic implications of climate change for property asset maintenance, repair and upgrade costs, and property valuation are minimal. Additionally, the implementation of effective work-from-anywhere strategies during the COVID-19 pandemic has increased our ability to be adaptable and resilient in the face of physical climate change.</p>	CDP Report (C3.2, C3.2a, C3.2b)

Recommendations	Disclosure/Links to More Information	CDP Reference
<p>Risk Management</p> <p>Describe the organization’s processes for identifying and assessing climate-related risks</p>	<p>We identify and assess potential climate-related risks and opportunities regularly. Working with an expert consulting partner, we research and update potentially relevant risks and opportunities and perform assessment of them using impact and likelihood criteria. As part of our climate risk and opportunity assessment update, we convene a working group of risk and opportunity “owners”, which are typically functional leaders with responsibilities across our value chain, including corporate functions, operations, supply chain (upstream), and products (downstream). Using the framework outlined below the assessment considers:</p> <p>Inherent Risk/Opportunity Rating:</p> <ul style="list-style-type: none"> • Likelihood—the frequency and/or probability of events/impacts arising in the next 5 years (short/medium term) or 10 years (long term) • Impact—implications for revenue, operating costs, business continuity, safety, reputation, compliance <p>Residual Risk/Opportunity Rating (adjustment of inherent rating taking into consideration):</p> <ul style="list-style-type: none"> • 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 <p>High-rated residual risks and opportunities are those we focus on by using additional investments to mitigate, accept, or transfer the risks, or to realize opportunities. For medium-rated risks and opportunities, we maintain or enhance current programs and plans, and monitor for changes in risk profile. For low-rated risks and opportunities, we maintain existing programs and periodically re-evaluate the risk/opportunity rating.</p>	<p>CDP Report (C2.1, C2.2, C2.2a)</p>

Recommendations	Disclosure/Links to More Information	CDP Reference
<p>Describe the organization's processes for managing climate-related risks</p>	<p>Based on the individual risks, we consider strategies to mitigate, accept, or transfer physical climate-related risks. Strategies include:</p> <ul style="list-style-type: none"> • Mitigation measures to reduce the impact of physical climate change include: <ul style="list-style-type: none"> - Our business continuity and disaster recovery program helps us maintain readiness for extreme events. - From an IT Operations standpoint, we have a high degree of data center redundancy for our revenue services and continue migrating from on-premise locations to a more resilient colocation strategy. - We maintain buffer inventories of parts and finished goods within our hardware product supply chain. - We also provide financial support to organizations working on climate adaptation measures in the San Francisco Bay Area, where we are headquartered, and have the greatest concentration of employees. • Mitigation measures to reduce transitional risks associated with our energy use and GHG emissions footprint include: <ul style="list-style-type: none"> - Pursuing Scope 1 and 2 emissions reduction targets to reduce impact of increased cost of carbon. This includes carbon neutral certification, which serves to place an internal cost on carbon, supporting the financial case for other reduction measures and investment in renewable energy. - We have submitted science-based Scope 1 and 2, and Scope 3 targets to SBTi for their review and validation. - Investing in renewable energy, including a long term VPPA, which helped finance the development and construction of Azure Sky hybrid Wind Project. Under the 12-year agreement, we have contracted 15 megawatts of wind generation capacity, which represents approximately 50% of our North American electricity demand. - Energy efficiency projects including LEED-certified office space. - We ask new vendors to disclose their GHG emissions as a step towards decarbonizing and mitigating climate risks in our supply chain. 	<p>CDP Report (C2.1, C2.2)</p>
<p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>The results of our climate-related risk and opportunity assessment, led by the ESG Management Team with cross-functional engagement, are considered in Synopsis' company-wide risk prioritization process, which includes climate change, and is reported to the Board.</p>	<p>CDP Report (C2.1, C2.2)</p>

