



Environmental Policy

Cadence's Environmental Management System (EMS) aims to achieve our goals through:

- Pursuing continuous improvement in environmental and social performance.
- Managing energy and greenhouse gas (GHG) emissions from our global operations and supply chain.
- Incorporating environmental sustainability and decarbonization considerations into our business strategy, processes, and product design and development.

Specifically, we will:

- Identify, measure, and manage the environmental (GHG, energy, waste) and water-related impacts of our operations and products.
- Establish targets to reduce our environmental impact, report on these targets annually, and strive for continuous improvement.
- Comply with all applicable environmental laws and regulations.
- Encourage and promote responsible sustainability throughout our value chain, aligning ourselves with other best-in-class companies that are committed to combatting climate change and engaging in decarbonization actions.
- Communicate this policy and our environmental programs to employees and other stakeholders.
- Plan to provide education and training to employees on environmental issues and the environmental effects of our activities.
- Work to align our environmental initiatives and stakeholder engagement activities with global goals such as the Paris Agreement and the SDGs.

Water Resource Management

Introduction

Cadence Design Systems, Inc. is committed to doing business honestly and ethically everywhere we operate. Our computational software expertise and innovative software, hardware, and IP products uniquely position us to solve some of our customers' toughest design challenges including the impact of electronics on our environment. We recognize that environmental responsibility is integral to producing world-class products.

Our Challenge

Flooding, drought, and water stress are climate-related issues that our employees, customers, and investors care about. As a technology company with significant data storage needs, we realize that the increase in energy demand comes with pressure from government regulators, consumers, and business owners on the industry to create and run sustainable initiatives, especially regarding the impact of data centers water use. Although water is not a primary element to our products, we recognize that water is a vital resource.

Our Goals

- Monitor company-wide water use to better conserve water, ensuring that we are not using more than our fair share.
- Broaden the scope of our analysis of physical risks to include water stress, drought, and flooding (coastal and fluvial) and ensure periodic assessments of our water usage and water related risks.

Our Approach

- Monitor our water usage and consumption closely, with a focus on our owned campuses and areas with current or future water-related stress.
- Assess our water usage and water-related risks and disclose the details in the CDP Water Security questionnaire.
- Calculate our water footprint and work to establish a baseline through improved tracking systems for water use.
- Use freshwater for drinking, sanitation, and wash services at all our offices.
- Implement conservation measures across our operations, including automated taps and sensor technology.
- Invest in projects that provide environmental benefits such as ecosystem restoration, safe water replenishment and habitat protection.