Λnsys / CORPORATE RESPONSIBILITY REPORT 2022

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A MESSAGE FROM OUR PRESIDENT AND CEO

For over 50 years, Ansys has enabled innovators across industries to push boundaries with the predictive power of simulation. We help our customers bring their sustainability initiatives to life – from developing electric vehicles, to removing the carbon from our air, to generating electricity from our oceans. Our 5,600 global employees work every day to help customers advance their projects in electrification, autonomy, connectivity, IIoT, and sustainability.

To that end, in 2022 we created a sustainability committee focused on helping our customers advance their sustainability initiatives across four key pillars: clean environment, materials and circularity, energy solutions, and manufacturing and operational efficiency. We have also improved Ansys' own environmental, social, and governance efforts. We saw considerable progress across our internal operations, and have set scope 1 and scope 2 carbon reduction targets, and have conducted a climate assessment.

I'm constantly inspired by my colleagues' commitment to innovation, both within Ansys and with the customers we serve every day. That commitment is a hallmark of our diverse ONE Ansys culture. We know that diversity sparks innovation, and we are committed to creating and nurturing a diverse workforce, where diversity, equity, inclusion, and belonging thrive.

In 2022, we advanced our environmental, social, and governance efforts – and in the process, Ansys achieved strong financial results. We remain committed to building long-term growth and value, while also advancing sustainability through our products, by operating responsibly, through investing in our people and our ONE Ansys culture, and by collaborating with our global stakeholders.

AS WE LOOK TO THE FUTURE, I'M CONFIDENT THAT WE HAVE ONLY SCRATCHED THE SURFACE OF WHAT ANSYS AND OUR THOUSANDS OF CUSTOMERS ACROSS INDUSTRIES CAN DO FOR OUR PLANET.

Ajei Gopal
President and
Chief Executive Officer

/ ABOUT ANSYS

Ansys is the leader in engineering simulation software. We help visionaries solve the world's most complex and meaningful problems. By offering a broad portfolio of engineering simulation software, we help innovative companies accelerate the creation of more efficient and longer lasting products at a lower cost.

Our deep simulation capabilities span the physics of structures, fluids, and electromagnetics as well as areas like semiconductors, photonics, embedded software, and materials. We connect those physics across disciplines and departments with solutions for simulation product data management (SPDM), optimization, and model-based systems engineering (MBSE) to amplify the benefits of simulation by improving engineering efficiency, supporting collaboration, and accelerating innovation. Our solutions can predict real-world product behavior – a result of our decades of experience in helping customers tackle their product challenges.

OUTCOMES OUR CUSTOMER REALIZE FROM ANSYS SOLUTIONS

Engineers can see how their designs will – or won't – behave in millions of real-world scenarios, while reducing or even eliminating the need for costly physical testing.

DIGITAL TRANSFORMATION	RISK PREDICTION AND MITIGATION	INCREASED EFFICIENCY AND PRODUCTIVITY

FASTER INNOVATION, LOWER CYCLE TIMES, REDUCED RISKS, INCREASED QUALITY, MANAGED COMPLEXITY

And the team members developing these solutions and advising our customers are among the most talented in the industry – with years of experience in helping innovative organizations spur innovation, drive down costs, and grow the top line.

#1 IN SIMULATION

GLOBAL
5,600 FULL-TIME EMPLOYEES ACROSS 86 OFFICES
(AS OF DECEMBER 31, 2022)

PROVEN
~$21 BILLION MARKET CAPITALIZATION
(AS OF DECEMBER 31, 2022)

FOCUSED
Simulation is what we do

Powering innovation that drives human advancement

When visionary companies need to know how their world-changing ideas will perform, they close the gap between design and reality using Ansys simulation. For more than 50 years, Ansys software has enabled innovators across industries to push the boundaries of product design by using the predictive power of simulation. From sustainable transportation and advanced satellite systems to life-saving medical devices, Ansys powers innovation that drives human advancement.

/ OUR COMMITMENT

- Amaze with innovative products and solutions
- Make our customers incredibly successful
- Act with integrity
- Ensure employees thrive and shareholders prosper

/ OUR VALUES

ADAPTABILITY

Be Open

Welcome what's next

Our business is constantly evolving. We stay agile by keeping our minds open, embracing change, and always learning.

COURAGE

Be Courageous

Move forward passionately

Our growth is unconstrained. We pursue new ideas, find unconventional solutions, and make decisions with courage, compassion, and resilience.

GENEROSITY

Be Generous

Share, listen, serve

We give our time, resources, and knowledge for the betterment of all. We serve each other, our customers, partners, and communities with humility.

AUTHENTICITY

Be You

Make us stronger

Our diverse perspectives solve problems. We grow as a team by empowering each other and respecting our individual strengths and differences.

/ OUR ACTIONS

Commit to audacious goals

Plan and set highly ambitious objectives focused on what matters most.

Work seamlessly as a team

Focus on common priorities and opportunities. Share wins and never let a teammate fail.

Demonstrate mastery

Meet challenges by pursuing the highest levels of mastery in our field. Mastery is grounded in knowing the details.

Deliver outstanding results

Drive for results with speed and passion. Embrace deep ownership and accountability.

COMMITMENT + VALUES + ACTIONS = ONE /Ansys

/ OUR INDUSTRIES

AEROSPACE

AUTOMOTIVE TRANSPORTATION & MOBILITY

CONSTRUCTION

CONSUMER PRODUCTS

DEFENSE

ENERGY

HEALTHCARE

HIGH-TECH

INDUSTRIAL EQUIPMENT

MATERIALS & CHEMICALS PROCESSING

ACADEMICS

/ OUR PRODUCT COLLECTION

3D DESIGN

DIGITAL MISSIONS ENGINEERING

FLUIDS

CONNECT

ACOUSTICS

DIGITAL TWIN

MATERIALS

SAFETY ANALYSIS

ADDITIVE MANUFACTURING

ELECTRONICS

OPTICS & VR

SEMICONDUCTORS

AUTONOMOUS VEHICLES

EMBEDDED SOFTWARE

PHOTONICS

STRUCTURES

2022 Highlights

- Newsweek's Most Loved Workplaces: Ansys recognized on Newsweek's list of most loved workplaces
- Newsweek's Most Responsible Companies: Ansys recognized on Newsweek's list of the 500 most responsible companies
- Great Place to Work: Ansys received multiple Great Place to Work awards spanning across our APAC and EMEA regions, with a Great Place to Work for Women award in Korea
- Ansys received honorable mention for Fast Company's World Changing Ideas award
- Ansys granted gold Stevie award for Simulation World
- Women of Color STEM: Ansys engineer named Technology Rising Star
- MUSE Awards: Ansys won platinum, gold, and silver awards for numerous marketing publications and campaigns
- As of 2022, Ansys received an MSCI ESG Rating of AA

15% Reduction Target

In 2022, announced a scope 1 and scope 2 carbon reduction target
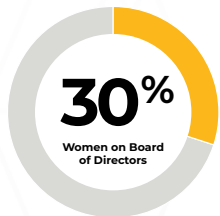
81% Employee Engagement Score

(2022 Engagement Survey)

50% CEO Direct Reports are Women

(as of December 31, 2022)

30% Women on Board of Directors

25%+ Employees Located in Green Certified Buildings

(as of December 31, 2022)

21% R&D Expenses of Total Revenues

(FY2022)

Strategy and Vision

We are focused on a sustainable future, through our own environmental, social, and governance (ESG) objectives and by supporting our customers and partners in achieving their sustainability objectives. Our ESG Program is divided into four distinct pillars, and in 2022, we created a products and solutions-focused sustainability committee to continue to support our customers and partners in using simulation to achieve their sustainability objectives. Our products and solutions are used by customers across numerous industry sectors, so we have divided our sustainability focus areas into four pillars.

Ansys' ESG Program Pillars:

ADVANCING SUSTAINABILITY THROUGH OUR PRODUCTS	/	INVESTING IN OUR PEOPLE AND ONE ANSYS CULTURE	/	OPERATING RESPONSIBLY	/	COLLABORATING WITH STAKEHOLDERS

Sustainability-Focused Products and Solutions Pillars:

CLEAN ENVIRONMENT	/	MATERIALS & CIRCULARITY	/	ENERGY SOLUTIONS	/	MANUFACTURING & OPERATIONAL EFFICIENCY

Materiality Assessment[1]

To build on our strategy development and one of our ESG pillars, Collaborating with Stakeholders, we conducted a materiality assessment with an external consultant. Materiality assessments help companies identify, prioritize, and strategize relevant ESG topics that can have an impact on society, the environment, and their businesses. The list of topics used in the assessment was created by conducting internal business research and external research and benchmarking, including relevant frameworks.

The list of topics (in alphabetical order):

- Accessibility
- Board Compensation, Independence, and Diversity
- Business Resilience and Adaptation
- Community Education, Development, and Impact
- Data Protection and Security
- Decent Work
- Employee Health, Safety, and Wellness
- Energy and Climate
- Ethical Business Practices and Compliance
- Global Diversity and Inclusion
- Innovation and Digitalization
- Intellectual Property Rights
- Public Policy Engagement
- Responsible Procurement
- Responsible Product Use
- Talent Acquisition, Retention, Development, and Growth
- Tech Solutions for Societal Challenges (Product Handprint)
- Water and Waste Management

The primary inputs to the assessment were a series of internal and external interviews conducted with key stakeholders. These interviews were also supplemented with an online employee survey deployed across all main functional areas at Ansys. The issues were then scored based on their relative impact on society and the environment and their impact on the business.

Lastly, we validated the outcomes of the assessment with a workshop with our internal subject matter expert interviewees, where the assessment results were affirmed. We will use this assessment to inform our reporting and strategy, along with setting goals and metrics around the priority materiality topics. We will periodically refresh the assessment moving forward.

[1]Our Corporate Responsibility Report details the topics we consider to be most important to our stakeholders when evaluating ESG issues at Ansys. References to materiality refer to such terms in the context of ESG reporting and strategy and does not directly correspond to the concept of materiality for purposes of the U.S. federal securities laws.

CORPORATE RESPONSIBILITY PROGRESS THROUGH 2022

Advancing sustainability through our products - At Ansys, we look for new and better ways to engineer what's ahead. By focusing on the creation of new technology, and by making current technology better, we aim to support our customers in their design of products, including addressing issues related to making their products more efficient, with less waste, and minimizing physical prototyping. In 2022, our sustainability committee created a focused strategy to continue to support our customers with their sustainability objectives, with a particular emphasis on our sustainability-focused products and solutions for clean environment, materials and circularity, energy solutions, and manufacturing and operational efficiency. We also continued to make progress on our product handprint initiative to report on how Ansys simulation products help our customers reduce their impact on the planet. See the Ansys product handprint use cases here.