Recommendations	Disclosure/Links to More Information	CDP Reference
Metrics and Targets		
<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>Metrics we use to help us understand our exposure to climate-related risks and opportunities include:</p> <ul style="list-style-type: none"> • Progress towards low power software products and solutions that can deliver 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 toward 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 <p>We have also added language to our data center provider agreements detailing our commitment to renewable energy, and will track the financial performance of our VPPA “contract for differences” over time, which will inform our future renewables investment strategies.</p>	
<p>Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</p>	<p>Our Scope 1, Scope 2, and Scope 3 emissions are reported in the Environment chapter: GHG Emissions Summary Table and in our 2022 CDP Climate Change response.</p> <p>Risks related to our emissions footprint include the potential for policy-driven carbon price increases, resulting in higher expectations from stakeholders (e.g., regulators, employees, customers, and investors) for climate disclosures and impact reduction. We have assessed these risks as having a low residual risk rating based on the programs we have in place to manage the risks and reduce our footprint over time.</p>	<p>CDP Report (C6.1, C6.3, C6.5)</p>
<p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>Synopsys is committed to being a part of the transition to a lower-carbon economy. We have a science-based emissions reduction target to reduce our Scope 1 and 2 emissions 25% by 2024 compared with a 2018 baseline. We have also committed to SBTi and have submitted Scope 1 and 2, and Scope 3 targets for their review and validation. Progress towards our 2024 Scope 1 and 2 target is reported in the Expanding GHG Emissions Commitments section of our report.</p> <p>Synopsys has an ongoing initiative to reduce our global data center footprint through a strategy of optimization, consolidation, and decarbonization. Based on our current plans, by 2024 our optimization initiative will have transitioned 1.58 MW of data processing capacity to assets and colocation providers that are both more energy-efficient and located in regions with less carbon-intensive grids.</p> <p>As part of our low power platform, we target delivering an additional 25% power reduction 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 Innovation for a Greener World section of our report.</p>	<p>CDP Report (C4.1, C4.1a, C4.2)</p>

GRI Content Index

Synopsys reports with reference to the 2021 Global Reporting Initiative's Sustainability Reporting Standards. This table covers the GRI disclosures found in our 2022 ESG Report, SEC filings, and company website.

GRI Standard Title and Section	Disclosure	Description	Location and Notes	Page Number
GRI 2: General Disclosures 2021				
1. The organization and its reporting practices				
	2-1	Organizational details	Synopsys, Inc. (NASDAQ: SNPS) is incorporated in Delaware, in the United States. Effective June 1, 2023, our headquarters address is 675 Almanor Avenue, Sunnyvale, CA 94085. For the locations of our operations, see Countries/Regions . For further information, see Synopsys' Annual Report on Form 10-K for fiscal year ended October 31, 2022.	
	2-2	Entities included in the organization's sustainability reporting	Regions where Synopsys operates and that are relevant to the topics covered in this report are: the Americas, Europe and the Middle East, Asia Pacific, and Japan. Find more information on our locations here . Operations data in this report also includes majority-owned subsidiaries.	
	2-3	Reporting period, frequency and contact point	<p>About This Report</p> <p>The Synopsys 2022 Environmental, Social and Governance (ESG) Report covers our performance for our fiscal year 2022, which began on November 1, 2021, and ended on October 31, 2022. The exceptions include our environment performance data (calendar year 2021) and social impact performance data (calendar year 2022), and as otherwise noted.</p> <p>We report annually. Read our most recent report here: 2021 CSR Report.</p> <p>esg@synopsys.com</p>	Page 2
	2-4	Restatements of information	Emissions data has been updated from prior publications to reflect improved measurement methods and enhanced data quality.	Page 26

