



Statement of Greenhouse Gas Emissions

For the year ended

December 31, 2021



KPMG LLP
Mission Towers I
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Independent Accountants' Review Report

The Board of Directors and Management
Synopsis, Inc:

We have reviewed the accompanying Statement of Greenhouse Gas (GHG) Emissions and accompanying notes (the Statement of GHG Emissions) of Synopsis, Inc. for the year ended December 31, 2021. Synopsis, Inc.'s management is responsible for presenting the Statement of GHG Emissions in accordance with the World Resource Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition for Scope 1 and 3 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. 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 methodology applied, evaluation of the entity's application of the stated methodology for deriving the greenhouse gas emissions, recalculations of a selection of the greenhouse gas emissions, inspection of a selection of generated renewable energy credits, analytical procedures comparing changes in greenhouse gas emissions trends and comparison of the disclosures to those described in the GHG Protocol based on the nature of the greenhouse gas emissions.

As described in Note 4, environmental and energy use data are subject to measurement uncertainties resulting from limitation inherent in the nature and 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.

Based on our review, we are not aware of any material modifications that should be made to the Statement of GHG Emissions for the year ended December 31, 2021 in order for it to be in accordance with the GHG Protocol.

KPMG LLP

July 28, 2022

Scope	Emissions source Category	mtCO ₂ e
Scope 1	Direct emissions arising from owned, leased or directly controlled stationary sources that use fossil fuels and/or emit fugitive emissions (e.g. mobile sources, refrigerant gases)	4,104
Scope 2	Location-based: Emissions from the generation of purchased electricity, heat, steam and cooling	34,592
	Market-Based: Emissions from the generation of purchased electricity, heat, steam and cooling	30,218
	Total Scopes 1 and 2 (Market-Based)	34,322
Scope 3	Category 4 – Upstream Transportation & Distribution	2,401
	Category 6 – Business Travel	2,200

See accompanying notes to the Statement of Greenhouse Gas Emissions.

Note 1: The Company

Synopsys Inc (the Company) provides products and services used across the entire Silicon to Software™ spectrum to bring Smart Everything to life. From engineers creating advanced semiconductors to product teams developing advanced electronic systems to software developers seeking to ensure the security and quality of their code, our customers trust that our technologies will enable them to meet new requirements for low power as well as reliability, mobility, and security.

As 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, the Company also offers semiconductor intellectual property (IP) products. The Company provides software and hardware used to validate the electronic systems that incorporate chips and the software that runs on them. To complement these offerings, we provide technical services and support to help our customers develop advanced chips and electronic systems. These products and services are part of our Semiconductor & System Design segment.

The Company is also a leading provider of software tools and services that improve the security, quality and compliance of software in a wide variety of industries, including electronics, financial services, automotive, medicine, energy and industrials. These tools and services are part of our Software Integrity segment.

The company maintains 125 offices worldwide supporting operations in the US as well as 31 other countries. Geographies include North America, Europe, and Asia.

Note 2: Basis of Presentation

The Statement of Greenhouse Gas (GHG) Emissions has been prepared based on a calendar reporting year, which differs from the financial reporting period covering the period from November 1, 2020 to October 31, 2021.

Scope 1 and Scope 3 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.

Scope 2 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.

The Company established 2018 as its base year, the first year the Company calculated GHG emissions, using the market-based method for Scope 2 emissions. 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.

Note 3: Organizational Boundaries and Operational Boundary

Under the “control approach,” organizations must report 100% of the emissions from sources that are under their control, including both wholly owned and partially owned sources. Synopsys is using the “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, Synopsys is responsible for GHG emissions from locations for which it has direct control over operations. The “control approach” is the most appropriate organizational boundary because it is most reflective of overall business operations where Synopsys can influence decisions that affect GHG emissions.

All scope 1 and 2 and select scope 3 emissions from Synopsys’s operations globally were included in the inventory. Scopes 1 and 2 and scope 3 business travel and upstream transportation and distribution are in scope for the 2021 inventory. There are no owned or leased facilities excluded from this boundary.

Note 4: Estimation Uncertainties

Environmental and energy use data included in the Statement of GHG 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. 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. When actual activity data is not available for scope 3 emissions, comparable or prior year data is used as a proxy.

Note 5: Calculation methodology

The emissions sources included within the statement are the following:

Scope 1:

- Stationary emissions – Natural gas and diesel fuel
- Fugitive emissions – Refrigerant leakage
- Mobile emissions – leased cars

Scope 2:

- Purchased electricity consumed at all owned and leased Synopsys office sites and colocation data centers (DCs)
- Diesel-generated electricity at office locations in India requiring back-up power

Scope 3:

- Business travel – Air travel data from the travel agent, Travel Leaders Corporate, business travel procurement spend, car miles claimed through employee reimbursement. Radiative forcing included. Upstream transportation and distribution – Product transportation data provided by vendors and spend based emissions for remaining transportation and distribution activities.

Note 6: GHG Emissions Reporting

The GHG Emissions data presented are in metric tons of carbon dioxide equivalents (CO₂e). Included greenhouse gases are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃) have been omitted as they are not material sources of greenhouse gases for the Company.

GWPs were sourced from Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5).

Emissions data by type for CO₂, CH₄, N₂O in metric tons and in tons of CO₂ equivalent has been omitted in this statement.

Scope 1:

Scope 1 GHG emissions represent direct emissions arising from owned, leased or directly controlled stationary sources that use fossil fuels and/or sources that emit fugitive emissions (e.g. refrigerant gases) and direct mobile emissions from leased cars.

