

2019

# Corporate Social Responsibility Report

**SYNOPSYS**<sup>®</sup>

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## About this Report

The Synopsys 2019 Corporate Social Responsibility (CSR) report shares an overview of our strategy and demonstrates the connection between our business and our commitment to social responsibility. Throughout the report, we disclose how we are managing issues that are important to our organization as well as our priorities for improvement as we continue to grow.

## Report Scope

This report profiles activities for the 2019 fiscal year, which began on November 1, 2018, and ended on October 31, 2019. The highlights and key performance metrics presented in this report are from FY19, with the exception of our environmental and community performance data, which are collected and managed on a calendar year basis. Unless otherwise indicated, all sustainability information and data included in this report refer to our global business. Any use of “we” or “our” refers to our global business. All financial information is presented in U.S. dollars unless otherwise noted.

## Defining Report Content

This report is intended to help our key internal and external stakeholders better understand our non-financial performance and to provide a unified document for stakeholders to access our sustainability content. The Global Reporting Initiative (GRI) reporting standards informed the development of this report.

# Co-CEO Letter



When Synopsys was founded more than 30 years ago, our two objectives were to create a company that had impact on the world and that was a great place to work. We didn't use the words "corporate social responsibility" then, but in essence, that is precisely the trajectory we set for ourselves. Today we're proud of our leadership reputation as a trustworthy global citizen, committed to our Code of Ethics and Business Conduct and the success, safety, security, and sustainability of our ecosystem, shareholders, employees, customers, communities, and planet.

Our global semiconductor and systems customers across the ecosystem—from silicon manufacturers to software application developers—use Synopsys silicon IP, design, and security testing tools to create the incredibly powerful computation demanded by our emerging world of "Smart Everything." But "smart" doesn't happen in an algorithmic vacuum. We live in a world where everything from energy demands and climate change to social interactions and security challenges are connected. There has never been a time where the ability to lead and the willingness to take ownership for big challenges has been more critical. And our bright, global, engaged, and diverse employees are stepping up!

From corporate-level accomplishments like becoming carbon neutral in 2019 to the committed individual employee who takes an extra two hours out of their day to tutor a child struggling in an underserved school, Synopsys is making an impact.

We're honored to present this snapshot of our efforts.

Sincerely,

Aart de Geus and Chi-Foon Chan



# About Synopsys

Synopsys technology is at the heart of innovations that are changing the way people work and play. Autonomous vehicles. AI. The cloud. The IoT. 5G. These breakthroughs are ushering in the era of Smart Everything—where devices are getting smarter, everything is connected, and must be secure. Powering this new era of digital innovation are high-performance silicon chips and exponentially growing amounts of software content. Synopsys is at the forefront of Smart Everything with the world's most advanced technologies for chip design, verification, IP integration, and software security and quality testing. We help our customers innovate from silicon to software so they can bring Smart Everything to life.



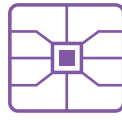
## Our Technology

We focus our technology around three essential pillars.



### Silicon Design & Verification

Build high-performance silicon chips, faster



### Silicon IP

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



### Software Security & Quality

Build secure, high-quality software, faster



FOUNDED IN  
**1986**



**120**  
GLOBAL  
OFFICES



**\$3.4B+**  
ANNUAL  
REVENUE

As of Q4 FY19

## Our Values

For more than 30 years, our core values have served to unite and guide our actions. These values—Integrity, Customer Success through Execution Excellence, Leadership, and Passion—are woven into the fabric of our organization and characterize our vision for the era of Smart Everything.

**Integrity** is demonstrated by aligning our words and our actions.

**Customer Success through Execution Excellence** is demonstrated by providing superior value to our customers.

**Leadership** is demonstrated through our business achievements, our customers' success, and our enduring commitment to our communities.



Synopsys Values Pyramid

**Passion** is our differentiator. Actions that demonstrate our values are amplified by our passion.



# Corporate Social Responsibility

Leadership comes in many forms. Synopsys has long promoted the idea that a true corporate leader is also an innovative global citizen—not just a technology pioneer, but a leader as an employer, an active member of local communities, and a champion of environmentally sustainable operations.

Corporate social responsibility (CSR) at Synopsys is about translating our company values into action for the common good. CSR is a critical part of our ongoing efforts to empower our employees, reduce our environmental footprint, ensure strong governance and ethics, manage an ethical supply chain, and make a positive impact on our communities.