GRI Standard Title and Section	Disclosure	Description	Location and Notes	Page Number
	2-5	External assurance	We received external assurance on the following ESG data: - Calendar year 2021 GHG Emissions Scope 1 and 2, Scope 3 Business Travel and Upstream Transportation - Fiscal Year 2022 Diversity Metrics See Synopsys' External Assurance Statements .	Page 26
2. Activities and workers				
	2-6	Activities, value chain, and other business relationships	About Synopsys: Our Values Governance: Supply Chain Synopsys made no significant changes to the organization's size, structure, or supply chain in 2022. For additional information, see Synopsys' Annual Report on Form 10-K for the fiscal year ended October 31, 2022.	Page 10 and 66
	2-7	Employees	Social: Diversity Metrics Snapshot We don't currently report on employee breakdown by region, or by full-time and part-time employment status.	Page 39
	2-8	Workers who are not employees	Governance: Supply Chain	Page 66
3. Governance				
	2-9	Governance structure and composition	Governance: 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.	Page 56
	2-10	Nomination and selection of the highest governance body	To learn more about Synopsys' process for nomination and selection of members of our highest governance body, see our most recent Proxy Statement .	
	2-11	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.	

GRI Standard Title and Section	Disclosure	Description	Location and Notes	Page Number
	2-12	Role of the highest governance body in overseeing the management of impacts	<p>About Synopsys: How We Manage ESG Synopsys' Corporate Governance and Nominating (CGN) Committee of the Board of Directors has responsibility for oversight of environmental, social, and governance (ESG) matters, including risk assessment and management related to ESG.</p> <p>See our Corporate Governance and Nominating Committee Charter and 2022 CDP Climate Change Response.</p>	Page 13
	2-13	Delegation of responsibility for managing impacts	<p>About Synopsys: How We Manage ESG Synopsys' CGN Committee of the Board of Directors has responsibility for oversight of ESG matters, including risk assessment and management related to ESG. The CGN Committee delegates responsibility for managing ESG-related impacts to our ESG Management Team with the support of the ESG Leadership Committee. The ESG Management Team is made up of senior leaders in the Legal ESG team. The ESG Leadership Committee is comprised of Vice President and Director level leaders representing Workplace Resources, Finance, Information Technology, the People Team, Investor Relations, Operations, Marketing, Hardware Operations, Social Impact, and Legal. It is responsible for driving ESG performance for Synopsys and in their respective areas of responsibility. Additionally, a management-level cross-functional Emissions Reduction Task Force drives climate-related initiatives.</p> <p>See our Corporate Governance and Nominating Committee Charter and 2022 CDP Climate Change Response.</p>	Page 13
	2-14	Role of the highest governance body in sustainability reporting	<p>About Synopsys: How We Manage ESG Synopsys' CGN Committee of the Board of Directors has responsibility for oversight of ESG matters, including sustainability reporting.</p> <p>See our Corporate Governance and Nominating Committee Charter and 2022 CDP Climate Change Response.</p>	Page 13
	2-15	Conflicts of interest	<p>Governance: Business Ethics To learn more about Synopsys' practices to avoid conflicts of interest, see our Code of Ethics and Business Conduct.</p>	Page 58

GRI Standard Title and Section	Disclosure	Description	Location and Notes	Page Number
	2-16	Communication of critical concerns	To learn more about Synopsys' practices to encourage communication of critical concerns, see our Code of Ethics and Business Conduct , pages 7-9.	
	2-17	Collective knowledge of the highest governance body	To learn more about Synopsys' highest governance body members and previous experience and expertise, see our most recent Proxy Statement .	
	2-18	Evaluation of the performance of the highest governance body	To learn more about the performance evaluation of Synopsys' highest governance body, see our most recent Proxy Statement .	
	2-19	Remuneration policies	To learn more about Synopsys' remuneration policies, see our most recent Proxy Statement .	
	2-20	Process to determine remuneration	To learn more about Synopsys' remuneration processes, see our most recent Proxy Statement .	
	2-21	Annual total compensation ratio	To learn more about Synopsys' annual total compensation ratio, see our most recent Proxy Statement .	
4. Strategy, policies and practices				
	2-22	Statement on sustainable development strategy	CEO Letter	<i>Page 4</i>
	2-23	Policy commitments	About Synopsys: Our Values Governance: Business Ethics Our precautionary approach is reflected in our Smart Future ESG strategy and approach, and our Enterprise Risk Management framework. 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.	<i>Page 10 and 58</i>
	2-26	Mechanisms for seeking advice and raising concerns	Governance: Business Ethics	<i>Page 58</i>
	2-27	Compliance with 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 Securities and Exchange Commission (SEC) filings.	
	2-28	Membership associations	Synopsys is a member of the following associations related to ESG: • Responsible Business Alliance (RBA) • Clean Energy Buyers Association (CEBA)	

