



Statement of Greenhouse Gas Emissions

For the fiscal year ended

October 28, 2023



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## Independent Accountants' Review Report

The Board of Directors and Management  
Synopsis, Inc.:

We have reviewed the accompanying Statement of Greenhouse Gas Emissions and related notes (the Statement of Greenhouse Gas (GHG) Emissions) of Synopsis, Inc. (the Company) for the fiscal year ended October 28, 2023. The Company's management is responsible for presenting the Statement of GHG Emissions in accordance with the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, and the WRI/WBCSD GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard (collectively, the GHG Protocol). Our responsibility is to express a conclusion on the Statement of GHG Emissions based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Statement of GHG Emissions in order for it to be in accordance with the criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether the Statement of GHG Emissions is in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment and consisted primarily of inquiries of management to obtain an understanding of the methodologies applied, evaluation of management's application of the stated methodologies for deriving the GHG emissions, recalculation of a selection of GHG emissions, and performance of analytical procedures.

As described in Note 4, environmental and energy use data are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques could have resulted in materially different measurements.

Based on our review, we are not aware of any material modifications that should be made to Statement of GHG Emissions for the fiscal year ended October 28, 2023 in order for it to be in accordance with the GHG Protocol.

**KPMG LLP**

New York, New York  
July 26, 2024

Greenhouse Gas Emissions by Scope	Metric tonnes CO <sub>2</sub> e
<b>Scope 1</b>	3,697
<b>Scope 2: Location-based Method</b>	46,457
<b>Scope 2: Market-based Method</b>	29,836
<b><i>Total Scope 1 and 2 (Market-Based)</i></b>	33,533
<b>Scope 3: Category 1 – Purchased Goods and Services</b>	89,560
<b>Scope 3: Category 2 – Capital Goods</b>	51,975
<b>Scope 3: Category 4 – Upstream Transportation &amp; Distribution</b>	3,376
<b>Scope 3: Category 6 – Business Travel</b>	20,441
<b>Scope 3: Category 7 – Employee Commuting</b>	27,329
<b>Scope 3: Category 11 – Use of Sold Products</b>	37,757
<b><i>Total Reported Scope 3</i></b>	230,438
<b>Renewable Energy: Total kilowatt hours of Renewable Energy Purchased – Offices and Data Centers</b>	69,822,554

See accompanying notes to this Statement of Greenhouse Gas Emissions. Also, see Note 6 for detail on emissions by type for CO<sub>2</sub>e.

## **Note 1: Description of Business**

Synopsys, Inc. (Synopsys, we, our or us) delivers trusted and comprehensive silicon to systems design solutions, from electronic design automation to silicon IP and system verification and validation. We partner closely with semiconductor and systems customers across a wide range of industries to maximize their R&D capability and productivity. Catalyzing the era of pervasive intelligence, Synopsys powers innovation today that ignites the ingenuity of tomorrow.

We are a global leader in supplying the electronic design automation (EDA) software that engineers use to design and test integrated circuits (ICs), also known as chips or silicon, and we are pioneering AI-driven chip design across the full-stack EDA suite to improve efficiency and accelerate the design, verification testing and manufacturing of advanced digital and analog chips. We provide software and hardware used to validate the electronic systems that incorporate chips and the software that runs on them, including cloud-based digital design flow to boost chip-design development productivity. We also provide technical services and support to help our customers develop advanced chips and electronic systems. These products and services are part of our Design Automation segment.

Synopsys also offers a broad and comprehensive portfolio of semiconductor intellectual property (IP) solutions, which are pre-designed circuits that engineers use as components of larger chip designs to reduce integration risk and speed time-to-market. Our high-quality, silicon-proven semiconductor IP includes logic libraries, embedded memories, analog IP, wired and wireless interface IP, security IP, embedded processors and subsystems. To accelerate IP integration and silicon bring-up, Synopsys' IP Accelerated initiative provides architecture design expertise, hardening, and signal/power integrity analysis. These products and services are part of our Design IP segment.

We were incorporated in 1986 in North Carolina and reincorporated in 1987 in Delaware. Our headquarters are in Sunnyvale, California. We have approximately 122 offices worldwide supporting operations in the US as well as 29 other countries. Geographies include North America, Europe, and Asia.