## Priority CSR Issues

In 2018, we completed a materiality analysis with the assistance of third-party consultants to determine our priority CSR issues. Our CSR leadership team helped to define the list of priority issues for the company. Using a combination of internal as well as external source materials and internal survey input, we ranked CSR issues relevant to our business for their level of stakeholder concern and impact on the company. This analysis helps us understand and address gaps in internal and external perceptions, allocate resources effectively, enhance our public disclosures, and build trust with stakeholders.

Among the CSR issues identified for FY19, those that were determined to be of highest priority for Synopsys and our stakeholders were:

- Talent Management and Employee Engagement
- Climate Change and GHG Emissions
- Corporate Governance and Ethics
- Cybersecurity and Privacy
- Environmental and Social Supply Chain Management

## How We Drive CSR

CSR at Synopsys is managed by a program team with the guidance of our CSR Leadership Committee. The Corporate Governance and Nominating Committee of the Synopsys Board of Directors and the full Board receive regular CSR program updates. Employee engagement is an integral part of the success of CSR at Synopsys.



Synopsys is a member of the Responsible Business Alliance (RBA) and fully supports the vision and mission of the RBA.



## Responsible Business Alliance

Advancing Sustainability Globally

- **RBA Vision:** A global electronics industry that creates sustainable value for workers, the environment, and business.
- **RBA Mission:** Members, suppliers, and stakeholders collaborate to improve working and environmental conditions through leading standards and practices.

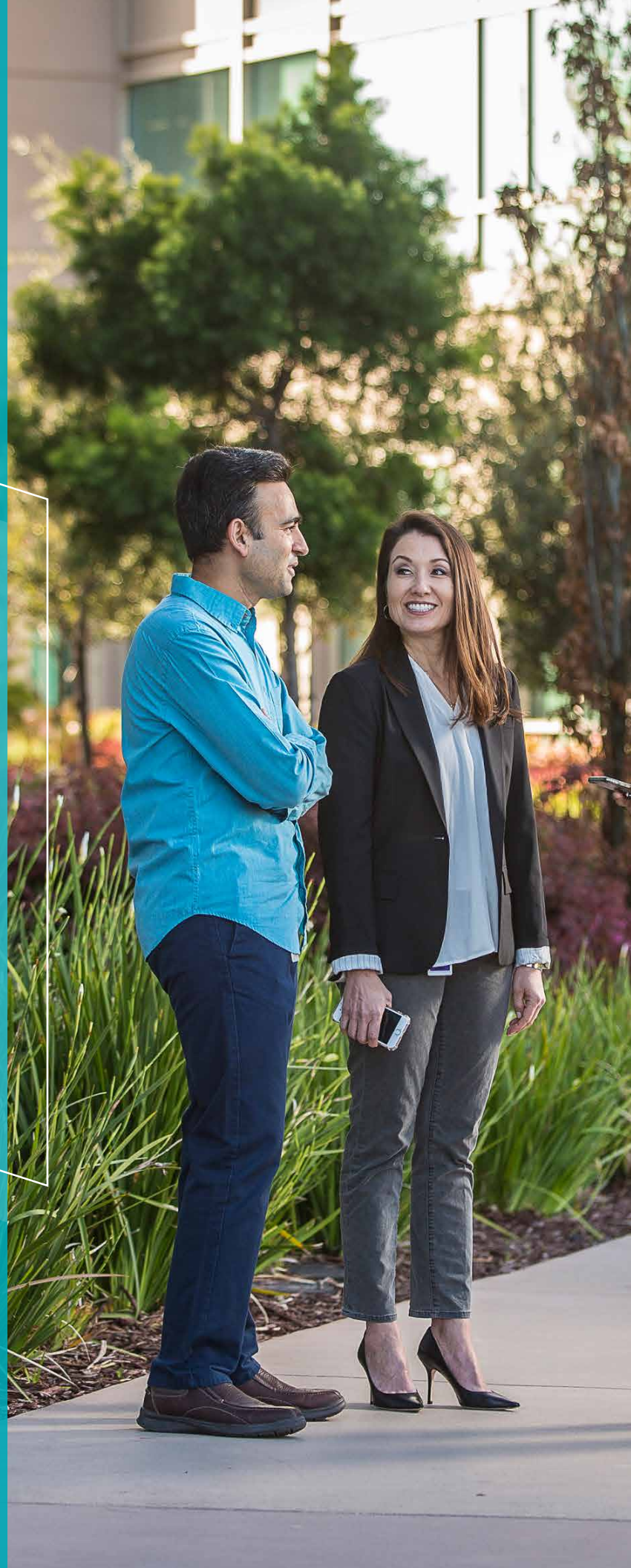
We implemented a management system to ensure alignment with the provisions of the RBA Code of Conduct in the areas of labor, health & safety, environment, and ethics. We encourage our suppliers do the same.