GRI Standard Title and Section	Disclosure	Description	Location and Notes	Page Number
5. Stakeholder engagement				
	2-29	Approach to stakeholder engagement	About Synopsys: Engaging Key Stakeholders Social: Driving Employee Connection and Engagement Governance: Supply Chain Strategy and Management Approach	Pages 14, 44, and 66
GRI 3: Material Topics 2021				
2. Disclosures on material topics				
	3-1	Process to determine material topics	About Synopsys: How We Manage ESG We determined the focus of this report by reviewing our most recent ESG priority assessment outcomes and through ongoing engagement with our ESG Leadership Committee, our employees, and key external stakeholders such as our customers and investors.	Page 13
	3-2	List of material topics	Our priority topics include: <ul style="list-style-type: none"> • Human Capital Management (Talent Management, Employee Engagement, Inclusion and Diversity, Health and Wellness) • Innovation • Cybersecurity and 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 There were no significant changes to the list of material topics compared to the previous reporting period. We will revisit the list through our priority topic refresh exercise, to be finalized in 2023.	

GRI Standard Title and Section	Disclosure	Description	Location and Notes	Page Number
GRI 205: Anti-corruption 2016				
	3-3	Management of material topics	Governance: Corporate Governance	Page 56
	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.	
	205-2	Communication and training about anti-corruption policies and procedures	Governance: Business Ethics 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 complete this requirement at hiring and renew it through mandatory training on integrity topics (including a Security Awareness module) during our annual Integrity Awareness Month.	Page 58
GRI 206: Anti-competitive Behavior 2016				
	3-3	Management of material topics	Governance: Corporate Governance	Page 56
	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 or violations of antitrust or monopoly legislation.	
GRI 302: Energy 2016				
	3-3	Management of material topics	Environment: Environment Strategy and Management Approach	Page 24
	302-1	Energy consumption within the organization (GJ)	Fuel: 48,903 GJ Electricity: 398,236 GJ Total Energy: 447,140 GJ	
	302-2	Energy consumption outside of the organization (GJ)	158,124 GJ The following Scope 3 sources have been included: car travel, employee commute, and product transport.	


GRI Standard Title and Section	Disclosure	Description	Location and Notes	Page Number
	302-4	Reduction of energy consumption (GJ)	Environment Approximately 6,130 GJ (fuel and electricity)	Page 16
GRI 305: Emissions 2016				
	3-3	Management of material topics	Environment: Environment Strategy and Management Approach	Page 24
	305-1	Direct (Scope 1) GHG emissions	Environment: GHG Emissions Summary Table 4,104 MTCO ₂ e	Page 26
	305-2	Energy indirect (Scope 2) GHG emissions	Environment: Expanding Greenhouse Gas Emissions Commitments Environment: GHG Emissions Summary Table Environment: Boosting Data Center Sustainability Location-based: 34,592 MTCO ₂ e Market-based: 30,218 MTCO ₂ e	Pages 25, 26, and 28
	305-3	Other indirect (Scope 3) GHG emissions	Environment: Expanding Greenhouse Gas Emissions Commitments Environment: GHG Emissions Summary Table Environment: Boosting Data Center Sustainability 22,723 MTCO ₂ e Scope 3 emissions categories included: Fuel- and Energy-Related Activities, Product Transport, Waste, Business Travel, Employee Commute, and End of Life Treatment of Sold Products.	Pages 25, 26, and 28
	305-5	Reduction of GHG emissions (MTCO ₂ e)	In 2021, approximately 1,287 MTCO ₂ e of GHG emissions were reduced as a direct result of reduction initiatives of Scope 1 and 2 emissions.	
308: Supplier Environmental Assessment 2016				
	3-3	Management of material topics	Governance: Supply Chain Strategy and Management Approach	Page 66
	308-1	New suppliers that were screened using environmental criteria	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. In 2022, approximately 1,280 vendors completed the NVQ questionnaire.	