## **Note 2: Basis of Presentation**

This Statement of Greenhouse Gas Emissions has been prepared covering the fiscal year period from October 30, 2022 to October 28, 2023. The Company reports Scope 1, Scope 2 and categories 1, 2, 4, 6, 7, and 11 of Scope 3 emissions. Category 9 emissions are reported with category 4 emissions.

Scope 1 and Scope 3 Greenhouse Gas (GHG) emissions information has been prepared in accordance with the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol Corporate Standard). Scope 2 and Renewable Energy GHG emissions information has been prepared in accordance with the WRI/WBCSD GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard. Collectively, these sources are referred to as the Greenhouse Gas Protocol or GHG Protocol.

For Scope 1, Scope 2, and Scope 3, the Company established the fiscal year ended October 31, 2019 as its base year, the year from which the Company tracks progress against validated Science Based Targets. The Company measures progress against Scope 2 targets using the market-based method.

The Company follows the guidelines in the GHG Protocol Corporate Standard for adjusting the base year GHG inventory. The Company set a 5% cumulative Scope 1, Scope 2, and Scope 3 significance threshold for determining whether to adjust and/or recalculate its base year based on error, omission, methodology change, and structural changes. For the year ended October 28, 2023, there are no significant changes or cumulative impacts that warrant a baseline recalculation. The Company did acquire software and intellectual property

components during the year. However, no adjustments were made given the cumulative impact from the acquisition did not meet the significance threshold.

**Note 3: Organizational Boundaries and Operational Boundary**

Under the operational control approach, organizations must report 100% of the emissions from sources that are under their operational control, including both wholly owned and partially owned sources. The Company is using the operational control approach to set organizational boundaries for its GHG inventory and is including all owned and leased facilities under operational control in all domestic and global regions within which the Company operates. Consistent with this approach, the Company is responsible for GHG emissions from locations for which it has direct control over operations. The operational control approach is the most appropriate organizational boundary because it is most reflective of overall business operations where the Company can influence decisions that affect GHG emissions.

All Scope 1 and 2 and select Scope 3 emissions from the Company’s operations globally were included in the inventory. There are no owned or leased facilities excluded from this boundary. Note 6 further describes the sources of emissions.

**Note 4: Estimation Uncertainties**

Environmental and energy use data included in this Statement of Greenhouse Gas Emissions are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Consumption data is based on actual data when available. For Scope 1, 2 and 3, when actual data is unavailable, the Company estimates consumption based on actual annual utilities costs and average consumption of comparable facilities within the Company’s direct consumption data. Scope 3 estimations are made using the prescribed average data methods within the Technical Guidance for Calculating Scope 3 Emissions, Supplement to the Corporate Value Chain Accounting & Reporting Standard.

The GHG emissions calculations presented in this Statement of Greenhouse Gas Emissions for Scope 1, 2, and 3 include estimations for the fourth quarter of the Company’s fiscal year. Based on historical trends, the Company’s energy consumption is not impacted by seasonality. Therefore, to estimate fourth quarter emissions, the Company averages the data collected from the previous three quarters.

**Note 5: Calculation Methodology**

The emission sources, methods, and inputs included within this Statement are identified in the tables below. Refer to Note 8 for the sources’ emissions factors.

**Scope 1:**

Source	Method	Inputs
<b>Stationary Combustion</b>	Emissions factors applied to primary data or average data when primary is unavailable	Metered consumption, fuel expenditure
<b>Mobile Combustion</b>	Emissions factors applied to average data	Count of cars, US Department of Transportation average annual miles per vehicle

<b>Fugitive Emissions</b>	Emissions factors applied to average data	Sum of square feet with HVAC systems
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**Scope 2:**

Source	Method	Inputs
<b>Purchased Electricity</b>	Location-based	Utility and metered consumption, sum of square feet occupied
	Market-based	Utility and metered consumption, sum of square feet occupied, power purchase agreements, RECs
<b>Purchased Diesel-Generated Electricity</b>	Emissions factors applied to primary data	Metered consumption