# Talent

Our talent is the driving force behind everything we do, and we are committed to providing a safe, secure, and productive environment in which our employees can do their best work. We are proud to have employees who are committed to Synopsys' values and take pride in the impact we make. Our employees value our commitment to their career development, ethical business conduct, customer success, and strong leadership across our industries and communities alike.





## Talent

To ensure a successful future for our organization and industry, our global recruiting is focused on attracting a diverse and technical pipeline of talent. Equally important to our vision are our ongoing efforts to retain, develop, and equip our existing workforce for the challenges ahead. At Synopsys, we take innovation and technology advancement to heart. Engineers are at the core of this innovation with ~80% of our workforce in an engineering role.



**14,000+**  
EMPLOYEES



**5,517**  
MASTER'S  
DEGREES

**1,051**  
PHD'S



**3,213**  
PATENTS

We cultivate multi-faceted global internship programs, sponsor early career hires, and activate a buddy system to accelerate a new employee's productivity as they join the company.

- **Internship programs** – We focus on providing opportunities for the future workforce to learn and master real-world, usable skills, such as problem solving, networking and business communications. Interns have visibility to Synopsys technology, business practices, and innovation challenges.

### *Synopsys Hosted 697 Interns in 2019*

- **New hire buddy system** – All new employees are assigned a “buddy” when they join Synopsys. These peer-to-peer connections infuse a sense of belonging and accelerate our new team members' contributions and level of performance.
- **Early career hires** –31% of our new employees have recently received their degrees and have access to important development resources especially suited for early career employees.

### **A Culture of Agile Learning**

We understand the pressure employees feel to balance their focus on today's job while keeping their skills sharp for future opportunities. Leveraging partnerships with training and development providers, we offer a unified platform with a wide spectrum of mobile-friendly content such as educational talks, workshops, and technical training. Employees are encouraged to customize their learning to suit their priorities, interests and schedules.

Managing people in today's workplace is rewarding and complex. Our managers are the pivot point to drive innovation, customer satisfaction, and team performance, and we expect them to guide individual career aspirations by engaging in ongoing discussions with their employees. People managers have access to a broad selection of online tools and resources to engage and motivate their teams. We also facilitate highly rated, in-person management training and networking sessions globally.

*~80% of our employees utilize our training and development catalog*

### **Championing a Culture of Performance Excellence**

We believe each employee deserves comprehensive, constructive feedback to help them improve throughout their tenure at Synopsys. To complement the ongoing dialog among employees and their managers, all employees participate in an annual performance development process. Our three-pronged approach encourages employees to work in partnership with their managers as they assess previous year's performance, establish goals for the coming year, and focus on their professional development.

**Commitment and satisfaction:**  
*Synopsys employees have been with the company an average of 6.5 years.*

**Talent integration:**  
*~25% of our workforce joined through an acquisition, contributing to our strong talent, product and technology portfolio.*

## Employee Engagement and Feedback

Our annual employee survey, **SHAPE Synopsys**, tracks employee engagement and feedback on various topics. We believe in continual improvement and use employee feedback to drive our comprehensive engagement efforts from celebrating innovation, to improving processes that support our customers, to ensuring a deep understanding of our strategy and vision. In 2019, 84% of our employees participated in the engagement survey.

## Inclusion & Diversity

Our global impact is made possible through the diverse talents, ideas, and perspectives of our unique workforce. We enthusiastically build and develop diverse teams while ensuring a sense of belonging for everyone. We are driving a culture where different perspectives and backgrounds are leveraged and celebrated. We actively monitor the diversity of our teams, talent pipelines, and candidate sources, and we regularly review and advise on compensation levels, promotions, and salary adjustments to ensure equity.

## Women in Tech

Synopsys is committed to addressing gender representation disparity in the technology industry. Our executives are actively engaged in discussions, initiatives, and actions to support women working at Synopsys. We are deploying a multi-year, multi-faceted plan to attract and advance women in technology. Through partnerships with leading organizations like [Anita Borg Institute](#), the [Society of Women Engineers](#), [Watermark](#), and the annual Grace Hopper Celebration, we are committed to recruiting, retaining, and recognizing women in technology.

Synopsys offers regional programs to address the unique needs of women in the workplace—from a comprehensive business leadership program, to a buddy system supporting women returning from maternity leave, to women-focused intern scholarships. Our “Women in Network” program connects colleagues to aspects of the business through internal talks and provides networking, development, and coaching opportunities.