Investing in our people and ONE Ansys culture - Our people are at the core of driving product innovation for our customers. We aim to create a culture of belonging and inclusion where everyone can be themselves and thrive as a ONE Ansys team. We advance our diversity, equity, inclusion, and belonging strategy under our framework of employee pipeline development, building an inclusive culture, and accountability. In 2022, we continued to strengthen our recruitment of and outreach to diverse talent while also developing, engaging, and retaining our existing talented workforce. We also continued the great work of our employee resource groups by providing training opportunities for our employees.

Operating responsibly - We strive to reduce the environmental and climate impact of our operations by measuring, analyzing, and reducing our resource use and emissions. In 2022, we announced a target to reduce our scope 1 and scope 2 greenhouse gas (GHG) emissions 15% by 2027 against our 2019 baseline. We are making great progress against our target and have been implementing projects ahead of schedule. We also continued to focus on identifying and measuring our scope 3 emissions, submissions such as our CDP report, and furthering our climate assessment for the Task Force on Climate-Related Financial Disclosures. We have also taken actions to promote ethical business practices, data security, and good governance.

Collaborating with stakeholders - We continue to engage with our stockholders, investors, customers, employees, communities, and other stakeholders through feedback, engagement surveys, and by supporting the communities in which we live and work. We believe collaborating with our stakeholders supports our business success. Our 2022 materiality assessment enhanced our stakeholder collaboration through a series of interviews and surveys, helping us focus on the appropriate ESG priority areas. In order to enhance the resilience of our strategy and to integrate ESG into our core business processes, we plan to continue to monitor the evolution of the ESG areas regularly, sharing updates with senior leadership, the ESG committee, and the products and solutions-focused sustainability committee. We also continue to engage in our philanthropic efforts, supporting and improving the communities in which our employees live and work.

/ ADVANCING SUSTAINABILITY THROUGH OUR PRODUCTS

At Ansys, we help our customers advance environmental objectives through our simulation products that accelerate the creation of new, more efficient technologies with less waste while minimizing physical prototyping and helping to lower environmental impact. Simulation is improving the speed and cost at which environmental innovators can develop, mature, and deploy new technologies.

We have developed a broad, open ecosystem that supports sustainability innovation via our technology partners, companies in our startup program, and universities that use Ansys software. Together, with our customers and partners, we can help enable a more sustainable future, faster.

Customers across industry sectors are applying simulation to their sustainability efforts. Our sustainability committee has divided our sustainability focus areas into four pillars:

Clean Environment

· Emission Tracing and Control
· Carbon Capture, Utilization and Storage
· Water Treatment & Management
· Environmental Noise
· Dust
· Orbital Space Debris

Materials & Circularity

· Materials Management and Selection
· Packaging
· Light-weighting
· Chemical Safety
· Compliance & Traceability
· Recycling, Reuse

Energy Solutions

· Wind, Solar, Hydrogren, Nuclear, and other Alternatives
· Consumption
· Integrated Energy Systems
· Storage Solutions
· Electric Motors
· Fast Charging Batteries and Fuel Cells

Manufacturing & Operational Efficiency

· Advanced Manufacturing
· Digital Twins
· Prognostic Health Management
· Energy Efficiency
· Reliability, Durability
· Workflow Optimization
· Process Automation
· Safety

PRODUCT HANDPRINT

Our product handprint use cases show how simulation can help our customers across many industries achieve their sustainability objectives. Our customers are aiming to accelerate technical innovation needed to develop new technologies of the future at the pace our planet needs now.

SEMICONDUCTORS

Semiconductors make it possible to miniaturize electronic components, with hundreds of millions of transistors packed into a single computer. From that small beginning, enormous data centers have grown to fulfill the needs of modern society. A data center may house thousands of computers to act as servers, data storage devices, network equipment, power transformers and for many other uses. Together, they consume a significant amount of power and generate a considerable amount of heat, requiring the data center to be cooled to prevent the computers from overheating and crashing. Our simulation solutions are important in developing IT equipment with higher performance per watt to improve energy efficiency in data centers.

Electromagnetic Interference / Compatibility (EMI / EMC)[4]

STMicroelectronics has developed a workflow that combines full-wave frequency domain with circuit simulation to identify and fix EMI/EMC issues early in the design process, improving development time by 20%.

Power Analysis[1]

Simulations during design phase can help to achieve energy efficiency gains.

Using Ansys PowerArtist Qualcomm engineers were able to identify redundant switching to improve GPU power efficiency of key design blocks by 10%.

Advanced Packaging[5]

Advanced packaging technologies improve the power efficiency and performance of high-speed cloud and data center electronic systems.

Taiwan Semiconductor Manufacturing Company (TSMC) certified Ansys to simulate its latest 3D integrated chip (3D-IC) packaging technology.[6]

TSMC: *"This collaborative effort with Ansys to deliver a thermal solution flow for full chip and package analysis is of great value to our customers."*

Suk Lee
Vice President of the Design
Infrastructure Management Division
at TSMC[7]

Thermal Degradation[2]

Simulations can help engineers optimize the placement of LEDs into electronics based on thermal stress.

Fairchild engineers have improved inverter design process by using a reduced-order model to predict thermal performace in a minute or two.[3]

1. Early Simulation Avoids Chip Burn, Ansys Advantage, 2019

2. Thermal Degradation of Electronics: How Hot is Too Hot?, Ansys blog, June 13, 2019

3. Hot Flash, Ansys Advantage, 2016

4. Ensuring Electromagnetic Compatibility, Ansys Advantage, 2017

5. TSMC Certifies Ansys Multiphysics Simulations for Latest Advanced Packaging Technologies for SoIC, Ansys Blog, April 24, 2019, paragraph 4

6. TSMC Certifies Ansys Multiphysics Simulations for Latest Advanced Packaging Technologies for SoIC, Ansys Blog, April 24, 2019, paragraph 1

7. Ansys Collaborates with TSMC to Deliver Thermal Analysis Solution for 3D-IC Designs, Ansys Press Release, Oct. 27, 2021

GAS TURBINES

Simulation solutions are key to developing more energy-efficient gas turbines, resulting in lower carbon footprints in the power generation and aerospace industries. Simulation solutions are helping original equipment manufacturers (OEMs) deliver more energy-efficient turbines, reducing fuel burn and thereby reducing emissions.

Design and Structure Optimization

OEMs are exploring new designs that will reduce costs and size, increase reliability and speed time to market while reducing the number of design iterations.

Engineering analysis by OEMs in areas such as modular design, material selection, modeling of vibration, fatigue and stress are helping companies to develop turbines that require less maintenance, are lighter and operate faster than older models.[1][2]

Environmental Compliance

As regulations on GHG emissions increase worldwide, OEMs are required to meet specific targets in order to deliver less-emitting gas turbines.

SImulations analysis helps OEMs to test noise, CO_2 and NO_x emissions, and make necessary design changes to verify reliability and compliance of new turbines, reducing overall emissions.
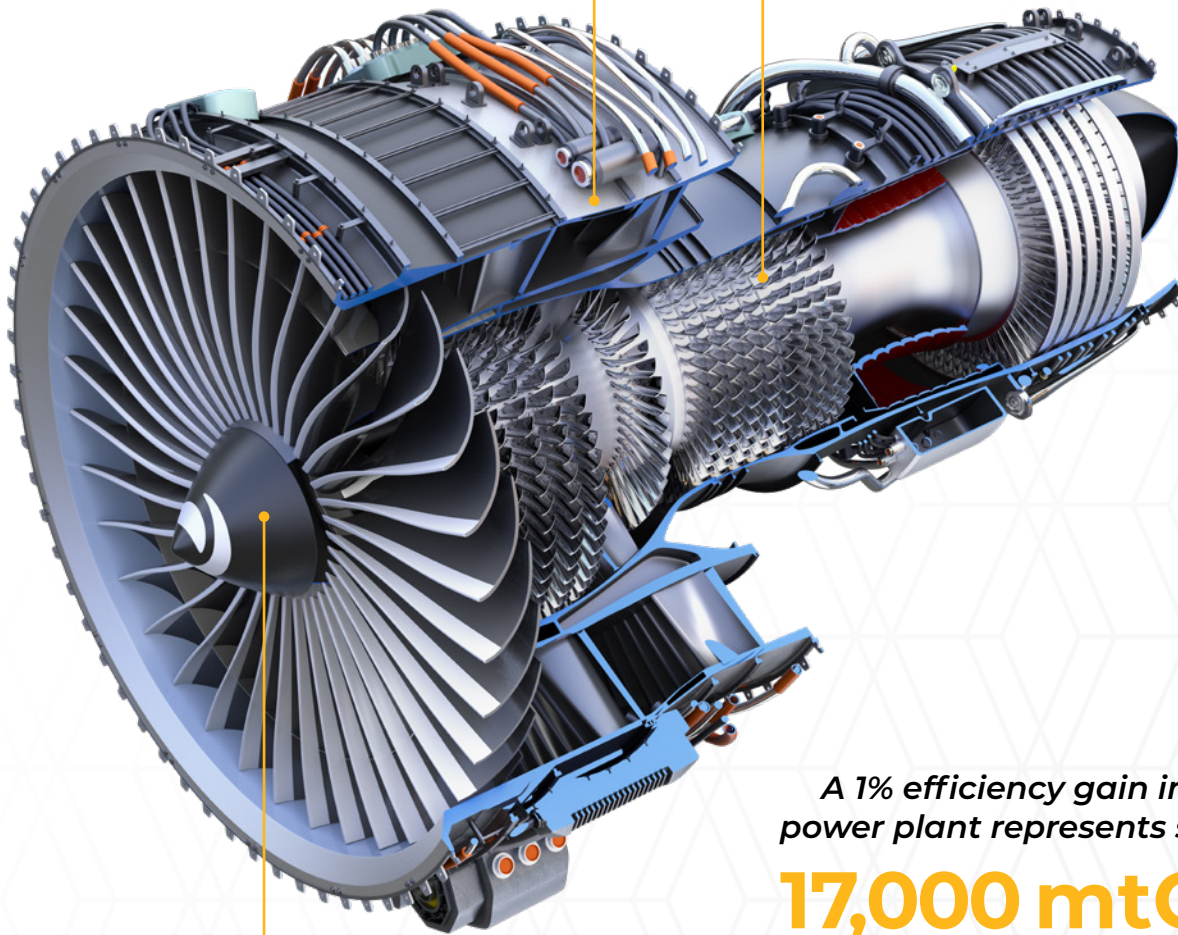
Efficiency Improvements

OEMs are looking for measures to increase conversion efficiency in new models as well as in existing ones through retrofits.