**Scope 3:**

Category	Method	Inputs
<b>1. Purchased Goods and Services</b>	Spend-based	Overall Company spend from Ariba and SAP.
<b>2. Capital Goods</b>	Spend-based	Overall Company spend from Ariba and SAP.
<b>4. Upstream Transportation and Distribution</b>	Activity data, vendor-based, spend-based	Vendor activity reports, logistics spend, vendor emissions reports
<b>6. Business Travel</b>	Activity data, spend-based	Hotel spend, reimbursed spend for miles driven, travel agent air miles by flight type (long, medium, short haul), ride share spend
<b>7. Employee Commuting</b>	Average-data method	Employee count per office, employment type, regional commuting habits survey, working days per year.
<b>11. Use of Sold Products</b>	Direct use (electricity)	SAP Sales report, product specification data sheets

## Note 6: GHG Emissions Reporting

The GHG emissions data presented are in metric tonnes of carbon dioxide equivalents (CO<sub>2</sub>e). Included greenhouse gases are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>) have been omitted as they are not material sources of greenhouse gases for the Company, nor are they applicable sources to the Company's operations. The Company does not have emissions from a biologically sequestered source.

Global warming potential (GWP) factors were sourced from Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5).

The table below lists out certain emissions data in metrics tonnes of CO<sub>2</sub>e.

In metric tonnes of CO <sub>2</sub> e				
	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs
<b>Scope 1</b>	2,279	2	2	1,414
<b>Scope 2 Location-based</b>	46,267	57	133	-

Market-based Scope 2 emissions by gas type is not included in this Statement due to a lack of market-based factors. Scope 3 emissions by data type is also not included in this Statement as the CO<sub>2</sub>e is calculated either using spend-based emissions factors or CO<sub>2</sub>e information was directly provided by the vendor.

### Scope 1:

Scope 1 GHG emissions represent direct emissions arising from owned, leased or directly controlled stationary sources.

Emission Source	Description
<b>Stationary Combustion</b>	Natural Gas, Diesel fuel for backup power generators
<b>Mobile Combustion</b>	Leased cars supporting customer acquisition
<b>Fugitive Emissions</b>	Refrigerants used in HVAC equipment for office and data center climate control

### Scope 2:

Scope 2 GHG emissions are from purchased electricity consumed by the Company to support office work and software development. Market based emissions are calculated using the appropriate utility-specific emissions factor or the residual mix method.

Emission Source	Description
<b>Grid Purchased Electricity</b>	Electricity from utilities and regulated authorities to support Offices and Data Centers
<b>Diesel Generated Electricity</b>	Electricity purchased from landlords in India to support Offices

### **Scope 3:**

#### *Excluded Categories*

The Company has excluded emissions from Categories 3, 5, 8, 12, 13, and 15 from this Statement. Category 9 emissions are reported with category 4 emissions. Categories 10 and 14 are not applicable to the Company's operations. The Company is finalizing the process to report currently excluded figures.

#### **Category 1 – Purchase Goods and Services**

Calculations for Purchased Goods and Services emissions follow the spend-based method of the Greenhouse Gas Protocol. Company-wide spend data is obtained from the procurement systems in US dollars and categorized based on commodity types. Spend categorized as purchased goods and services is totaled and expressed against the US EPA Environmentally-Extended Input Output emissions model to obtain total emissions for the period. Spend data supporting other Scope 3 categories is removed from calculations to avoid double counting.

#### **Category 2 – Capital Goods**

Calculations for Capital Goods emissions follow the spend-based method of the Greenhouse Gas Protocol. Company-wide spend data is obtained from the procurement systems in US dollars and categorized based on commodity types. Spend categorized as capital goods is totaled and expressed against the US EPA Environmentally-Extended Input Output emissions model to obtain total emissions for the period. Spend data supporting other scope 3 categories is removed from calculations to avoid double counting.

#### **Category 4 – Upstream Transportation and Distribution**

Calculations for upstream transportation and distribution follow activity-based and spend-based methods of the Greenhouse Gas Protocol. Transportation emissions for products are calculated based on both air and truck transit. Activity data is obtained from the Company's six main transportation vendors. Both the freight weight and freight distances are calculated from all the transport vendor data for the main transportation vendors and then applied to the applicable emissions factors. Other transportation and distribution vendor emissions are calculated based on procurement data. Expenditures are classified by type and mapped to the EPA commodity emissions factors from the EPA GHG Emissions Factors Hub. Supplier data accounts for 80% of emissions.