GRI Standard Title and Section	Disclosure	Description	Location and Notes	Page Number
GRI 401: Employment 2016				
	3-3	Management of material topics	Social: People Strategy and Management Approach	Page 36
	401-1	New employee hires and employee turnover	In fiscal 2022, we increased our employee headcount by approximately 16%. As of our fiscal year-end, our undesired turnover rate was 6.9%. We calculate undesired turnover rate by dividing the number of undesired exits from Synopsys by the average headcount for fiscal 2022, and we define undesired turnover as exits by high-performing employees who resigned from Synopsys (or its subsidiaries) to pursue other work opportunities.	Page 35
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social: Wellbeing and Total Rewards See our Benefits website for additional information related to employee benefits.	Page 45
GRI 403: Occupational Health & Safety 2018				
	3-3	Management of material topics	Social: People Strategy and Management Approach	Page 36
	403-1	Occupational health and safety management system	Synopsys has implemented an Occupational Health & Safety Management System that enables safe and healthy workplaces globally. We are committed to the health and safety of Synopsys employees, contractors, and visitors through the establishment of policies and standards that emphasize proactive recognition and control of hazards, emergency response procedures, comprehensive safety training, and global health and safety regulatory compliance.	
	403-6	Promotion of worker health	Social: Wellbeing and Total Rewards	Page 45
GRI 404: Training & Education 2016				
	3-3	Management of material topics	Social: People Strategy and Management Approach	Page 36
	404-1	Average hours of training per year per Employee	In 2022, we refined Degreed, our Online Digital Learning Platform, and redesigned our SharePoint sites for learning, technical training, and manager resources. Additionally, we implemented an analysis tool that provides more robust data and reporting, which we will apply to 2023 reporting.	
	404-2	Programs for upgrading employee skills and transition assistance programs	Social: Investing in Our People	Page 41
	404-3	Percentage of employees receiving regular performance and career development reviews	Social: Our People Approximately 98% of employees completed a performance review during the reporting period.	Page 36


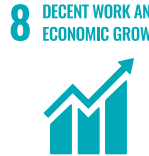
GRI Standard Title and Section	Disclosure	Description	Location and Notes	Page Number
GRI 405: Diversity & Equal Opportunity 2016				
	3-3	Management of material topics	Social: People Strategy and Management Approach	Page 36
	405-1	Diversity of governance bodies and employees	Social: Diversity Metrics Snapshot Governance: Board Snapshot	Pages 39 and 57
	405-2	Ratio of basic salary and remuneration of women to men	Social: Taking Action on Pay Equity In 2022, women at Synopsys earned an average of \$0.99 for every \$1 men earned in the same position and location, and U.S. Black, Latinx and Indigenous employees earned an average of \$0.99 for every \$1 earned by white employees. Governance: Board Snapshot	Page 41 and 57
GRI 414: Supplier Social Assessments 2016				
		Management of material topics	Governance: Supply Chain Strategy and Management Approach	Page 66
	414-1	New suppliers that were screened using social criteria	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 addition, 270 suppliers were assessed through our 2021 Conflict Minerals Due Diligence process. Responses were received from approximately 92% of suppliers.	
GRI 415: Public Policy 2016				
	415-1	Political contributions	See Synopsys' Political Activities Policy .	
GRI 418: Customer Privacy 2016				
		Management of material topics	Governance: Cybersecurity and Privacy Strategy and Management Approach	Page 61
	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 SEC.	