Simulation in areas such as heat transfer, cooling and blade rotation allow companies to predict critical design issues and help them find alternatives to maximize power conversion.[1]

A 1% efficiency gain in a 1GW power plant represents savings of

17,000 mtCO$_2$e

per year, which corresponds to taking ~3,500 internal combustion engine vehicles off the road[2]

1. Evalueserve analysis commissioned by Ansys, based on an Evalueserve analytical model of various data points, including (a) Global Energy Observatory, (b) Grand View Research (web archive), Gas Turbine Market Size, Share & Trends Analysis Report By Capacity (≤200 MW, >200 MW), By Technology (Open Cycle, Combined Cycle), By End-use (Industrial, Power & Utility), By Region, And Segment Forecasts, 2020 - 2027, and (c) Statista, Installed natural gas power generation capacity worldwide in 2020, with a forecast until 2050

2. Oak Ridge National Laboratory, Better Combustion for Power Generation - May 2016

DIGITAL TWINS

A digital twin is a virtual representation of a physical asset in operation. Sensors on the physical asset — such as a manufacturing machine or wind turbine — transmit data regarding the status of the asset back to the virtual digital twin. These sensor-equipped assets and the data that is communicated are part of the industrial internet of things (IIoT). In a sense, the digital twin "ages" in step with the physical asset.

A simulation-driven digital twin, such as one made using Ansys Twin Builder, enables engineers to explore "what if" scenarios. Starting with the current state of the digital twin, which mirrors that of the physical asset, users can run physics-based simulations to determine what would happen if they reduced the speed of rotation of a component, or increased the temperature of a process, or reduced the pressure in a section of the machine, just to give a few examples. These simulations leverage machine learning, predictive analytics, and data modeling. By testing proposed changes virtually, users can see the results before making any changes to the physical asset, helping to assure that the change will be safe and beneficial to operations.

Digital twins can help reduce GHG emissions by:
- Managing the operation of assets, resulting in lower energy consumption
- Extending the useful life of an asset, saving the manufacturing emissions associated with building a new asset
- Preventing fugitive emissions through real-time monitoring of emissions and potential leakages

Ansys Twin Builder helps engineers model the system that will be represented by a digital twin, including integration of the model with software control solutions, system libraries, input/output ports, and third-party tools to monitor the state of the asset. By partnering with technology leaders like PTC, SAP, Microsoft, and Rockwell Automation, Ansys adds proven solutions for the data analytics and IIoT concerns to make the complete digital twin package.
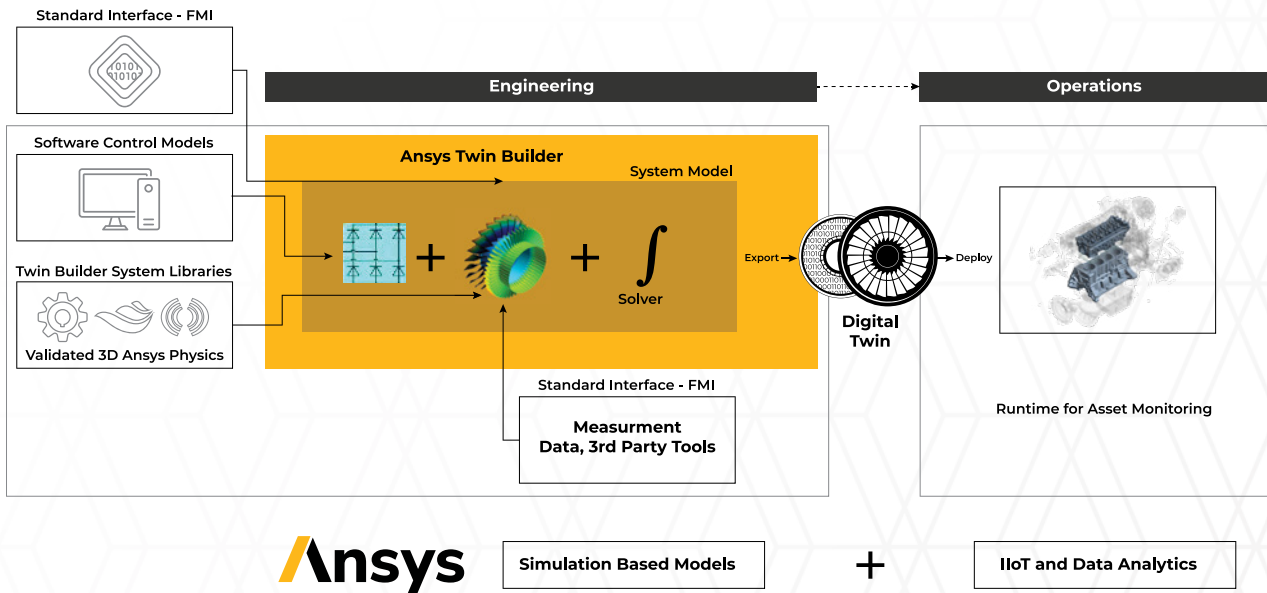
EARTH RESCUE
AN Ansys ONLINE SERIES

In 2022, we released four episodes of our online series, Earth Rescue. This engaging series showcases how our customers are using Ansys simulation to fight against climate change. The episode themes include power, new energy, mobility, and clean up. Watch Earth Rescue here.

INNOVATION AND PRODUCT STRATEGY

Simulation for a Digital World - Our growth and financial strength reflect our leading technology position and commitment to innovation. This commitment helps us to continue our progress toward our goal of enabling simulation insights, the trend of simulation being adopted across the entire product lifecycle, empowering engineers to imagine and evaluate more design options, while helping our customers combine simulations to optimize their products throughout the product lifecycle.

Our R&D Commitment - We make substantial investments in research and development and emphasize frequent, integrated product releases. In each of the last three years, we invested at least 20% of our annual revenues into research and development, expanding the ease of use and capabilities of our broad portfolio of engineering simulation software products. In 2022, we introduced an entire array of innovations from individual applications to enterprise platforms and solutions.

$433.7M
TOTAL R&D EXPENSES
(FY 2022)

21%
R&D Expenses of Total Revenues

(FY2022)

550+
ACTIVE PATENTS
and patent applications as of December 31, 2022

REWARDING INNOVATION AT ANSYS

In 2022, our internal technical conference, TechCon, was a hybrid event with physical presenters and attendees and remote sessions, where hundreds of product and technology ideas were presented and shared with the engineers at Ansys, spurring new ideas and lateral thinking across discipline areas. Innovations are also formally recognized and rewarded through the CEO Innovation Award process, which culminates in awards in several categories being made annually at TechCon.

Ansys
TechCon

FAST COMPANY
World Changing Ideas 2022

In 2022, we earned honorable mention on Fast Company's World Changing Ideas list.

Product and Feature Transformations - Our innovation-oriented culture is reflected in the transformative products and features we introduce.

The Ansys Optics solution suite includes Ansys Speos, Ansys Zemax OpticsBuilder, and Ansys Zemax OpticStudio. The optics solutions provide the unique capability of simulating the behavior and propagation of light through optical and optically enabled products. Ansys Optics allows optical products to be visualized before they even exist, delivering the ultimate design experience.

Ansys Systems Tool Kit (STK) provides a physics-based modeling environment for analyzing platforms and payloads in a realistic mission context. Ansys STK enables our customers to create multi-domain scenarios that extend simulation beyond systems to an interactive model of the operational environment. With STK, customers can model complex systems inside a realistic and time-dynamic three-dimensional simulation that includes high-resolution terrain, imagery, radio frequency environments, and more. Customers can select, build, or import precise models of ground, sea, air, and space assets and combine them to represent existing or proposed systems. With STK, users can simulate the entire system-of-systems in action, at any location and at any time, to gain a clear understanding of its behavior and mission performance.

We continue to add innovative features and core technology capabilities in the recent releases of Ansys software, including topology optimization, machine learning, additive manufacturing capabilities, and high-performance computing (HPC) methods.

For example, advanced sensor capabilities will benefit customers working to deliver autonomous vehicles (AV) and advanced driver assistance systems (ADAS). In the era of connected vehicles, Ansys medini analyze gives our users in the automotive industry the ability to systematically analyze and assess security threats to their system designs. In addition, our digital twin tool, Twin Builder, now has a battery wizard to further help our customers across industries with their predictive maintenance efforts through the virtual construction of battery cells, modules, models, and parameters.

We have also established and implemented innovation approaches, including strategic alliances, technology licensing, collaborative research and development projects, and academic relationships. We believe that these elements of innovation facilitate accelerated incorporation of advanced technology and expertise into our products, provide access to new customers, expand our sales channels, develop specialized product applications, and provide direct integration with leading enterprise software systems.

Additional Resources:
Company Information
Product Releases and Updates

Ansys / CLOUD

Our Ansys Cloud offerings provide access to on-demand, cloud-based computing resources that are independent of location and hardware limitations, and that include both interactive workstations and high-performance computing clusters, for faster, high-fidelity results offering greater performance insight.

Changing work modes underscored the value cloud provides by connecting engineers to the necessary compute hardware anytime and from anyplace. Our Ansys Cloud offerings deliver computing infrastructure to enable engineering and business continuity, even as many engineering teams are working remotely.

Why are our Ansys Cloud offerings important? Simulation is expected to be a key enabler of broader digital transformation efforts as manufacturers take advantage of market disruptors such as electrification, autonomous technology, and 5G cellular networks. We provide quick, easy access to public cloud-computing resources that can supercharge simulations and accelerate the product design process. With both managed and self-service options, we allow the flexibility to take full advantage of nearly unlimited computing power when needed. Users can explore more design alternatives and run larger simulations without the limitations of on-premises hardware. Our cloud offerings provide the following business benefits:

- Quick, easy, and flexible cloud access for every engineer – anyone can now access the power of simulation in the cloud from anywhere.
- Gain faster insights and increase innovation that leads to faster and improved product development.
- Access additional computing power to solve massive and complex simulations without the limitations imposed by on-premises resources.
- Deploy quickly and extract maximum performance on the latest state-of-the-art hardware offered by the leading cloud services providers.

Partnership in Cloud Innovation – In 2022, we announced the availability of Ansys Gateway powered by Amazon Web Services (AWS), which allows customers to use popular Ansys products in one unique workspace on AWS – helping to simplify access to faster, more flexible, and highly scalable engineering solutions. Customers will also benefit from the accelerated performance of Ansys applications enhanced on AWS. We also recently announced an expansion of our long-term collaboration with Microsoft to increase availability of our simulation solutions and tools on the Microsoft Azure cloud-computing platform through Ansys Access. Ansys Access will deliver extensive benefits to our customers, including improved, cost-effective HPC in the cloud to provide the scale required to meet today's most difficult engineering challenges.

We also maintain partnerships with AMD and Intel to optimize the solver performance and scalability of our structures, fluids, and electromagnetics portfolio to enable faster simulations for our customers on the cloud and on-premises.

Additional Resources:
Ansys Cloud Overview

CUSTOMER EXCELLENCE

We help the world's most innovative companies deliver better products to their customers. Our diverse customer base is comprised of global leaders, small and mid-market companies, startups, academic institutions, and government institutions. Our go-to-market strategy continues to yield strength through diversity of customers, channel partners, industry mix, geographies, and types of licenses.

With a significant number of professionals across the globe, many of whom are expert M.S. and Ph.D.-level engineers, our Ansys Customer Excellence (ACE) team brings deep physics and industry expertise and creates value by helping customers to achieve increased productivity and success, leveraging Ansys technologies. ACE delivers expert pre-sales, support, training, and professional services with mastery in individual physics domains and multidiscipline solutions with optimized workflows.