*Synopsys Employees Attending the  
2019 Grace Hopper Conference*





## Compensation and Benefits

Our Synopsys talent is motivated by the impact of their work and is recognized with competitive compensation and comprehensive benefits programs. Through our compensation philosophy and reward programs we link remuneration with company and individual achievement. Our programs include market-competitive salary, robust health and welfare benefits, cash bonuses, equity compensation, an Employee Stock Purchase Plan (ESPP), and in the U.S., we offer a 401(k) contribution match.

The health and welfare of our global team is of paramount importance. We provide locally competitive and relevant health benefits, and in many of our locations we enjoy a comprehensive wellness program. Our wellness program aims to give employees and their families tools and resources to improve their overall wellbeing in five key areas: Purpose, Physical, Financial, Emotional, and Community.

## Emergency Preparedness and Resilience

To protect all employees, customers, and visitors, we encourage a perpetual state of alertness throughout our organization. Synopsys locations have employee teams trained in first-aid, CPR, and (in many sites) Automated External Defibrillators (AED); together, they comprise the local Synopsys Emergency Response Team (SERT). In addition, we deploy an emergency preparedness and response program that helps identify and evaluate site vulnerabilities. We evaluate the potential of natural hazards such as earthquakes or floods, as well as potential business disruptions. We design and test emergency action plans as appropriate for all locations, including detailed action plans for business continuity sites.

We continually refine our approach to inspire and support our employees while ensuring productive, safe, and healthy environments. When employees feel a sense of inclusion and security, they are free to focus on innovation and customer success.



# Environment

Synopsys is committed to building a sustainable future. Our [Environmental Policy](#) highlights Synopsys' focus on greenhouse gas (GHG) emissions reduction, resource efficiency, green buildings, employee engagement, and incorporating environmental considerations into our procurement decisions. In 2019, we strengthened our approach to measuring, managing, and improving our environmental performance through the adoption of a comprehensive Environment, Social, and Governance (ESG) management system.





## Our Carbon Footprint

In 2019, we also measured our calendar year 2018 global scope 1 and 2 emissions (primarily driven by energy used by our offices and data centers) and estimated the following indirect emissions (scope 3) for the same period: business travel, employee commute, electricity transmission and distribution losses, operational waste, and product transportation.

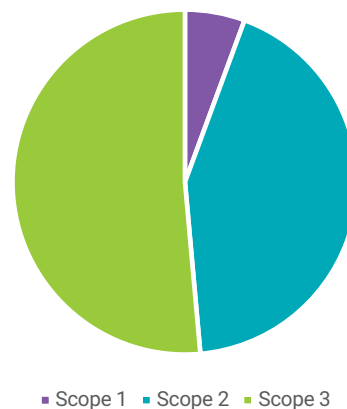
We then embraced carbon neutrality in line with The CarbonNeutral Protocol, a detailed framework for the design and implementation of corporate carbon neutral programs and became a worldwide carbon neutral business in 2019. We believe our carbon neutrality underscores the important role of business in leading and financing the global transformation to a low-carbon economy.

In addition to our ongoing commitment to carbon neutrality, we are currently finalizing a long-term GHG emissions reduction goal using science-based methods.



Emission Source	CY2018 MTCO <sub>2</sub> e
<b>SCOPE 1 EMISSIONS</b>	
Fugitive Emissions (Refrigerants)	1,179
Natural Gas Combustion	3,462
Diesel Fuel Combustion	25
<b>TOTAL SCOPE 1</b>	<b>4,666</b>
<b>SCOPE 2 EMISSIONS (PURCHASED ELECTRICITY)</b>	
Offices	18,675
Colocated Data Centers	17,016
<b>TOTAL SCOPE 2* (MARKET)</b>	<b>35,691</b>
<b>SCOPE 3 EMISSIONS</b>	
Air & Road Business Travel	18,536
Employee Commute	19,972
Electric Grid Transmission & Distribution Losses	3,209
Operational Waste	484
Product Transport	524
<b>TOTAL SCOPE 3</b>	<b>42,725</b>

CY2018 - Metric Tons of Carbon Dioxide Equivalent



\*Scope 2 (location based) emissions are 39,019 MTCO<sub>2</sub>e

*“Climate change is one of the most pressing global challenges of our time, and it can only be solved through the efforts of every government, business organization, and individual.”*

– Synopsys co-CEO Aart de Geus

## Greening Our Buildings

We actively seek U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) certifications for our office buildings and currently have seven certified sites in four countries.

## Employee Green Teams

We are excited about our employees' commitment to sustainability. Employees have formed green teams at Synopsys offices around the world to implement sustainable practices and minimize the environmental impacts of our offices.