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	Synopsis Actions and Initiatives in 2022
 <p>#4 Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p>	<ul style="list-style-type: none"> • The Synopsis University Software Program is dedicated to furthering university research and education in the field of electronic design. • Invested in the GEM Fellowship Program by providing full graduate university tuition and paid summer internships for underrepresented groups (African Americans, American Indians, and Hispanic Americans) pursuing MS- and PhD-level engineering and science degrees • Provided universities with access to comprehensive curricula for Bachelor and Master Programs in IC design and EDA development • Partnered with Foundation For Excellence India Trust to sponsor the education of academically gifted and financially deserving students in India pursuing degrees in engineering and technology
	<p>4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>	<p>Through the following programs, Synopsis leverages our industry influence to contribute to higher numbers of youth and adults with the technical skills and employment opportunities in our industry:</p> <ul style="list-style-type: none"> • Remained committed to interns. 2022 saw 1,230 students at various stages of their academic careers participate in Synopsis' global FUTUREx internship program (formerly InternX) • Partnered with GiftAble Foundation in India to enable youth with disabilities to be ready for employment in public and private companies • Partnered with Fundación para la Inclusión Tecnológica Kodea to support IdeoDigital, a national project in Chile that seeks to incorporate Computer Science in the classroom • Invested in NAACP ACT-SO (Afro-Academic, Cultural, Technological and Scientific Olympics) year long enrichment program that provides a forum for youth of African descent to demonstrate academic, artistic, and scientific prowess in STEM, Business and Humanities • Supported the Synopsis Outreach Foundation to provide equitable and inclusive opportunities in project-based STEM in the Greater Bay Area

SDG	Target	Synopsisys Actions and Initiatives in 2022
 <p data-bbox="344 580 446 623">5 GENDER EQUALITY</p> <p data-bbox="236 766 622 869">#5 Gender Equality: Achieve gender equality and empower all women and girls</p>	<p data-bbox="759 503 1634 534">5.1: End all forms of discrimination against all women and girls everywhere</p>	<p data-bbox="1730 369 2949 435">Synopsisys works to reduce corruption and bribery in all forms and to enforce non-discriminatory laws and policies in many ways, including the following:</p> <ul data-bbox="1730 444 2866 668" style="list-style-type: none"> • Synopsisys Code of Ethics and Business Conduct, which mirrors the RBA Code of Conduct • 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
	<p data-bbox="759 718 1663 856">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</p>	<p data-bbox="1730 718 2875 749">Synopsisys recognizes the value of unpaid care and domestic work through the following programs:</p> <ul data-bbox="1730 758 2955 856" style="list-style-type: none"> • Provide Dependent Day Care Flexible Spending Accounts (FSAs) • Offer variety of leave options to help employees deal with whatever circumstances may arise • Offer variety of programs to help employees with caregiver resources, including childcare and eldercare
	<p data-bbox="759 1017 1672 1084">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</p>	<p data-bbox="1730 906 2860 973">Through the following programs, Synopsisys works to ensure inclusive participation and leadership opportunities for women:</p> <ul data-bbox="1730 982 3013 1197" style="list-style-type: none"> • Annually conduct and report on gender pay equity; in 2022, women at Synopsisys earned an average of \$0.99 for every \$1 men earned in the same position and location • Partnered with Technovation to equip young women (ages 8-18) to become tech entrepreneurs and leaders by using cutting edge technology to solve problems in their communities • Invested in Keshava Kripa Samvardhana Samiti in India to provide financial scholarships for underprivileged girls • See Diversity Metrics Snapshot for diversity at management levels and Board Snapshot at the Board level

