TCFD INDEX
Company name: Cadence Design Systems, Inc.
Reporting Period: 2021

Cadence applies its underlying Intelligent System Design strategy to deliver software, hardware, and P that enables our customers to turn design concepts into reality. Our products and services enable our customers to design products for homorrow—boday and help drive advancements in sustainability. We continue to innovate and provide before the feet of command of the provide services and the feet of command of the provide services and the feet of command of the provided services and the feet of command of the provided services and the feet of command of the provided services and the feet of command of the provided services and the feet of command of the provided services and the feet of the feet of the provided services and the feet of the

Well positioned to capture climate-related opportunities, we believe our Intelligent System Design strategy is resilient. While climate-related risks with the potential to have a substantive financial or strategic impact on Cadence have yet to be identified, we confinue to invest in climate-risk assessment, as well as climate change mitigation and subplation across our operations and value chain. This index continues to mental to have a substantive financial or strategic impact on Cadence have yet to be identified, we confinue to invest in climate-risk assessment, as well as climate change mitigation across our operations and value chain. This index continues to invest in climate-risk assessment, as well as climate change mitigation across our operations and value chain. This index continue to invest in climate-risk assessment, as well as climate change mitigation across our operations and value chain. This index continues to invest in climate-risk assessment, as well as climate change mitigation across our operations and value chain. This index continues to invest in climate-risk assessment, as well as climate change mitigation across our operations and value chain. This index continues to invest in climate-risk assessment, as well as climate change mitigation across our operations and value chain.