Building on the success of these existing green teams, we developed Global Green Team Guidelines to support new team efforts and arranged for ongoing presentations addressing top-of-mind topics.

## The Energy-Saving Potential of our Chip Design Software

The tech industry has tremendous potential to minimize energy consumption through the design and integration of more energy-efficient silicon chips.

The future of Smart Everything depends on silicon chips running faster, scaling down to fit into smaller devices, integrating more capabilities, and processing massive amounts of data—all while consuming less power.

Synopsys has more than 25 years of low-power design and verification technology leadership and has contributed extensive technical input to industry groups advancing standards on this topic. Our advanced silicon chip design technologies directly enable our customers to optimize power consumption—for example, by extending battery life or reducing heat generated or adding cooling structures—as they develop their next-generation products.



## Case Study

*Juniper Networks, a long-time Synopsys customer and partner, has a primary objective to significantly reduce power through the design of their high-performance networking products. In 2019, Juniper Networks deployed Synopsys' innovative IC Compiler™ II place-and-route solution with Advanced Fusion Technology to optimize power and reliability for their next-generation networking design that comprises billions of transistors. Through the specific application of several IC Compiler II technologies, Juniper Networks achieved 14% power savings with zero negative impact on performance.*



# Governance and Ethics

Synopsys was founded on the premise that integrity is fundamental to the long-term success of our company, and we set high standards and expectations for ethical conduct by our leadership, employees, and business partners.



## Corporate Governance

Since the formation of the company, we have attracted and built a strong, qualified Board of Directors who have expertise relevant to our business, are diverse in skills and background, and have strong ethics and integrity. Seven of our nine Directors are independent. We recruit Board members who understand our industry, help us navigate evolving market needs, and stay in front of technological advancements. Key corporate governance policies and practices are available on our [Governance website](#).

Board of Directors	2017	2018	2019
Board Size	10	9	9
Independent Directors	80%	78%	78%
Lead Independent Director	Yes	Yes	Yes
Female Representation	30%	22%	22%
Board Election Frequency	Annually	Annually	Annually
Say on Pay Results	94%	93%	94%

*Board of Directors Statistics*

## Ethics

Our [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 applicable laws. The Code addresses areas such as equal opportunity and non-discrimination, financial transparency, avoiding conflicts of interest, offering or accepting gifts, avoiding insider trading, safeguarding our assets, fair competition, and anti-bribery and corruption, among other topics. Our Ethics & Compliance program is led by our Chief Ethics & Compliance Officer, who provides regular reports to the Audit Committee of the Board as well as the full Board.

We also have a [Business Partner Code of Conduct](#) and a [Supplier Code of Conduct](#), which underscore our high expectations for legal and ethical behavior.

## Employee Training

All Synopsys employees are required to show their commitment to act with integrity by acknowledging that they've read, understand, and agree to abide by the letter and spirit of our Code. Employees are required to do this when they are hired. They renew this commitment annually through training on compliance topics relating to our Code of Ethics.

For the past six years, we have required 100% of our employees to take these annual ethics and compliance courses. Employees with specific roles and responsibilities are also required to complete additional certifications, disclosures, and trainings. In 2019, we required all contractors with access to our systems to complete our Code of Ethics and Business Conduct (as well as security awareness) training.

## Reporting Concerns

Employees are expected to promptly raise ethics and compliance concerns about any Synopsys personnel or any supplier, vendor, reseller, or distributor and immediately report suspected unethical, illegal, or suspicious behavior. Employees are encouraged to speak with their manager or another member of management; talk with Human Resources, the Legal Department, Internal Audit, or Ethics & Compliance; or access our [Whistleblower Hotline](#) to report their concern anonymously, without fear of retaliation. The Whistleblower Hotline is externally available for contractors, customers, suppliers, and other business partners to report concerns as well.

## Public Policy

Synopsys advocates for public policy solutions that promote innovation, the global economy, and our industry interests. We are committed to engaging in public policy processes relevant to our operations in areas such as innovation, IP, taxation, global trade, and workforce.

As part of our commitment to transparency, our [Political Activities Policy](#) explains how political activities are managed within Synopsys. We comply with applicable laws, rules, and regulations including, but not limited to, lobbying registration and disclosure laws, ethics rules, the Foreign Corrupt Practices Act, and anti-bribery laws worldwide.

A summary of our Political Corporate Contributions since 2013 is publicly available on the Government Affairs [website](#).