Our ACE professionals also work very closely with Ansys product development teams to align software releases and development roadmaps with customer needs. Our customers frequently highlight that ACE differentiates us by providing great support and helping customers to solve their most challenging problems in efficient ways.

Quality Management Program - We are committed to meeting customer expectations for the quality of our products and services. To provide systematic methods to confirm quality and drive continuous improvement we have established a corporate-wide quality management system covering most areas of activity. The system complies with recognized industry standards including ISO9001: 2015 and in some areas safety standards such as NQA-1 and ISO26262.

/ INVESTING IN OUR PEOPLE AND ONE ANSYS CULTURE

Our values are our shared principles that guide our actions. They define what is important to us, how they are reflected in our people, and how we create behaviors to change the way we work.

Our people are the core of driving product innovation for our customers. We have some of the world's best talent and aim to create a culture of belonging where everyone thrives as a ONE Ansys team. Our employees around the world are a unified force making the impossible, possible. As we implement our simulation strategy, a strong team and culture are essential.

Ansys was ranked number 13 on Newsweek's Most Loved Workplaces list. Our inclusion is a testament to our ONE Ansys culture, our shared values, and all of our employees.

Our workforce on December 31, 2022:

5,600
FULL-TIME EMPLOYEES

86
GLOBAL LOCATIONS

81%
Employee Engagement Score
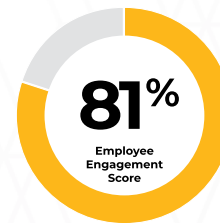
(2022 Engagement Survey)

Employees by Function:

2,100
PRODUCT DEVELOPMENT

2,700
SALES, SUPPORT & MARKETING

800
GENERAL & ADMINISTRATIVE

Employees by Region:

28% EMEA
45% Americas
27% APAC

64%
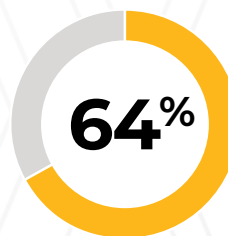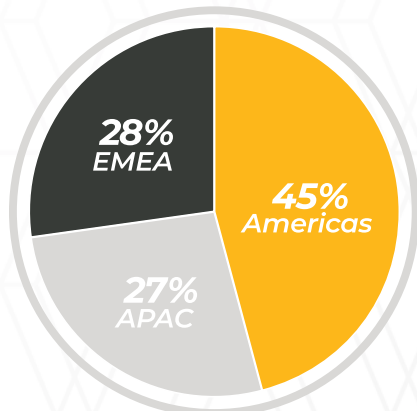
EMEA employees covered by works council or collective bargaining agreements

DIVERSITY, EQUITY, INCLUSION, AND BELONGING

At Ansys, we believe diverse thinking leads to better outcomes. We are committed to creating and nurturing a workplace that fuels this by welcoming people with many different backgrounds, identities, and experiences, to a workplace where they are valued and where we aim to have everyone thrive. We continue to support a strategy focused on diverse employee pipeline development, building an inclusive culture and accountability.

Employee Pipeline Development - In the U.S., our recruitment of and outreach to diverse talent has expanded from 2020 to 2022, including through strengthened relationships with historically Black colleges and universities (HBCUs), minority engineering societies, women in technology groups, veterans' organizations, and LGBTQ+ organizations. These initiatives enable us to interface with more diverse talent pools and are a part of our broader recruitment strategy. This has included adding events, access to talent ecosystems and job posting capabilities with our existing partners, as well as establishing new partnerships and expanded tools, such as Fairygodboss, HBCU Connect, Untapped, and Mogul, which includes access to an ecosystem of ~430M prospective candidates. It's important for us to not only focus on college initiatives, but also pre-college initiatives. One example of our focus and commitment to the future of STEM is our partnership with Girls Who Code. In 2022, Ansys hosted our first-ever Ansys-sponsored Summer Immersion Program with nearly 70 pre-college girls, engaging their interest in pursuing STEM as a future career path.

The Pride Alliance employee resource group (ERG) leadership team and members of Talent Acquisition attended the oSTEM conference in 2022, where Ansys received the Strategic Alliance Award. The award is presented to a current sponsoring organization, community partner, or grant provider of oSTEM who has demonstrated a strong dedication to oSTEM, LGBTQ+ people in STEM, and STEM education. Ansys participates in oSTEM's scholarship program, sponsoring students during their journey through STEM education.

In addition to external employee pipeline development, we have been focused on providing opportunities to build our internal pipeline as well. This has been evident through the experiences provided to our interns and early career talent through activities such as a learning series and role specific development opportunities. The Ansys internship program provides an opportunity for us to open the door to even more diverse talent entering the workforce.

CULTURE

In 2022, we continued to grow our employee resource groups (ERGs) to foster a culture of inclusion and belonging and enable people of all backgrounds to see themselves thriving at Ansys. More than 1,000 individual employees engaged in over 41 events globally in 2022. Our ERG community includes: Black Employee Network, (dis)Ability Network, Latino Connection, Pride Alliance, Veterans, and Women in Tech. Our commitment to ERGs remains strong including confirming that ERGs:

· Have a visible and committed executive sponsor

· Have a global presence across all regions and locations

· Are aligned with charitable giving

· Inform and prioritize global policies and practices

· Support external outreach, partnerships, and engagement efforts

Accountability - In 2022, we solidified our foundation for understanding our diverse workforce using metrics and analytics to drive accountability through the entire applicant and employee lifecycle. We also evolved our partnerships with industry leaders to continue to learn from pacesetters in the technology industry. In 2022, our partners included:

DIVERSITY IN NUMBERS

Racial / Ethnic Diversity
United States
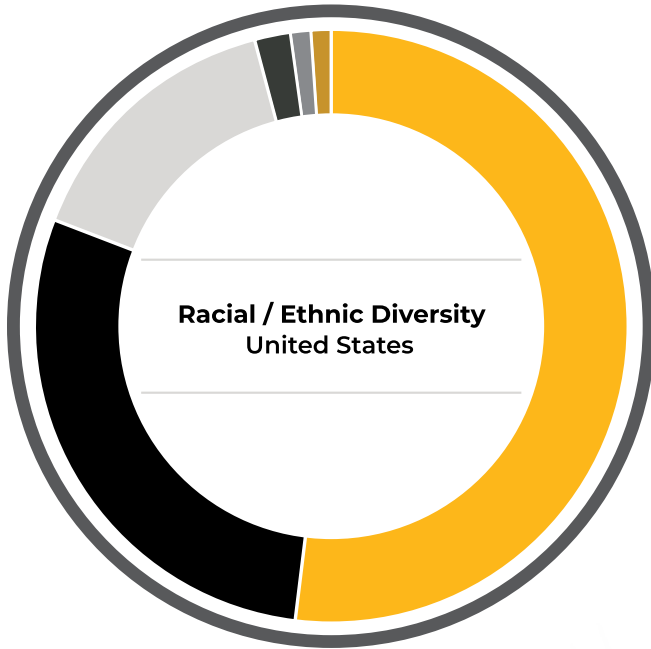
- **55%** - White
- **25%** - Asian
- **15%** - Not Indicated
- **2%** - Hispanic or Latino
- **2%** - Black or African American
- **1%** - Other*

*Other includes Native Hawaiian, American Indian, Alaskan Native, Pacific Islander, or two or more races.

Racial / Ethnic Diversity
Board of Directors
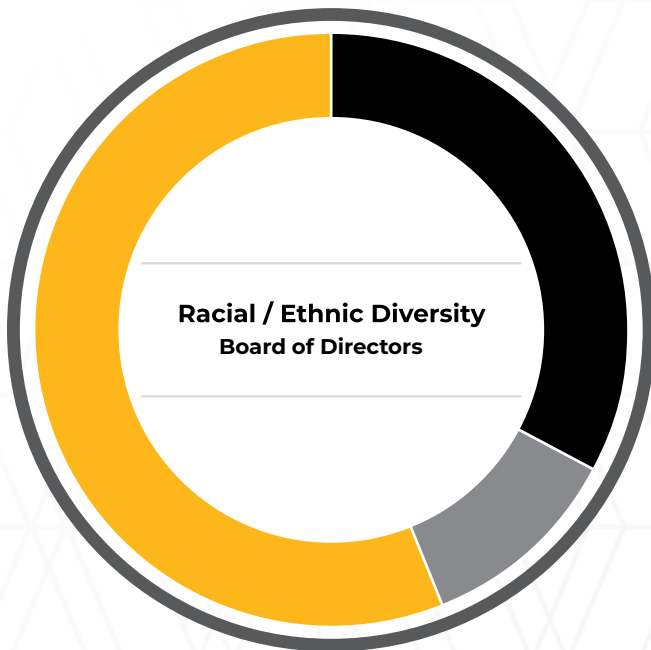
- **60%** - White
- **30%** - Asian
- **10%** - Black or African American

24%
Women on Senior Leadership

23%
Women in Global Workforce

50%
CEO Direct Reports are Women

30%
Women on Board of Directors

20%
Women in Technical Roles
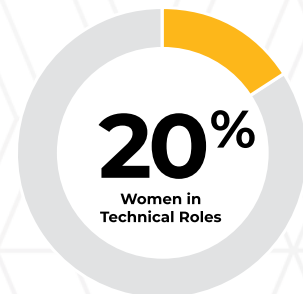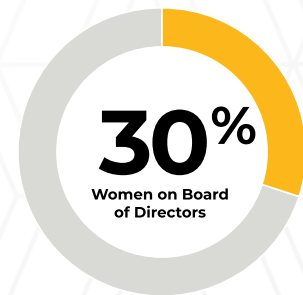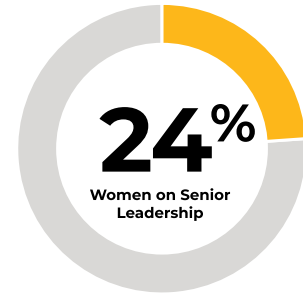
ATTRACTING AND RETAINING TALENT

Our talent strategy is focused on attracting diverse top talent, recognizing and rewarding performance, and continually developing, engaging, and retaining our talented employees.

In 2021, we launched behavioral based interview training and robust hiring manager selection tools. This training program remains active at Ansys today and is a required module in our ongoing leadership training series. The success profile and career framework launched in 2020 serve as a foundation to our approach in identifying the skills and competencies that make people successful at Ansys.

We place a strong emphasis on candidate care and outreach. In 2021, we expanded our outreach to diverse talent pools, including more inclusive, broader advertising, as well as direct outreach and sourcing capabilities, and this continued into 2022. We also increased our efforts in 2022, focusing on new partnerships as well as obtaining diversity recruiter certifications within the Talent Acquisition team. In addition to outreach to minority groups and institutions, we attended career and networking events aimed toward recruiting diverse candidates. In 2022, we strengthened these efforts, attending numerous events that provided exposure to more than 50,000+ diverse job seekers.