Overrance Describe the board's oversight of climate-related risks and opportunities	Through its Corporate Governance and Nominating (CGN) Committee, Cadence's Board of Directors oversees the Company's policies and practices regarding corporate social responsibility and	
Describe the board's oversight of climate-related risks and opportunities	Through its Corporate Governance and Nominating (CGN) Committee, Cadence's Board of Directors oversees the Company's policies and practices regarding corporate social responsibility and	
	sustainability programs and reports to the Board on these programs at least annually. The CGN Committee is regularly informed on Cadence's carbon footprint breakdown and the strategy to achieve greenhouse gas emissions reduction targets and considers climate-related issues when reviewing and guiding company strategy and major plans of action. In 2021, the CGN Committee held three meetings.	2022 CDP Response C1.1a, C1.1b 2021 Sustainability Report p. 55
Describe management's role in assessing and managing climate-related risks and opportunities	Representatives of our Executive Management Team (EMT) that lead Strategy and Governance functions at Cadence have responsibility for climate-related issues. Briefed regularly on our ESG programs by our Senior Group Director of Corporate Social Responsibility, these executives review and accept new proposals and approve major actions. Our Senior Group Director of Corporate Social Responsibility Private a cross-functional team consisting of Internal Readens in Human Reasureus, Fallies, Finance, Procurement, Marketing, and Legal. These leadens identify and assess climate-related risks and opportunities, as well as establish ESG priorities within their areas. Our Senior Group Director of Corporate Social Responsibility also briefs the CON Committee on ESG priorities at every regular meeting, and on climate-related issues specifically, at least twice a year.	2022 CDP Response C1.2a 2021 Sustainability Report p. 6, 25
Strategy		2022 CDP Response C2.2 and C2.2a
Describe the climate-related risks (and opportunities) the organization has dentified over the short, medium, and long term	We have not identified any climate-related risks with the potential to have a substantive financial or strategic impact on Cadence. We have conducted assessment is bidentify acute and chronic physical risks, as well as transitional climate-related risks. Potential Risks there are a substantive from the short-term (0-3 years), medium-term (3-5 years), and long-term (6-10 years) first-frames. We continue to expand our evaluation processes of climate-related risks. Risk Category Potential Risks there assessment Risk Category Psylical - Chronic Psylical - Chronic Termitorial - Notice Termitorial - Notice Termitorial - Notice Termitorial - Reputation Termitorial - Reputation Termitorial - Reputation Termitorial - Termitorial - Section of section and determine, long-termine, and contents or the contents of the section of the contents of the co	2022 CDP Response CZ 4a
	Innovation that may increase revenues resulting from increased demand for products and services. We continue to expand our evaluation processes of climate-related opportunities with a focus on:	
	Oecahorizing compute Chergy opportunities Under Assessment Opportunities Chapter Opportunities Chapter Opportunities Chapter Opportunities Chapter Description Essage Chapter Increase Ensage Ch	
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Climate-related risks and opportunities have influenced our financial planning in terms of revenues, direct costs, and capital expenditures. Our customers, the world's most innovative companies delivering extraordinary electronic products from chips to boards to systems, use Cadence technology to design sustainable innovation that optimizes power, space, and energy needs of end products	2022 CDP Response C2.3, C2.4a, C3.3, C3.4
	for the most dynamic market applications, including consumer, hyperscale computing, 5C communications, automotive, mobile, aerospace, including consumer, hyperscale computing, 5C communications, automotive, mobile, aerospace, including consumer the pass Agreement targets accelerate, decarbonization-related immostations are expected across sectors. This may have a positive effect on our revenues resulting from increased demand for our products and services that our customers use to develop new to be a service of the control of the passage of	2021 Sustainabilily Report p. 15-23, 28-31, 67
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Cadence's Intelligent System Design strategy positions us well to capture climate-related opportunities. An evolving transition plan which aligns with a 1.5°C world is in place. The RCP 4.5 and RCP 8.5 climate-related scenarios were used to assess potential physical risks related to our operations through 2040 using business as usual, optimistic, and pessimistic conditions. In the reporting year, we focused our climate-related scenarios analysis on physical risks related to water, including the extent to which our offices are inherently vulnerable to water stees, drought, and focoding, currently and the future (2010, 2040).	2022 CDP Response C3.1, C3.2a, C3.2b
Risk Management	Climate-related risks are identified and assessed by the cross-functional ESG Team at Cadence. In the reporting year, we worked with consulting partners to expand our climate-related risk identification	I
Describe the organization's processes for identifying and assessing climate- related risks	Climitate related into date formation and assessed by the Close variation in a Close late. It is the reputation of the climitate related into the climitate	2022 CDP Response C2.2, C2.2a 2021 Sustainability Report p. 67
Describe the organization's processes for managing climate-related risks	Through innovation, aggressive investment and collaboration with value chain partners, we anticipate reaching Net-Zero emissions across our value chain by 2040, as well as a 50% reduction in scope 1 and scope 2 emissions by 2030. While our larges will be primarily measured and achieved intrough power-consumption efficiency and procuring dean energy, we also invest in projects hall provide optimization projects, and high-quality impactal carbon offsets. The provided projects and high-quality impactal carbon offsets. Robust business continuity programs are in place to miligate risk factors for various uncertainties that could adversely affect our business, financial condition, or results of operations, including acute, physical, climate-related risks.	2022 CDP Response C4.1-C4.2c 2021 Sustainability Report p. 27, 67
Describe how processes for identifying, assessing, and managing climate- related risks are integrated into overall risk management	Processives) for identifying, assessing, and responding to climate-related risks and opportunities in our direct operations are integrated into our multi-disciplinary company-wide risk management process. When potential climate-related risk factors are identified, we assess the potential impact they may have on our operations and whether the identified risk may have the potential to impede our ability to develop new or improved existing products, deliver on our commitments to clients, or harm our reputation.	2022 CDP Response C2.2
fargets and Metrics		
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Netrics used to manage risks and opportunities include: Scorpe 1.2, 3 Office missions Progress towards GHG reduction targets	2022 CDP Response C4.1-C4.2c
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Debits of our Scope 1, 2, and 3 GHG emissions are reported in our 2021 Sustainability Report and our 2022 CDP Response. We have not identified dimate-related risks with the potential to have a substantive financial or strategic impact to the business. We continue to assess and refine our evaluation processes of dimate-related risks that may impact Cadence.	2022 CDP Response C2.3, C6.1-C6.5 2021 Sustainability Report p. 28, 88
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	We use the billowing targets to manage climate-related risks and opportunities: S8T 2055-7C. Scope 1 and 2 15% GRI-d reduction by 2055 over the 2019 baseline 2021 performance: 32% reduction S8T 2030: 1.5°C, Scope 1 and 2 S9T 2030: 1.5°C, Scope 1 and 3 Net-zero 2040: 1.5°C, Scope 1 and 3	2022 CDP Response C4.1-C4.2c 2021 Sustainability Report p. 26-30