#### **Category 6 – Business Travel**

Calculations for business travel follow the activity-based and spend-based methods of the Greenhouse Gas Protocol. Business travel includes hotel spend, all transportation by air as well as ride-share, and global vehicle miles claimed through employee reimbursement.

Business travel air miles by haul were provided by the Company's travel agent, Travel Leaders Corporate. Employee car miles claimed for reimbursement are totaled from the provided expensed miles report. Figures are multiplied by the relevant emissions factors. Travel emissions not based on Travel Leaders Corporate or expensed miles report are calculated using spend-based method from procurement data. Expenditures are classified by type and mapped to EPA commodity emission factors. Supplier data accounts for 72% of emissions.



### **Category 7 – Employee Commuting**

Employee commuting emissions follow the average-data method of the Greenhouse Gas Protocol. Emissions are estimated based on regional surveys of commuting habits of employees.

Company-wide employee count is obtained on a quarterly basis from the human resources data management system, detailing the number of employees at each site location. Those persons designated as “intern”, “remote”, or “contractor” are excluded from the calculation. Those designated as “employee” are included for calculation. Commute distance is estimated using zip codes and the commute habits are estimated by survey results. Modal categories observed from survey are as follows: Car, Carpool, Public Transportation, and Motorbike.

### **Category 11 – Use of Sold Products**

Calculations for Use of Sold Products follow the direct use method of the Greenhouse Gas Protocol. Emissions for the expected useful life of the product (5 years) are accounted for in the year the product is shipped to a customer. Shipped products can include sold units as well as loaned, evaluated, and demonstration units. Each hardware product unit has defined technical specifications that determine its electricity demand for operation. The total units sold are summed for each of the major regions which hardware sales occur: Europe, China, United States, South Korea. International Energy Agency (IEA) Emissions factors are then applied to the total electricity consumption of product sold to determine total lifetime emissions.

### **Note 7: Renewable Energy**

The Company purchases renewable energy globally in areas which the Company has significant presence and which the market conditions present the opportunity. The Company purchases renewable energy directly and indirectly from sources that consist of wind, hydroelectric, nuclear, geothermal, and a mix of other eligible renewable sources. The Company does not count the purchase of unbundled Energy Attribute Certificates against the stated emissions data or to support GHG reduction efforts.

All renewable energy purchased by the Company meets the Greenhouse Gas Protocol Scope 2 Quality Criteria.

**Note 8: Emissions Factors**

**Scope 1**

<b>Emission Source</b>	<b>Description</b>	<b>Emissions Factor Source</b>
<b>Scope 1 Stationary</b>	Natural Gas	EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, Sept 12, 2023
<b>Scope 1 Stationary</b>	Distillate Fuel Oil No. 2 / Diesel Fuel	
<b>Scope 1 Stationary</b>	Fugitive emissions R-410A	Intergovernmental Panel on Climate Change (IPCC), "Climate Change 2013: IPCC Fifth Assessment Report (AR5)." 2013
<b>Scope 1 Mobile</b>	Gasoline CO <sub>2</sub> , N <sub>2</sub> O, CH <sub>4</sub>	UK Government GHG Conversion Factors for Company, Reporting 2022

**Scope 2 - Location-based**

<b>Emission Source</b>	<b>Description</b>	<b>Emissions Factor Source</b>
<b>Scope 2 Purchased Electricity</b>	Location- based emissions US	EPA eGRID 2020, January 27, 2022
<b>Scope 2 Purchased Electricity</b>	Location- based emissions all other	CO <sub>2</sub> Emissions from Fuel Combustion: International Energy Agency (IEA), "Emissions Factors," 2022 Edition, Year 2020 Data
<b>Scope 2 Purchased Electricity</b>	Diesel-generated electricity at office locations in India requiring back-up power	IEA 2020 - CO <sub>2</sub> emissions per kWh from electricity and heat generation using oil – India