Turnover Rates as of December 31, 2022:

10%
Total Annual
Employee Turnover
Rate

8%
Voluntary Annual
Employee Turnover
Rate

EMPLOYEE BENEFITS, WELL-BEING, AND SUPPORT

Our employees are critical to our mission of enabling the design and delivery of innovative and transformational products. We know that when we support their diverse needs at key stages of life, our employees bring their best selves to Ansys.
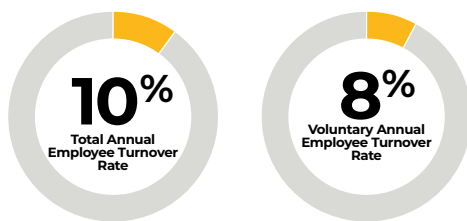
We evaluate, benchmark and design our benefits programs around the world to help us:

- Attract, retain and develop high-caliber talent
- Invest in our employees' well-being
- Embrace diversity and inclusion for our global team
- Continue to build our ONE Ansys employment brand around the world
- Remain market-competitive wherever we employ people

The following is a non-exhaustive list of benefits we offer to support our employees in key aspects of their lives. The benefits offered vary by country and region based on differences in regulations and market-competitive practice.

- **Healthcare benefits**: medical, dental, vision, health savings accounts, flexible health and dependent care spending accounts and life, accident and disability insurance;
- **Family and partner support benefits**: parental leave, adoption assistance, maternal education and support, fertility benefits, pet insurance and flexible work schedules;
- **Programs to support healthy lifestyles, personal well-being and productivity**: employee assistance programs, including emotional and social well-being assistance programs, well-being clubs, well-being tools and coaching, supplemental paid time off and volunteer paid time off, charitable matching gifts, tobacco-free workplace and smoking cessation support; and
- **Offerings to support employee financial health**: pension retirement plans, defined contribution retirement plans with company matching contributions, financial planning and education, income and legal protection benefits, tuition reimbursement and employee stock purchase plan.

"I'm very thankful to Ansys for providing access to Wellness Coach as a benefit. In today's busy and quite digital lives, it's important to give our bodies, minds, and souls much-needed regular breaks throughout the day to recharge, refresh, and reset, and Wellness Coach precisely helps with that in a guided and/or self-paced way."

Usman Saeed,
Senior Application Engineer

EMPLOYEE DEVELOPMENT AND ENGAGEMENT

We support development of our employees by providing opportunities for professional development, providing tuition assistance, conducting annual performance reviews, and encouraging continuous feedback on performance. We also drive a wide variety of focused initiatives specifically designed to support employee development. These include offering LinkedIn Learning to all employees, workshops on emotional intelligence and personality style, executive coaching, mentoring, a manager training program, new leader onboarding, and function-specific training.

Employee development metrics as of December 31, 2022:

· $927 average spend on development per employee in 2022
· 42% of employees participated in eLearning (compared to 38% of employees in 2021)
· ~ 8,000 LinkedIn Learning courses available
· Launched a Management Essentials Training Program for new people managers – 480 Managers Participated in 2022 (compared to 281 managers in 2021)

ENGAGEMENT

"I love our vision and mission. I wholeheartedly believe in what we are trying to achieve and the steps that we are taking to get there."

"The opportunities for personal and professional growth are unlimited, in an environment that is healthy, thriving, and balanced."

"I love our technology. Like using a pair of x-ray glasses and seeing into the future."

Employee feedback is critical. Our listening strategy is an important mechanism for understanding employees. This was even more important in 2022 as we continued to evolve our ways of working in our flexible, hybrid environment.

In 2022, 92% of employees participated in our engagement survey, and our employee engagement score remained steady at 81%, which we believe is related to our efforts that create a ONE Ansys culture of connection, high-performance, and belonging.

Highlights from our 2022 survey include:
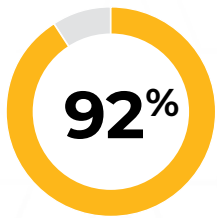
92%
of employees commented that they are able to manage their work responsibilities in a way that allows flexibility
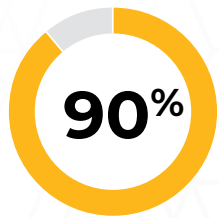
90%
Employees think supervisor/ manager creates environment of trust
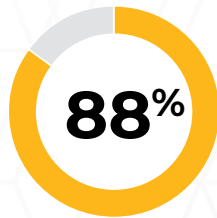
88%
Employees believe Ansys provides meaningful opportunities for learning and development

Thrive Index

For the first time ever, Ansys looked at how employees are thriving which measures if employees feel a sense of purpose, empowerment and are energized about their work.
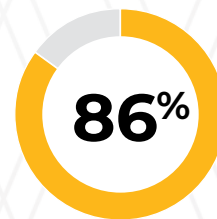
86%
Employees noted they are thriving

METHODOLOGY

The employee engagement survey is conducted using the following steps:

1. design the survey items to solicit anonymous feedback on a variety of relevant engagement topics, with many questions remaining the same from year to year to measure trends over time;

2. administer the global survey to all employees;

3. analyze the qualitative and quantitative results and synthesize the key themes;

4. communicate the survey results with employees;

5. develop team action plans to address areas of opportunities identified by employees. We monitor employee engagement continuously between the annual full-length engagement surveys with a listening strategy that includes follow up pulse surveys.

Engagement Scores:

2022	2021	2020	2019	2018	2017
81% Employee Engagement Score	**80%** Employee Engagement Score	**83%** Employee Engagement Score	**79%** Employee Engagement Score	**77%** Employee Engagement Score	**73%** Employee Engagement Score
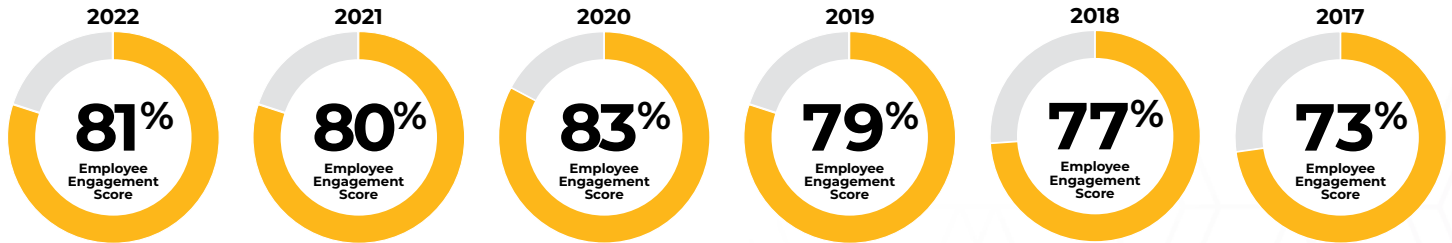
/ OPERATING RESPONSIBLY

ENERGY AND EMISSIONS MANAGEMENT

We aim to reduce the environmental and climate impact of our operations by measuring, analyzing, and reducing our resource use and emissions. In 2022, we announced a target to reduce our scope 1 and scope 2 greenhouse gas (GHG) emissions 15% by 2027 against our 2019 baseline. We are making great progress against our target and have been implementing projects ahead of schedule.

In 2021, we commissioned ASHRAE level II energy audits to help us identify strategies to make our operations more efficient and reduce our energy consumption. After implementing some of these strategies, our preliminary results show that optimization of our Canonsburg Headquarters and Data Center buildings, including revising zone temperature setpoints, reprogramming controls, and changing occupancy schedules reduced energy consumption at those sites by approximately 10% against our 2019 baseline. One of the strategies implemented included retrofitted lighting fixtures and installed LEDs in part of our headquarters and our campus in Livermore, California.

-15% REDUCTION IN GHG EMISSIONS

by 2027 against our 2019 baseline

We also continue to report on our progress annually through various assessment frameworks, including CDP and the Task Force on Climate-Related Financial Disclosures (TCFD), to provide stakeholders with relevant information on environmental impacts and opportunities. We conducted a TCFD assessment in 2022. The results can be found in the appendix section of this report.

GHG INVENTORY*				
Performance Data	2019 CO_2e (Metric Tons)	2020 CO_2e (Metric Tons)	2021 CO_2e (Metric Tons)	2022 CO_2e (Metric Tons)
Scope 1	2,056	2,354	1,979	2,034
Scope 2 (Location and Market Based)	14,117 (Location Based) 14,475 (Market Based)	13,767 (Location Based) 14,280 (Market Based)	12,728 (Location Based) 13,154 (Market Based)	12,175 (Location Based) 11,324 (Market Based)
Total	16,173 (Location Based) 16,531 (Market Based)	16,121 (Location Based) 16,634 (Market Based)	14,707 (Location Based) 15,133 (Market Based)	14,209 (Location Based) 13,359 (Market Based)
Intensity (per square feet)	0.012338	0.012029	0.011321	0.010530
ENERGY CONSUMPTION AND LEED CERTIFICATION				
Renewable Energy (1)	152 MWh	119MWh	140MWh	140MWh
Buildings with LEED / BREEAM Certification(2)	7	8	9	11
(% of total active square footage)	22%+	23%+	23%+	26%
Total Energy Consumed	41,975MWh	44,668MWh	41,380MWh	40,468MWh
Percentage of Grid Electricity	77%	76%	77%	77%

*Our GHG inventory is calculated in accordance with the GHG Protocol, Corporate Standard. Ansys updated its scope 1 and scope 2 data based on increased data integrity and calculation methodology.

 (1) On-site Pune, Otterfing, and Livermore solar generation. The Livermore facility is part of our LSTC acquisition which closed in Q4, 2019 and as such, the total solar generation was not included in the 2019 GHG Inventory calculations.

(2) Our facilities located within LEED or BREEAM Certified buildings include facilities in Canonsburg, USA, San Diego, USA, Beijing, Chengdu, and Shanghai, China, Hyderabad, India, Seoul, Korea, Sheffield, UK, and Madrid, Spain. Our Taipei, Taiwan office opened in 2022 and is on track for LEED certification.

GREEN BUILDING CERTIFICATIONS

We actively seek opportunities to lease locations that have sustainable building certifications such as U.S. Green Building Council Leadership in Energy and Environmental Design (LEED), Building Research Establishment Environmental Assessment Method (BREEAM), and Energy Star certifications.

We are proud that 11 Ansys office locations have green building certifications as we continue to pursue ways to incorporate sustainability into our portfolio. As part of our site selection for a new office or relocation, we consider existing sustainable building certifications such as LEED and BREEAM, or Energy Star Certification. In 2022, 63% of our buildouts either achieved LEED certification, were in an already LEED-certified building, or are on track to be LEED certified.

Another growing area of focus for our sustainability journey is sourcing. When possible, we prefer engaging local vendors for our offices, as well as selecting utility suppliers that offer renewable or low-carbon energy sources.

Green Building Spotlight: Our new Pune, India, Shanghai, China, and Madrid, Spain office spaces all achieved LEED Gold Interior Design + Construction certification.