SDG	Target	Synopsis Actions and Initiatives in 2022
 <p>#7 Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p> <hr/> <p>7.3: By 2030, double the global rate of improvement in energy efficiency</p>	<ul style="list-style-type: none"> Accelerated development of renewable energy through participation in a large aggregated virtual power purchase agreement (VPPA) in the U.S. Signed a power purchase agreement (PPA) for up to 400,000 kilowatt hours (kWhs) of wind capacity per month in Bangalore, India <hr/> <ul style="list-style-type: none"> Occupied 1.3 million square feet of LEED-certified office space across North America, India, and Asia Implemented a new digital platform for tracking utility bill and meter data across North America facilities to improve monitoring of energy use Procured a Data Center Infrastructure Management Tool (DCIM) to increase efficiencies in power usage and cooling
 <p>#8 Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>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</p>	<p>Through the following programs, Synopsis works to ensure inclusive and productive work for our people:</p> <ul style="list-style-type: none"> Annually conduct and report on pay equity based on gender (global) and Black, Latinx, Indigenous (BLI) employees (U.S.); in 2022, BLI employees earned an average of \$0.99 for every \$1 earned by white employees Incorporated Act for Impact performance measurements into our annual Performance Review process, involving every Synopsis employee in shaping and advancing our Inclusion & Diversity culture Led five Employee Resource Groups (ERGs) for employees and allies including: WIN (Women's Impact Network), VIBE (Very Inclusive Black Employee), La Comunidad (Latinx), PRIDE (LGBTQIA+) and our new ERG, NEX-GEN, to promote a diverse and inclusive workplace aligned with our values and goals Offered employees with federal student loans an extra \$400 per month (up to a lifetime \$24,000 cap) to help clear their loan obligations Provided medical insurance to participants in our FUTUREx (formerly InternX) intern program

SDG	Target	Synopsisys Actions and Initiatives in 2022
<p data-bbox="344 396 513 440">9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p data-bbox="162 569 695 709">#9 Industry, Innovation and Infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p data-bbox="762 462 1663 602">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.</p>	<ul data-bbox="1736 444 3019 659" style="list-style-type: none"> • Provided customers with innovative mobile and IoT solutions that are less energy and carbon intensive for business verticals including AI, automotive, low power computing, etc. • Continued plans for phased closure of inefficient on premise data centers, representing 18% of our current capacity • Occupied 1.3 million square feet of LEED-certified office space across North America, India, and Asia • Procured a Data Center Infrastructure Management Tool (DCIM) to increase efficiencies in power usage and cooling
<p data-bbox="344 811 450 856">13 CLIMATE ACTION</p>  <p data-bbox="188 1010 667 1076">#13 Climate Action: Take urgent action to combat climate change and its impacts</p>	<p data-bbox="762 910 1640 976">13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>	<ul data-bbox="1736 784 2971 1107" style="list-style-type: none"> • Established new GHG emissions reduction targets and submitted these for SBTi review and validation • Initiated renewable energy sourcing for our North America offices and data centers for 40,000 megawatt hours (MWhs) per year • Updated our climate risk and opportunity assessment, which we first completed in 2021 • Updated our business continuity plans to also include climate risks • Obtained ISO 22301 Business Continuity Management Systems certification • Launched new 24/7 Security Operations Center (SOC) and deployed security operations automation to achieve more proactive incident response • Updated and completed testing on 104 business continuity plans using scenario-based events
<p data-bbox="344 1179 504 1250">16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>  <p data-bbox="172 1354 689 1533">#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</p>	<p data-bbox="762 1265 1525 1297">16.5: Substantially reduce corruption and bribery in all their forms.</p> <p data-bbox="762 1340 1672 1406">16b: Promote and enforce nondiscriminatory laws and policies for sustainable development.</p>	<p data-bbox="1736 1211 3013 1277">Synopsisys works to reduce corruption and bribery in all forms and to enforce non-discriminatory laws and policies in many ways, including the following:</p> <ul data-bbox="1736 1286 2907 1501" style="list-style-type: none"> • Ethics and Compliance program, led by our Chief Ethics & Compliance Officer, with Board oversight • Code of Ethics and Business Conduct • Annual Ethics and Integrity Training • Anti-Corruption Compliance Manual • Integrity Helpline to report ethics and compliance questions or concerns • Supplier Code of Conduct, which mirrors the Responsible Business Alliance (RBA) Code of Conduct

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