**Scope 2 - Market-based Utility Specific**

<b>Emission Source</b>	<b>Description</b>	<b>Emissions Factor Source</b>
<b>Scope 2 Purchased Electricity</b>	Market-based emissions - HQ: Silicon Valley Clean Energy	Silicon Valley Clean Energy, SV Clean Energy Delivers on Bold Renewable Energy, Jun 27, 2018
<b>Scope 2 Purchased Electricity</b>	Market-based emissions- Hillsboro: Portland General Electric	Portland General Electric's, 2022 Sustainability Report: Key metrics (pg. 12)
<b>Scope 2 Purchased Electricity</b>	Market-based emissions: Silicon Valley Power	Silicon Valley Power, 2021 Power Content Label. Silicon Valley Joint Venture, News Release, Silicon Valley customers have access to cleaner power than CA or the US Average, July 9, 2019

### Scope 2 - Market-based All Other

Emission Source	Description	Emissions Factor Source
Scope 2 Purchased Electricity	Market-based other US	Green-e, "2022 Green-e® Residual Mix Emissions Rates (2020 Data)," April 14, 2022 (2021 Green-e® Residual Mix Emissions Rates (2020 Data)   Green-e)
Scope 2 Purchased Electricity	Market-based other International	AIB, European Residual Mixes 2021 v1.0, May 31, 2022

### Scope 3 – Purchase Goods and Services

Emission Source	Description	Emissions Factor Source
Purchased Goods and Services	Procurement Spend	Ingwersen, W. AND M. Li. Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency, Washington, DC EPA/600/R-20/001, 2022

### Scope 3 – Capital Goods

Emission Source	Description	Emissions Factor Source
Capital Goods	Procurement Spend	Ingwersen, W. AND M. Li. Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency, Washington, DC EPA/600/R-20/001, 2022

### Scope 3 - Product Transport

Emission Source	Description	Emissions Factor Source
Product Transport	Medium- and Heavy-duty Truck	EPA, "Emission Factors for Greenhouse Gas Inventories," Table 8 Scope 3 Category 4: Upstream Transportation and Distribution and Category 9: Downstream Transportation and Distribution Emission Factors, Sept 12, 2023
Product Transport	Aircraft	
Product Transport	Procurement Spend	Ingwersen, W. AND M. Li. Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency, Washington, DC EPA/600/R-20/001, 2022

### Scope 3 - Business Travel

Emission Source	Description	Emissions Factor Source
Business Travel	Air Travel Miles Actuals provided by Travel Provider	UK Government GHG Conversion Factors for Company, Reporting 2023

<b>Business Travel</b>	Passenger Car Miles	EPA, "Emission Factors for Greenhouse Gas Inventories," Table 10 Scope 3 Category 6: Business Travel and Category 7: Employee Commuting Emission Factors, Sept 12, 2023
<b>Business Travel</b>	Procurement Spend	Ingwersen, W. AND M. Li. Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities. U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-20/001, 2022
<b>Business Travel</b>	GWP Factors	Intergovernmental Panel on Climate Change (IPCC), "Climate Change 2013: IPCC Fifth Assessment Report (AR5)." 2013

### Scope 3 – Employee Commute

<b>Emission Source</b>	<b>Description</b>	<b>Emissions Factor Source</b>
<b>Employee Commuting</b>	Commuting Survey	US Dept of Transportation, Bureau of Transportation Statistics, "Summary of Travel trends: 2017 National Household Travel Survey", July 1, 2018
<b>Employee Commuting</b>	Passenger Car Miles	EPA, "Emission Factors for Greenhouse Gas Inventories," Table 10 Scope 3 Category 6: Business Travel and Category 7: Employee Commuting Emission Factors, Sept 12, 2023
<b>Employee Commuting</b>	Other modes	UK Government GHG Conversion Factors for Company, Reporting 2023

### Scope 3 – Use of Sold Products

<b>Emission Source</b>	<b>Description</b>	<b>Emissions Factor Source</b>
<b>Use of sold Products</b>	Location- based emissions all other	CO <sub>2</sub> Emissions from Fuel Combustion: International Energy Agency (IEA), "Emissions Factors," 2023 Edition, Year 2021 Data

### Renewable Energy

<b>Emission Source</b>	<b>Description</b>	<b>Emissions Factor Source</b>
<b>Renewable Energy</b>	Renewable Energy used within the boundary of Scope 2	Greenhouse Gas Protocol Scope 2 Quality Criteria