# Cybersecurity and Privacy

A constantly evolving threat landscape and sophisticated, persistent threats make all businesses and industries potential targets. Synopsys takes cybersecurity and privacy seriously and maintains the adequate security posture by embedding sound key concepts (confidentiality, integrity, and availability) across our entire cybersecurity program. We foster a culture of security for our employees, customers, and suppliers. Our commitment to security is foundational to our ability to maintain trust with our customers, employees, and other stakeholders, and they expect us to meet high standards with respect to providing appropriate security for our own enterprise, their data, and the security features we build into our products.





Through our unique position in the software assurance and semiconductor industries—deep in the supply chain of electronics—the effect of our security practices is extended into the broader technology ecosystem and helps our customers achieve their security goals.

## Synopsys Cybersecurity Program

Our program is designed and assessed regularly to strengthen the security posture of Synopsys data, networks, and systems. Our focus is to leverage best practices to continually improve our cybersecurity program by implementing best-of-breed technology, leveraging cyberthreat intelligence, and recruiting and retaining top cybersecurity talent.

## Policies, Practices and Standards

Our attention to cybersecurity starts with our standards, policies, and practices governing enterprise-wide security controls. Synopsys has formally adopted the National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) to plan, structure, test, and measure our enterprise cybersecurity. Our policies and procedures are assessed regularly by our internal auditors as well as third party consultants. We maintain an Incident Response Program (IRP) to respond to cybersecurity events. We participate in cybersecurity policy engagements with governments, industry consortia, and academia to ensure we stay abreast of emerging developments and maintain best-of-breed cybersecurity practices.

## Board Oversight

Our Board of Directors is comprised of multiple individuals with significant experience in cybersecurity-related matters and is actively involved in overseeing our cybersecurity risk management efforts.

## Cybersecurity Awareness Month

*“Own IT, Secure IT, Protect IT”*

*Throughout the month of October, we engaged employees on the topic of cybersecurity through a variety of activities and events. With the objectives of continuously improving cybersecurity and building a culture of security, we shared tips and resources through our internal network. Our Software Integrity Research and Development team took the day off from coding and put on their hacker hats for a 24-hour capture-the-flag competition. At the same time, we sponsored a charity fundraiser for Women in Cybersecurity (WiCyS). Synopsys donated money to WiCyS for every hour that the team spent hacking.*

## Synopsys Appoints First Chief Security Officer in 2019

*Synopsys further demonstrated our commitment to security by appointing one of our longest serving executives, Deirdre Hanford, as Chief Security Officer. In this new role, Ms. Hanford oversees multidisciplinary teams involved in our comprehensive security program, which provides authorities and governance, roles and responsibilities, and functional processes for our information and communications technology security, physical security, supply chain security, and product security activities.*

*Ms. Hanford works collaboratively to lead Synopsys’ accomplishment of three broad goals:*

- 1. Securing our own assets:** *protecting our own intellectual property and confidential information as well as our customers’, employees’, and partners’ information*
- 2. Securing our products and services:** *ensuring that the solutions we deliver are appropriately secure for their intended application*
- 3. Securing the ecosystem:** *optimizing the ability of our products and services to help our customers build more secure systems that protect their customers’ data*

## Synopsys Security Business – Software Integrity

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

- Our product portfolio includes a comprehensive set of software security testing tools such as static analysis, dynamic analysis, software composition analysis, interactive application security testing, and fuzz testing;
- Our products and new cloud-based platform help customers accelerate security, quality, and compliance testing for any application and rapidly respond to evolving threats;
- Our Professional Services team comprises hundreds of industry-leading experts who help companies integrate quality and security best practices, tools, and strategies into their organization's architecture and designs; and
- Our Strategy & Planning services help organizations build a strong foundation for their software security initiative (SSI), communicate security and quality requirements across teams, and measure the results that matter.