Pune, India

A Sustainable Workplace - Our workplaces embody ONE Ansys as well as the local culture of the office. Sustainability to Ansys not only means reduction in energy, water, and waste in our workplaces, but places of belonging. Each workplace is unique in nature, while incorporating planning principles to give our staff access to natural daylight, views, and a flexible work environment to accommodate their workstyle and needs, such as accommodations for employees' bicycles and sourcing local produce.
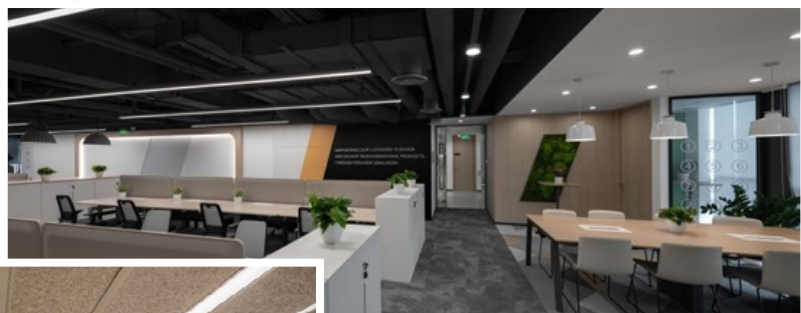
Shanghai, China

Madrid, Spain

Our San Diego office is in a LEED BD+C certified building (which is close to public transit and has a fitness center, pool, bicycle parking, and electric vehicle charging).

25%
Employees in
Green Buildings

11%
Employees in
Facilities Accessing
On-Site Renewable
Energy
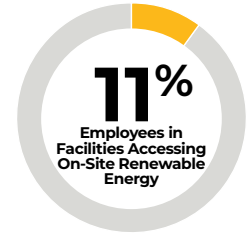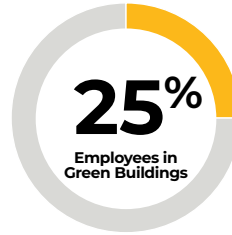
EVENTS AND CONFERENCES

We aim to make our events and conferences more sustainable. We focus on improvements like recycling, providing reusable water bottles for water stations, reducing printed materials in favor of QR codes at booths, repurposing materials such as graphics and carpets at booth structures across multiple events, and donating unused banquet meals, where applicable, to cut down on food waste. In 2022, Ansys won a 'best booth award' at a conference. Our booth was made of 100% biodegradable and recyclable material.

DATA CENTERS AND E-WASTE

We track our energy consumption in our data centers closely and evaluate opportunities to incorporate free-cooling or cool aisle containment at each location. We recognize that managing the natural resource use associated with our IT infrastructure is important to our stakeholders, especially given that data centers need to be powered continuously and require cooling. We are also focused on the increased security, availability, and scalability expectations for our IT infrastructure. Our data center strategy includes selecting providers that can offer higher energy efficiency standards in the industry and that use renewable energy.

Electronic Waste - We aim to select IT vendors that have buy-back programs to confirm that waste is disposed of in an environmentally appropriate manner. We also aim to select electronic waste disposal providers that confirm retired IT equipment is recycled in a responsible manner across our locations.

ETHICS, COMPLIANCE, AND INTEGRITY

Since our beginning over 50 years ago, integrity and ethical conduct have been at the forefront of our long-term success. We have implemented a comprehensive global ethics and compliance program with support from our Board of Directors and executive management team to communicate the ethical and legal standards that govern our business conduct at all times. We expect our employees, agents, business partners and other third-party representatives to embrace the standards embodied in our culture and values, and to act with the highest level of integrity and in accordance with applicable laws and industry and trade regulations when doing business with and on behalf of Ansys.

COVERAGE

Ansys' Code of Business Conduct and Ethics (Code) is the cornerstone of our global ethics and compliance program. The Code applies to employees, officers, and directors of Ansys and its worldwide subsidiaries, and it sets forth the basic principles we must follow to uphold our company's ethical business culture. We believe the Code is a living document and we periodically review and update the contents of the Code to reflect our commitment to operate our business with the highest standards of ethical conduct and in compliance with applicable laws, rules, and regulations.

Scope - Our Code is publicly available on our corporate website as well as on our intranet. The Code defines standards of conduct and provides guidance and resources to help employees and directors make ethical business decisions in the following key areas: anti-corruption, anti-competitive practices, harassment and discrimination, trade compliance, conflicts of interest, gifts and entertainment, protecting confidential information and personal data, human rights, intellectual property, cybersecurity and privacy, and insider trading.

REPORTING

Ansys encourages employees and others to seek guidance regarding ethics and compliance issues, to report actual or suspected misconduct, and to obtain information about our policies and procedures. In this regard, Ansys administers a company hotline – the Ansys Ethics Line – which features:

- Multiple reporting modes: phone, website, or email
- Anonymous report submission
- Global availability of 24 hours a day, seven days a week
- Multi-language capabilities

We allow employees to make anonymous reports, where permitted under applicable law, and do not tolerate retaliation for voicing concerns or for participating in investigations.

EMPLOYEE TRAINING AND COMMUNICATIONS

All employees are trained on the key compliance topics covered in our Code and other applicable policies upon being hired. Additionally, employees are retrained on the Code, workplace harassment, and other policies periodically.

2022 Trainings:

94%	**98%**	**94%**	**94%**
Completed New Hire Code Training	Completed Export Compliance Training	Completed New Hire Anti-Bribery / Anti-Corruption Training	Completed New Hire Anti-Harassment Training
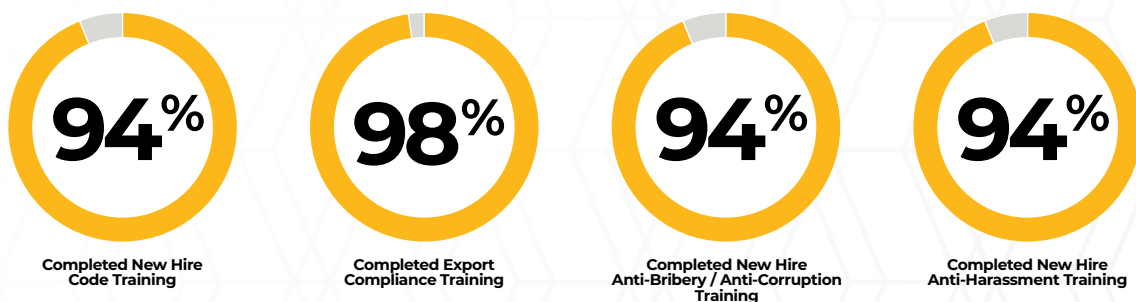
Other trainings, both in-person and online, are disseminated as needed. In addition, through our annual policy certification process, employees across the globe, where applicable, certified to the Code and key compliance policies. To promote transparency about our program, we also celebrated Ethics and Compliance Week. The purpose of this week was to shine a spotlight on the importance of ethics and compliance in the workplace. During that week, employees received information on a variety of compliance-related topics including why embedding a strong culture of ethics and compliance is vital to our long-term success.

Administration - Ansys' Board oversees the implementation and effectiveness of our global ethics and compliance program. Our General Counsel is tasked with overseeing the administration of the program. We provide the Board updates on a quarterly basis. As our business expands globally, we continue to build and mature our global ethics and compliance program to address those issues that are relevant to our business. Additional information on Ansys' global ethics and compliance program, including the Code and Ansys Ethics Line, is available here.

CYBERSECURITY AND DATA PRIVACY

Cybersecurity - The Ansys cybersecurity and data privacy teams work closely to identify and address potential risks to the security of the data we hold and process. Ansys strives to protect the data of our customers, partners and employees through appropriate cybersecurity and privacy practices.

Governance - The Ansys cybersecurity department is led by the Vice President of Cybersecurity. The cybersecurity department incorporates operations, intelligence, risk management, threat detection, cyber response, and program management. The cybersecurity steering committee helps prioritize cybersecurity throughout the organization by including members from within the cybersecurity program as well as from functions and resources across the organization. By providing a strategic approach to mitigating cybersecurity risk, the committee helps the organization to: 1) align the global security program with the corporate objectives and Ansys values; 2) further establish a cyber risk-aware culture, sound security practices and compliance with internal, regulatory and customer demands; and 3) maintain communication related to cybersecurity with senior leaders. Metrics we track include cybersecurity initiative completion, incident response, threat detection, vulnerability management, and security awareness training completion.

At the Ansys Board level, the Audit Committee oversees our risks related to cybersecurity and our process for assessing and managing risk through our enterprise risk management. All members of the Audit Committee are independent. We also have a dedicated internal audit team, which reports to our General Counsel, and we have a dedicated governance, risk, and compliance team within the cybersecurity department.

ASSESSMENTS AND CERTIFICATIONS

Our cybersecurity management follows industry guidelines, including ISO and NIST frameworks, for internal assessments. We also work with many third-party assessments and audits throughout the year. For example, Ansys has an ISO 27001-certified ISMS, which manages and supports our SOC2, CSA STAR, ISO 27001 and ISO 27017 certifications for Ansys Cloud Direct. We have also received the UK Cyber Essentials Plus certification, demonstrating our global commitment to Cybersecurity. Our security controls related to financial systems are audited by an independent third party on an annual basis. For our customers in the European automotive industry, we maintain a fully TISAX-certified environment. We also are routinely assessed and audited by our customers across many industries as part of their supply chain risk management programs. We also utilize a third-party consultant to conduct annual assessments of our cybersecurity capabilities against the NIST framework and industry benchmarks. The results of this assessment are presented to our Board.

CYBER TRAININGS AND RISK AWARENESS CULTURE

Ansys provides an escalation process to all employees through various channels regarding data protection. Information regarding this process is provided during the onboarding training process, annual retraining process, and within our regular internal security awareness communications. New employees are trained in cybersecurity best practices as they join Ansys, followed by awareness communication and other training sessions throughout the year.

Employees are required to take a five-module cybersecurity awareness training session annually to maintain a cyber-aware culture through education, testing, and performance measurement with the goal of continuous learning and improvement. Phishing simulation exercises are conducted company-wide throughout the year, and metrics related to the reporting of real-world phishing attempts are used to inform these exercises.

We report metrics related to these activities to the Audit Committee of our Board on a quarterly basis. Cybersecurity alert emails as well as educational posts to our Ansys intranet are distributed on a regular basis to maintain awareness. Finally, our cybersecurity team routinely briefs teams throughout the company and our executive leadership to provide guidance regarding security matters. We have many initiatives to educate teams across the enterprise, including incentive programs to recognize employees for their contributions to our security program.

Key Elements of Ansys' Information Security Program

· Governance and Board oversight
· Conformity with industry guidelines and standards, like the NIST framework
· External verification and assessment
· Business continuity and contingency plans with annual testing
· Cybersecurity training (onboarding, annual and awareness communications)
· Regular employee testing

DATA PRIVACY

Governance and Objective - Led by our global data protection officer, the data privacy team works to drive improvement across our business operations, partnering with stakeholders to identify and mitigate data protection risks. In close alignment with the cybersecurity team, IT, vendor relationship management team and Ansys leadership, the data privacy team seeks to confirm that our global data privacy program addresses the needs of Ansys and our customers, partners, and employees and complies with applicable data privacy laws across the globe.