Scope 2:

Scope 2 GHG emissions are from the generation of purchased electricity, heat, steam and cooling. This includes purchased electricity consumed at all owned and leased Synopsys office sites, colocation data centers (DCs) and diesel-generated electricity at office locations in India requiring back-up power. 98% of the overall electricity consumption have their market-based emissions calculated based on actual supplier emissions data.

Scope 3:

1.1.1 Excluded Categories

The company has excluded emissions from categories 1, 2, 3, 5, 7, 8, 9, 11, 12 from this statement. The Company is finalizing the process to report these excluded figures. Categories 10, 13, 14, 15 are not applicable to operations and have also been excluded from the inventory.

1.1.2 Category 4 – Upstream Transportation & Distribution

Distance and spend based methods applied. Transportation emissions for products are calculated based on both air and truck transit. Activity data is sourced from five top transportation vendors. Both the freight weight and freight distances were calculated from all the transport vendor data and then applied to the emissions factors. Transportation and distribution emissions not based on vendor data are calculated based on procurement data. Expenditures are classified by type and mapped to the EPA commodity emissions factors. Supplier data accounts for 97% of emissions.

1.1.3 Category 6 – Business Travel

Distance and spend methods applied. Business travel, including all transportation by air and global vehicle miles claimed through employee reimbursement.

Business travel air miles by haul is provided by the travel agent, Travel Leaders Corporate. Employee car miles claimed for reimbursement were totaled from the provided expensed mileage report. Figures are multiplied by the relevant emissions factors including radiative forcing. Travel emissions not based on Travel Leaders Corporate or expensed miles report are calculated based on procurement data. Expenditures are classified by type and mapped to EPA commodity emission factors. Supplier data accounts for 99% of emissions.

Note 7: Emissions factors

Scope 1

Emission Source	Description	Source
Scope 1 Stationary	Natural Gas	EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, April 1, 2022 (https://www.epa.gov/system/files/documents/2022-04/ghg_emission_factors_hub.pdf).
Scope 1 Stationary	Distillate Fuel Oil No. 2 / Diesel Fuel	
Scope 1 Stationary	Fugitive emissions R-410A	Intergovernmental Panel on Climate Change (IPCC), "Climate Change 2013: IPCC Fifth Assessment Report (AR5)." 2013.
Scope 1 Mobile	Gasoline CO ₂ , N ₂ O, CH ₄	EPA, "Emission Factors for Greenhouse Gas Inventories," Table 2 Mobile Combustion CO ₂ and Table 3 Mobile Combustion CH ₄ and N ₂ O for On-Road Gasoline Vehicles, April 1, 2022 (https://www.epa.gov/system/files/documents/2022-04/ghg_emission_factors_hub.pdf).

Scope 2 - Diesel Generated Electricity

Emission Source	Description	Source
Scope 2 Purchased Electricity	Diesel-generated electricity at office locations in India requiring back-up power	IEA 2010 - CO ₂ emissions per kWh from electricity and heat generation using oil – India

Scope 2 - Location-based

Emission Source	Description	Source
Scope 2 Purchased Electricity	Location- based emissions US	EPA eGRID 2020, January 27, 2022
Scope 2 Purchased Electricity	Location- based emissions all other	CO2 Emissions from Fuel Combustion: International Energy Agency (IEA), "Emissions Factors," 2021 Edition, Year 2019 Data.

Scope 2 - Market-based Utility Specific

Emission Source	Description	Source
Scope 2 Purchased Electricity	Market-based emissions - HQ: Silicon Valley Clean Energy	https://www.svcleanenergy.org/news/sv-clean-energy-delivers-on-bold-renewable-energy-promises/
Scope 2 Purchased Electricity	Market-based emissions - Hillsboro: Portland General	Key metrics summary pg 58: https://assets.ctfassets.net/416ywc1laqmd/5JCEVdTpDv9FoA5TitNx0i/1b9a8c96f594d3b6f9f18d86f0d84e6b/20_ESG_Report_0921.pdf
Scope 2 Purchased Electricity	Market-based emissions - Equinix	Supplier provided renewable energy accounted for at a 0 EF
Scope 2 Purchased Electricity	Market-based emissions Silicon Valley Power	https://www.siliconvalleypower.com/svp-and-community/about-svp/power-content-label https://jointventure.org/news-and-media/news-releases/1826-data-release-power-emissions-intensity-comparisons

Scope 2 - Market-based All Other

Emission Source	Description	Source
Scope 2 Purchased Electricity	Market-based other US	Green-e, "2021 Green-e® Residual Mix Emissions Rates (2019 Data)," April 14, 2021 (2021 Green-e® Residual Mix Emissions Rates (2019 Data) Green-e).
Scope 2 Purchased Electricity	Market-based other International	AIB, European Residual Mixes 2021 v1.0, May 31, 2021

Scope 3 - Business Travel

Emission Source	Description	Source
Business Travel	Air Travel Miles Actuals provided by Travel Provider	UK Government GHG Conversion Factors for Company, Reporting: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021
Business Travel	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, April 1, 2022 (https://www.epa.gov/system/files/documents/2022-04/ghg_emission_factors_hub.pdf).
Business Travel	Procurement Spend	EPA, "Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities" (https://cfpub.epa.gov/si/si_public_record_Report.cfm?dirEntryId=349324&Lab=CESER)

Scope 3 - Product Transport

Emission Source	Source
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, April 1, 2022 (https://www.epa.gov/system/files/documents/2022-04/ghg_emission_factors_hub.pdf).
Aircraft	
Procurement Spend	EPA, "Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities" (https://cfpub.epa.gov/si/si_public_record_Report.cfm?dirEntryId=349324&Lab=CESER)