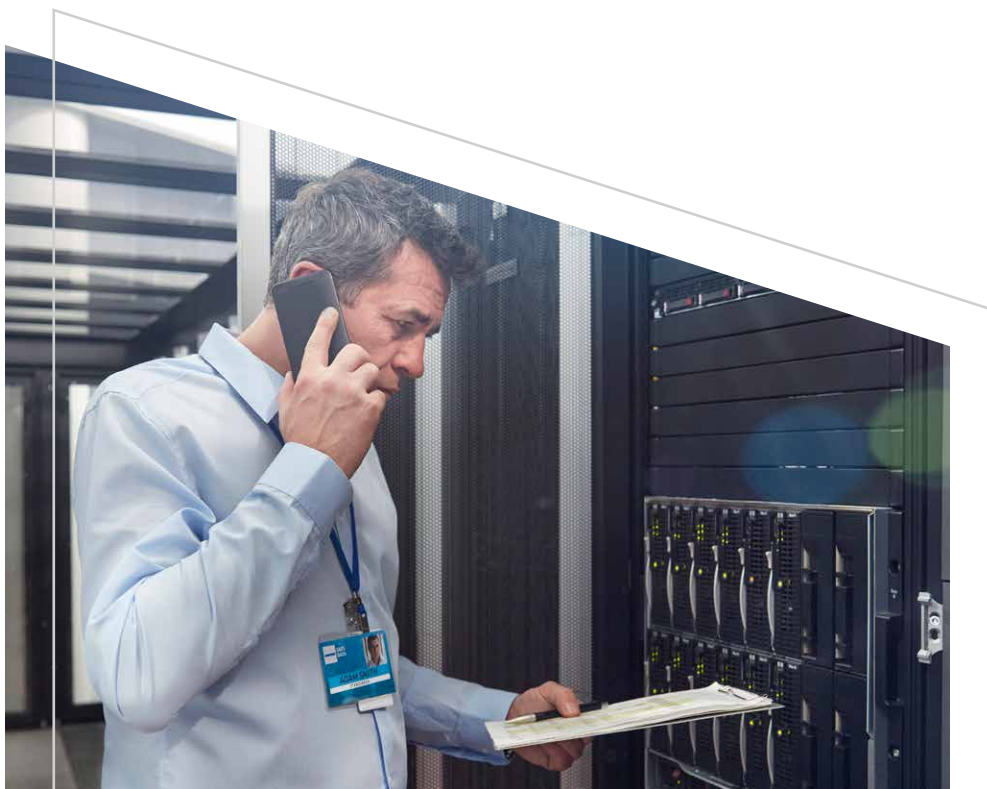
## Privacy

The personal data of our employees, customers, business partners, and other stakeholders is of paramount importance to us. Synopsys adheres to a set of data privacy principles documented in our policies and standards, which are reviewed and updated regularly for compliance with relevant laws and regulations.

We ensure compliance with the requirements of the General Data Protection Regulation (GDPR), which took effect in the EU in 2018, and with the California Privacy Act (CCPA), which came into effect in 2020. Our Chief Privacy Officer is responsible for reviewing policies, procedures, contracts, services, and technology platforms to ensure proper compliance controls are implemented.

Beginning in 2018, every employee has been required to complete an online training module focused on data privacy and how to identify personal data. Additional training on privacy awareness and compliance has been targeted to specific employee groups within Synopsys. For the past five years, our annual ethics and compliance training has included a module related to Security Awareness to ensure that each employee understands their role in exercising best practices in cybersecurity to, among other things, safeguard the personal data we hold. Employees are encouraged to reach out to the Chief Privacy Officer directly whenever they have questions.

Data privacy will continue to be a focus for us as several other jurisdictions where we operate are looking into, or have already adopted, robust data privacy legislation.



# Supply Chain

Synopsys' CSR commitment extends to our supply chain. While we are primarily a software company, we also offer a limited number of hardware products, and we place importance on ensuring an ethical and sustainable manufacturing supply chain.





In 2019, we became a member of the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. As such, we fully support the alignment of our operations with the provisions of the RBA Code of Conduct and the adoption of the RBA approach and tools.

To better manage supply chain risks, in 2019 we improved the vetting of new suppliers in our procurement processes. As part of this new process, we are now collecting more information about our suppliers, including whether they have diverse or similar certifications, and quantify their greenhouse gas emissions.

## Supplier Code of Conduct

In our contractual arrangements with our suppliers, Synopsys has long required that they act consistently with the [Synopsys Code of Ethics and Business Conduct](#). As of 2019, we are now encouraging our Tier 1 direct suppliers who provide goods and materials we incorporate into our hardware products to comply with our new [Supplier Code of Conduct](#). It is based on the RBA Code of Conduct. The Synopsys Supplier Code of Conduct establishes standards to ensure that working conditions are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and ethical.

## Human Rights in the Supply Chain

### Forced Labor and Human Trafficking

Synopsys does not tolerate the use of human trafficking or forced labor, including child labor, in its operations or in its supply chain. In 2018, we completed a risk assessment to identify vendors in our supply chain with an elevated risk for the use of slavery or trafficked labor. Enhanced due diligence was applied to these vendors and in 2019 we obtained certifications from all identified vendors that they do not use slavery or trafficked labor.

We continue to evaluate company processes and procedures to optimize efforts to preclude the use of slavery and human trafficking in our supply chain.

### Conflict Minerals

We are committed to working with our direct suppliers to reasonably assure that the conflict minerals in hardware products we manufacture do not directly or indirectly benefit armed groups that perpetrate serious human rights abuses in the Democratic Republic of the Congo. We expect our direct suppliers to assist us in our ongoing compliance and due diligence efforts.