Approach - The data privacy team works to provide guidance for cross-functional and strategic initiatives, incorporating data privacy and risk mitigation concepts in accordance with the Ansys Privacy Notice (customer-facing) and the Global Data Protection Notice (employee-facing), each as updated from time to time. The data privacy team is also tasked with executing data processing agreements, conducting privacy reviews, and responding to data subject access requests. The program seeks to keep pace with the priorities and goals of the business as we continue to develop and roll out new technologies and mechanisms for licensing to offer customers more services in the cloud, and to add new companies and partners to our environment, respecting the rights and freedoms of individuals.

Training and Awareness - Data privacy is a priority of our employees, supported by tailored training and awareness opportunities provided to our teams. In 2022, 96% of employees completed a data privacy training. Additionally, through our Code and other internal policies and notices, employees are reminded of their responsibility to take reasonable precautions to confirm personal data to which they have access in the course of employment is used properly and handled according to Ansys' policies and standards. The data privacy team recently released its first Privacy Handbook.

In 2022, the data privacy team updated multiple policies and procedures that concern Ansys data privacy governance either directly or cross-functionally within the company as well as its data processing agreements and data privacy terms within various types of contracts. It also worked on enhancing and furthering its international data transfers regime pursuant to the current European regulatory requirements and its enterprise-wide compliance with new applicable data privacy laws in the People's Republic of China.

We prioritize data privacy compliance with our vendors and partners by seeking to implement appropriate policies and procedures, as well as contractual obligations in cases where we exchange personal data with third parties.

ANSYS PRIVACY NOTICE

Our Ansys Privacy Notice, as updated from time to time, provides transparent information about:
- The types of personal data Ansys collects when providing its services;
- The legal bases it relies upon in specified circumstances;
- The primary and secondary purposes of the collection and further processing of personal data;
- The parties with whom Ansys is sharing personal data;
- A high-level overview of the measures Ansys implements to protect personal data;
- The location where personal data is stored;
- The retention time;
- The data privacy rights for individuals and contact information for their exercise of the submission of relevant queries; and
- Provisions applicable to certain services or groups of individuals.

For more detailed information on how Ansys endeavors to protect personal data across the organization, please consult the Ansys Privacy Notice.

BUSINESS CONTINUITY AND RESILIENCE

An unplanned business interruption can result from the loss of a critical service (e.g., computer processing, telecommunications), a loss of building access, physical facility catastrophe (e.g., fire, flood, etc.) or another incident or crisis that impacts the business. Ansys continuously evolves its business continuity and incident response planning capabilities, designed to provide an immediate response to any unplanned business interruption and to facilitate the subsequent recovery.

A centralized group oversees response and recovery activities and supports the recovery of impacted teams. Ansys has corporate policies and procedures for disaster recovery and cybersecurity. Policies support each area and services exist to assess, attempt to mitigate, and remediate any negative impacts of such an interruption. In addition, we have emergency response plans that focus on safeguarding staff and recovering facilities following a site-level disruption.

Business Continuity - Business continuity focuses on the recovery or continuity of critical business processes within Ansys business units. Disaster recovery plans outline measures for the restoration of critical systems and data in the event of a crisis or disaster. In addition, we have a crisis management process that focuses on decision-making and communication during a crisis. The recovery process establishes the strategies, resources, and procedures to recover from any short- or long-term business interruption. As part of this recovery plan, customer support requirements have been incorporated and are also overseen by the incident management team.

Cybersecurity Incident Response Plan - The goal of the Ansys security incident response plan is to detect, assess, and respond to security incidents in a responsible manner, to minimize the impact to Ansys and to keep stakeholders informed at the appropriate stages. Roles and responsibilities, categorization of incident types, general methodologies, relationships to other policies/procedures, and notification requirements and stages are defined in the incident response plan.

Testing the Crisis Management Plan - The Ansys crisis management plan is tested periodically and includes red team and executive tabletop exercises on selected high-risk scenarios. Follow up on lessons learned is part of the testing process.

GOVERNANCE

Sound corporate governance and independent oversight of a company's strategic execution are essential ingredients of a well-run company. Board independence helps Ansys effectively address risks while also protecting our long-term health.

INDEPENDENT CHAIRMAN	*SEPARATE CEO AND CHAIRMAN ROLES*	*90% INDEPENDENT DIRECTORS ON THE BOARD (DECEMBER 31, 2022)*
MAJORITY VOTING IN DIRECTOR ELECTIONS WITH RESIGNATION POLICY	*100% INDEPENDENT COMMITTEE MEMBERS*	*ROBUST BOARD EVALUATION PROCESS*
ANNUAL SAY-ON-PAY VOTE	*INDEPENDENT DIRECTOR MEETINGS WITHOUT MANAGEMENT PRESENT*	*30% WOMEN BOARD MEMBERS (DECEMBER 31, 2022)*

ESG Governance

Strong governance is foundational to our ESG program, with Board oversight of ESG matters and senior management responsibility for the design and development of these programs. Our Nominating and Corporate Governance Committee of the Board has general oversight responsibility over our ESG program, matters, and initiatives. In addition, cybersecurity is overseen by our Audit Committee and is a standing topic that is addressed at each quarterly meeting. Our Compensation Committee has oversight responsibility with respect to human resources and talent management, as specified in its charter. Our ESG program is led by a committee of select senior leaders (ESG committee) from our human resources, finance, industry marketing, communications, investor relations, legal, cybersecurity, strategy, procurement, and real estate and facilities departments. Our General Counsel chairs this committee. The ESG committee also has task teams to address specific topics such as environmental sustainability and human capital management. Task teams report to, and receive oversight from, the ESG committee. The chairperson of the ESG committee reports progress to the CEO and to the Board of Directors quarterly.

OTHER POLICIES AND RESOURCES

Supplier Code of Business Conduct and Ethics: Our Supplier Code of Business Conduct and Ethics (Supplier Code) details our expectations for our suppliers, vendors, and contractors and includes guidelines on responsible business practices and ethics, social and working conditions, environmental sustainability, and more.

Ansys has a Third-Party Provider Risk Management (TPRM) program that provides guidance and direction for the selection and subsequent management of risks associated with the use of in-scope third party providers. During the risk assessment process, TPRM incorporates ESG components, such as human rights, corporate governance, data protection and privacy.

Human Rights Policy: Our global human rights policy sets forth our commitment to respecting human rights and freedom as part of our corporate values. We support globally recognized human rights in addressing the risk of adverse effects on the human rights linked to the company's business operations.

Public Policy Advocacy: This global policy regulates lobbying as well as political contributions on behalf of the company. The company did not engage in any direct political contributions, including to ballot measures, 527 groups, 501(c)(4)s, or independent expenditures in 2022.

Periodic disclosure reports filed by the company with U.S. federal, state and local jurisdictions, and other governments globally, can be found at the following sites:

- Secretary of the United States Senate: lobbying activities and political contributions
- Clerk of the United States House of Representatives: lobbying activities and political contributions

Our governance documents and relevant policies can be found here.

/ COLLABORATING WITH STAKEHOLDERS

COMMUNITY RELATIONS

Ansys believes excellent corporate citizenship requires active participation in the communities in which our employees live and work. We are committed to giving back and serving others in support of our core values. We seek to promote diversity, equity, inclusion, and belonging by supporting representation and fostering awareness. We support engagement in STEM by helping to fund science literacy with the goal of spawning the next generation of innovators. We strive to make an impact in our communities by aiding food banks and other nonprofit organizations that support the underserved. In 2022, Ansys donated nearly half a million dollars to these causes.

Our charitable giving program includes volunteer time off (VTO), where Ansys employees can take a day to volunteer to support a cause they care about. In 2022, Ansys employees volunteered more than 1,300 hours under the VTO program. Our program also includes an employee match, where Ansys provides a dollar-for-dollar match, up to a certain amount, for monetary contributions made by employees. In 2022, 160 Ansys employees donated more than $30,000 through the Ansys Employee Matching Gift Program, with Ansys matching more than $7,500, for a total of ~$40,000. We also provide monetary support for our Employee Resource Groups (ERGs). Each ERG selects a charity to support with a $10,000 donation.

In 2022, Ansys provided support to a variety of charities and volunteer efforts, which included food relief, support of STEM through robotics competitions, and educational outreach programs.
Here are just a few examples of how our employees supported their communities in 2022:

- Participated in World Clean Up Day in numerous countries across EMEA
- Held food drives for local communities in Lebanon, New Hampshire, Madrid, Spain, Sheffield, UK, Hellas, Greece, Canonsburg, Pennsylvania
- Participated in a 500km bike ride across Japan to support YouMeWe, Tokyo-based non-profit organization that is dedicated to nurturing and supporting local students
- Organizing blood drives in their local community

As a company, we increased our giving to several service organizations, including those advocating for the underrepresented, including the National Society for Black Engineers (NSBE), and Out in Science, Technology, Engineering, and Mathematics (oSTEM), organizations helping with food relief efforts, and other organizations that are helping those in need in our local communities.

Academic and STEM Education

Our technology is used for research and teaching at engineering schools around the globe, including educational institutions that offer both undergraduate and graduate degree programs. Our academic products are used by students who are our future engineers, researchers, and innovators. Additionally, we provide a free and open digital learning experience through Ansys Innovation Space that supports students gaining access to our free student downloads, learning using our free Innovation Courses and provides the ability to engage via our Learning Forum. Explore Ansys Innovation Space here.

INITIATIVE	OBJECTIVE	IMPACT
Ansys student version	Ansys provides special product downloads at no cost to students.	During 2022, the free Ansys student version was downloaded over 520,000 times. Additionally, in 2022 we surpassed 2.5 million downloads since our student products launched in 2015. See our free student products here: https://www.ansys.com/student
Student competition teams	Ansys sponsors student teams designing innovative vehicles, rockets and more that compete in Formula SAE, World Solar Challenge, Spaceport America and other similar competitions globally. This engagement benefits the students by improving their innovation and technology skills while providing real-world experience in engineering.	In 2022, more than 500 student teams were sponsored by Ansys. Read more about our sponsorship of student teams here: https://www.ansys.com/teams
Simulation for student education	We offer more than 275 free Innovation Courses (https://www.ansys.com/courses) as part of Ansys Innovation Space experience. These courses are self-paced and use simulation to both visualize and reinforce concepts. Many of the courses are application based with an array of foundational physics courses to complement these. Our aim is to be a thought leader on how simulation can be introduced earlier on in the engineering curriculum in an on-demand way while making self-learning available to students and early-career professionals.	As of December 31, 2022, more than 840,000 unique users spanning 124 countries have utilized Ansys Innovation Courses, with more than 550,000 unique users utilizing the courses in 2022 alone.
Learning Forum	Also, under the Ansys Innovation Space umbrella, our Learning Forum (www.ansys.com/forum) is the go-to place for the academic ecosystem and professional engineers alike to engage both peer-to-peer as well as peer-to-expert with our support team.	In 2022, more than 800,000 unique users from 142 countries have visited the forum. More than 1.7 million unique users have visited the forum since its inception.

The first-ever Ansys CodeFest at Cornell's Sibley School of Mechanical and Aerospace Engineering drew more than 70 student attendees in 2022.

/ APPENDIX

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

This index maps our current disclosures to the Sustainable Accounting Standards Board (SASB) Software & IT Services industry framework.

Unless specified, page numbers are of this FY2022 Corporate Responsibility Brochure. Our 2022 Annual Report on Form 10-K can be viewed here.

Environmental Footprint of Hardware Infrastructure		
Code	**Metric**	**Disclosure Reference**
TC-SI-130a.1	(1) Total energy consumed	Reported in Operating Responsibly > Greenhouse Gas Emissions and Carbon Footprint, page 25
	(2) Percentage grid electricity	
	(3) Percentage renewable	
TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Reported in Operating Responsibly > Data Center Strategy, page 27

Data Privacy & Freedom of Expression		
Code	**Metric**	**Disclosure Reference**
TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Reported in Operating Responsibly > Data Privacy, pages 30 and 31
TC-SI-220a.2	Number of users whose information is used for secondary purposes	Broader approach regarding secondary use reported in Operating Responsibly > Data Privacy >, page 31

Data Security		
Code	**Metric**	**Disclosure Reference**
TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Reported in Operating Responsibly > Cybersecurity > Assessments and Certifications, pages 29 and 30

Recruiting & Managing a Global, Diverse & Skilled Workforce

Code	Metric	Disclosure Reference
TC-SI-330a.2	Employee engagement as a percentage	Reported in Investing in our People and ONE Ansys Culture > Employee Development and Engagement, page 23
TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) Management	Reported in Investing in our People and ONE Ansys Culture > Diversity, Equity, Inclusion, and Belonging, page 21
	(2) Technical staff	
	(3) All other employees	

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

We believe in providing transparency on our environmental commitments that highlight our climate change risk management, governance, and performance. A summary of our TCFD-recommended disclosures, which complements our CDP report, is below. Ansys does not believe the climate risks described below are material to our company financial results.

Governance

Describe the board's oversight of climate-related risks and opportunities

The Nominating and Corporate Governance committee of the Board oversees our policies and practices regarding our ESG program, matters, and initiatives, including risks and opportunities related to climate change. The chairperson of the ESG committee reports progress to the CEO and to the Board of Directors quarterly.

Describe management's role in assessing and managing climate-related risks and opportunities

Our ESG program is led by a committee of select senior leaders ("ESG committee") from our human resources, finance, industry marketing, communications, investor relations, legal, cybersecurity, strategy, procurement, and facilities departments. Our General Counsel chairs this committee. The ESG committee also has task teams to address specific topics such as environmental sustainability and human capital management. Task teams report to, and receive oversight from, the ESG committee.

Strategy

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

In 2022, we completed a climate assessment with an external consultant to further analyze potential climate-related risks and opportunities. While we do not believe any climate change-related risks are material for our business, we have identified risks and opportunities that may impact our business over the short, medium, and long term. The inclusion of these examples does not characterize the probability, materiality, or potential financial impact of these risks and opportunities.

Climate-Related Risks	
Transition	
Policy and Legal	Examples: Mandates on and regulation of existing products and services, enhanced climate and emission reporting, and carbon pricing
Technology	Example: Potential increased cost associated with transition to new technologies
Market	Examples: Potential uncertainty in market signals for reliable energy, and changing customer behavior
Reputation	Example: Potential stakeholder concern or negative feedback
Physical	
Risk Type	**Description**
Acute	Examples: Increasing and extreme temperatures, drought, flooding, storm surge
Chronic	Examples: Average and extreme temperature changes, sea level rise and inland and coastal flooding

Climate-Related Opportunities	
Resource Efficiency, Energy Source, Resilience	Examples: Continue improving building efficiency, optimization, and renewable energy strategy, which could lead to lower emissions and other resource use. Continue to build resiliency within supply chain.
Products, Services, Markets	Examples: Increased demand for our products and solutions as the world transitions to a lower carbon economy. By focusing on the creation of new technology, and by making current technology better, we can support our customers in their design of products, including to address issues related to making their products more efficient, with less waste, and reducing physical prototyping.

Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning
We have not identified any climate-related risks that are expected to have a high impact on our business, strategy, and financial planning. Our assessment revealed that risk exposure across the Ansys sample portfolio is relatively low due to locational and physical design characteristics. Our facilities are generally modern and high-spec with built-in levels of resilience and show protection of critical equipment from flooding and extreme heat. We recognize that we have climate-related opportunities, particularly related to our products and services.

At Ansys, we help our customers advance environmental sustainability through our simulation products that accelerate the creation of new, more efficient and lower impact technologies with less waste while minimizing physical prototyping. Simulation is improving the speed and cost at which environmental innovators can develop, mature, and deploy new technologies. Through simulation, Ansys provides the predictive certainty to realize our customers' vision for a sustainable future.

Ansys has developed a broad, open ecosystem that supports sustainability innovation via our technology partners, companies in our startup program, and universities that use Ansys software. Together, with our customers and partners, we aim to enable a more sustainable future, faster.

Customers across industry sectors are applying simulation to their sustainability efforts. Our sustainability committee has divided our sustainability-focused solutions into four pillars: clean environment, materials and circularity, energy solutions, and manufacturing and operational efficiency. We will continue to focus our efforts in these areas.

We also focus on our operations both in terms of potential climate-related risks and opportunities. We aim to reduce the environmental and climate impact of our operations by measuring, analyzing, and reducing our resource use and emissions. In 2022, we announced a target to reduce our scope 1 and scope 2 greenhouse gas (GHG) emissions 15% by 2027 against our 2019 baseline. We are making great progress against our target and have been implementing projects ahead of schedule.

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
Following the TCFD recommendations, two scenarios were considered for physical climate risks across future time horizons of 2035 and 2060: 1) RCP8.5: a high emissions scenario where global warming increases 4.2-5.4°C relative to pre-industrial levels by 2100; and 2) RCP4.5: a low emissions scenario where global warming increases 1.7-2.3°C relative to pre-industrial levels by 2100. Two different scenarios were considered for climate-related transition risks across the following time horizons 2035 and 2060:

- International Energy Agency (IEA) World Energy Outlook (WEO) 2021 Stated Policies Scenario (STEPS): this scenario looks not at what governments say they will achieve, but at what they are actually doing to reach the targets and objectives that they have set out. Global mean temperature increases by approximately 2.7°C by 2100 relative to the pre-industrial era.
- IEA WEO 2021 Sustainable Development Scenario (SDS) by 2050: this scenario is based on a surge in clean energy policies and investment that puts the energy system on track for key UN Sustainable Development Goals (SDGs). All current net-zero pledges are achieved in full and there are extensive efforts to realize near-term emissions reductions. The temperature increase in the SDS Scenario is around 1.65 °C by 2100. It is a low emissions scenario based on CO2 emissions.

After completing this climate assessment using various scenarios, we believe our strategy is resilient in the face of potential climate-related risks. We aim to review and analyze our climate-related risks and opportunities regularly and update our GHG emissions strategy as we progress.

RISK MANAGEMENT
Describe the organization's processes for identifying and assessing climate-related risks
We partnered with an external consultant to complete our 2022 TCFD assessment. A working group from various functions including the ESG committee, legal, real estate and facilities, business resiliency, and physical security met regularly to discuss the process and receive updates. The assessment included the following steps:

Physical - our consultant worked with us to identify business-critical facilities, collected quantitative and qualitative data on the sites, deployed a questionnaire to gauge current adaptive capacity and resilience measures, and conducted interviews with facility managers to further assess adaptive capacity and climate resilience.

Transition - our consultant conducted business research and interviews to understand key climate risks and opportunities and worked with our team to refine and analyze our risks and opportunities against short, medium, and long term timeframes and scenarios.

The assessment mapped out our risks and opportunities using a matrix showing the exposure/likelihood and sensitivity/consequence. We will periodically refresh this assessment moving forward.

Describe the organization's processes for managing climate-related risks
We conduct materiality assessments semi-regularly to confirm we identify and prioritize the appropriate ESG topics. Energy and climate are included as a topic in these assessments. Internal and external stakeholders are interviewed and surveyed as part of this process. We also have strong governance surrounding ESG, including climate-related risks and opportunities. Our Board of Directors, executive team, and ESG committee all play a part in our processes for managing these risks.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.
We have processes in place that allow us to proactively identify, assess, and prepare for climate-related risks. Ansys has an Enterprise Risk Management (ERM) process that helps us identify and assess business risks. Our ERM process includes executive interviews and stakeholder surveys that consider environmental and climate risks. We also have a business resiliency program at Ansys. This program helps us maintain readiness for potential climate-related events.

METRICS AND TARGETS
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
We track our scope 1 and scope 2 GHG emissions and the number of green buildings, and we monitor our ESG ratings and rankings, and customer request scores.

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
Our scope 1 and scope 2 emissions are reported in the Operating Responsibly section of this report. We are focused on our scope 3 emissions, recognizing that this represents a large portion of our footprint. We continue to analyze our scope 3 data and strategize improvements for our relevant scope 3 categories.

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.
We aim to reduce the environmental and climate impact of our operations by measuring, analyzing, and reducing our resource use and emissions. In 2022, we announced a target to reduce our scope 1 and scope 2 greenhouse gas (GHG) emissions 15% by 2027 against our 2019 baseline. We are making great progress against our target and have been implementing projects ahead of schedule.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS:

This 2022 Corporate Responsibility Report contains statements that relate to future events and expectations and, as such, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "anticipates," "believes," "could," "estimates," "expects," "aspires," "aims," "strives," "forecasts," "goal," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," "would," or other words of similar meaning. All statements by Ansys that reflect expectations, assumptions, or projections about the future, other than statements of historical fact, are forward-looking statements. These statements reflect beliefs and assumptions that are based on Ansys' perception of historical trends, current conditions, and expected future developments, as well as other factors that management believes are appropriate in the circumstances. Forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and changes in circumstances that are difficult to predict. Although Ansys believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that these expectations will be attained, and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. The specific factors that may cause Ansys' actual results to differ materially from those projected in any forward-looking statements include our ability to execute on our strategies related to environmental, social, and governance matters, and meet evolving and varied expectations, including as a result of evolving regulatory and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs and the availability of requisite financing, and changes in carbon markets, as well as the other risk factors described in our most recent Annual Report filed on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on February 22, 2023, in Part I, Item 1A, and the other filings and submissions that we make with the SEC. The risks and uncertainties described in those filings and submissions are not exclusive, and further information concerning our company and our businesses, including factors that potentially could materially affect our operations, operating results or financial condition, may emerge from time to time. Ansys disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events, or otherwise, except as required by applicable law. Market projections are subject to the risks described above and other risks in the market.

/Ansys

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