We have implemented a conflict minerals due diligence program that is based on the Organisation for Economic Co-operation and Development's (OECD) "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas," and we leverage the reporting template created by the [Responsible Minerals Initiative](#).

# Community Affairs

Synopsys is committed to the communities where we live and work. We create opportunities for employees worldwide to put their passion for giving and volunteering into action, empowering people to build more vibrant communities. We also make philanthropic investments in programs and organizations that lead to meaningful social impact, opening access and opportunity.





## People and Community Engagement

Employee engagement is at the heart of what we do and how we make a positive impact in the community. Through the year-round Synopsys Shares program, we volunteer, collect essential items through donation drives, raise funds for causes and charities, and help communities recover and rebuild in times of disaster. Our Community Affairs team supports the creation of local projects worldwide that engage employees to give back and respond to community and regional needs. We encourage and facilitate employee giving to the causes our people care about and create opportunities for them to connect with nonprofit organizations and non-governmental organization (NGO) partners worldwide.

## Philanthropy for Social Impact

Each year, Synopsys commits a percentage of revenue to charitable giving through The Synopsys Foundation and corporate donations. Global grantmaking focuses on Science, Technology, Engineering, and Mathematics (STEM) education programs that create access and opportunity for primary and secondary students in underserved areas and supports critical community needs. Through the Synopsys entities in India, our donations comply with Corporate Social Responsibility spending requirements and continue the focus on education and science learning.

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### 2019 Highlights



**\$3.3M** total charitable giving



**40** global sites engaged



**12,933+** volunteer hours



**177** community projects  
benefitting **116** nonprofit/  
NGO partners



**18** Global Volunteer Day projects

### *Celebrating 20 Years of Hands-on Science Learning*

*A hallmark of our philanthropy is creating opportunities for K-12 students to engage in project-based science learning opportunities and competitions. In 2019, we celebrated the 20th anniversary of the Synopsys Silicon Valley Science and Technology Outreach Foundation, annually engaging about 150,000 students and teachers in schools across California and parts of Oregon. As a major sponsor of county science fairs in Northern California and hundreds of fairs at the district, middle, and elementary school levels, the Synopsys Outreach Foundation has supported 2.2+ million science projects since its founding in 1999. Visit the [Synopsys Outreach Foundation website](#) for more information.*



## Grants

Globally, we donated \$3.3 million and supported 53 projects with 38 grantee organizations. From mentoring students to developing mobile applications for good in Portugal to reusing technology for new green IT classrooms in China, grantmaking underscores our commitment to strengthening the community.

## Global Volunteer Day

We mobilized 1,475 participants for 18 large-scale, done-in-a-day service projects. These high-impact events enabled major transformations such as school refurbishments; park clean-ups; educational activities with youth, elderly, or the disabled; and tree planting.



## CSR Donations in India

We have a long history of philanthropy in India, including compliance with the CSR provisions of the Companies Act 2013. Our social investment strategies and long-term partnerships in the region focus on education like bringing hands-on science to children in rural areas through Mobile Science Labs.

## Matching Gift

Employees worldwide have the flexibility to support a wide range of charities in the online Synopsys Shares Portal. Matching gift donations from The Synopsys Foundation increase the impact of both financial donations and volunteer time, helping employees support the organizations they are most passionate about.





# Priorities for Improvement

This first Synopsys CSR report serves to disclose and communicate our environmental, social, and governance approach and lays the foundation for future reporting. In FY20, we will be focusing on the following improvement opportunities.

## Talent

- Increase enterprise vitality through engagement, inclusion and diversity, and a global pipeline of talent
- Identify and monitor critical metrics that will accelerate our talent management and safety and security efforts

## Environment

- Implement global carbon neutrality for calendar year 2019
- Develop a scope 1 and 2 global greenhouse gas emissions (GHG) reduction goal and action plan
- Expand the Global Green Teams initiative to further link local sustainability efforts supporting company CSR goals

## Governance & Ethics

- Engage with shareholders on priority CSR topics and enhance our disclosure
- Manage CSR program objectives with the cross-functional CSR Leadership Committee

## Cybersecurity & Privacy

- Improve the baseline assessment of current practice against the National Institute of Standards and Technology (NIST) Cybersecurity Framework
- Monitor emerging cybersecurity and data privacy standards and frameworks

## Supply Chain

- Leverage networks and resources within the Responsible Business Alliance (RBA) to advance CSR in global supply chains

## Community

- Expand output metrics and develop new impact measures of employee engagement in community involvement projects

