



2020-2021

Corporate Social Responsibility Report



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Forward-Looking Statements

This report includes forward-looking statements regarding PTC's future performance, strategic outlook and expectations, anticipated future operations, initiatives, and plans. Because such statements deal with future events, actual results may differ materially from those projected in the forward-looking statements. Information concerning factors that could cause actual results to differ materially from those in the forward-looking statements can be found in PTC's Annual Report on Form 10-K, Forms 10-Q, and other filings with the U.S. Securities and Exchange Commission.

A Note From Our President & CEO

Our world has transformed in extraordinary ways.

The past two years have seen transformational change. Companies, and even countries, have had to fundamentally reevaluate where and how they interact with one another, as well as the systems and technologies they use to remain connected. The scale of disruption we have experienced will likely be a turning point in human history.

Transformation is necessary to survive and thrive in a changing world. Digital innovation has proven itself to be a powerful force for continuity and growth against a backdrop of changing conditions. And no matter the nature of the disruption, through digital transformation, we can make the physical world better.

Marking the beginning of a new chapter at PTC, the **Power to Create** represents our commitment to empower our workforce, our customers, and our community not just to imagine, but create a better future. In our 2020–2021 CSR Report, we share key highlights and achievements that demonstrate our purpose and commitment by embracing change and creating a better future through digital innovation and transformation.

We recognize our unique role in how [Digital Transforms Physical](#), and our future efforts will focus on continued leadership in digital innovation.



A handwritten signature in black ink that reads "James E. Heppelmann".

Jim Heppelmann
President and CEO

Reflections From Our Chief People Officer

We're so much more resilient than we ever realized.

Without warning, COVID-19 changed our world. Like many businesses around the world, PTC closed our global offices, moved to a fully remote workforce, and jumped in with an emergency response that supported our employees and customers at a critical time. We sought to empower our employees, customers, and partners by leveraging our expertise in digital innovation. We strived to keep everyone connected, innovating and collaborating, even when we were physically far apart.

During the pandemic, we made employee safety and health our number one priority, and we worked hard to retain current employees. We found new ways to celebrate our signature global events together virtually. We offered several new benefits to employees such as an emergency leave program and part-time work with full-time pay — to recognize that at least half our employee population are parents and caregivers. Most importantly, our employees felt supported, as reflected in our high employee engagement scores. We are now emerging from the pandemic in a position of strength, gradually reopening our offices around the globe.

Meanwhile, the critical issues of social justice and equality persist. As an organization, PTC continues to rise to the challenge. Jim Heppelmann became one of the first CEOs to sign the Compact for Social Justice. We hired our first Chief Diversity Officer and Corporate Social Responsibility (CSR) Leader, Kameelah Benjamin-Fuller, and focused on coming together as a community, partnering with and expanding our Employee Resource Groups (ERGs), hosting global listening sessions, and embracing PTC for All — one of our core values. Working as a team, even at a distance, we've been able to accomplish amazing things.

These accomplishments represent only a small portion of PTC's impact. And while we are proud to share our achievements, we understand there is still much work ahead. We will continue to report and share our CSR performance as we work toward creating a better world for our colleagues, customers, and communities.



Lisa Reilly

Lisa Reilly
Executive Vice President and Chief People Officer

A Conversation With Kameelah Benjamin-Fuller

Chief Diversity Officer and CSR Leader



In 2020, Kameelah Benjamin-Fuller joined PTC as the organization's first Chief Diversity Officer and CSR Leader. With over 20 years of experience, Kameelah explains why she is passionate about this work, the complexities of stepping into this role amid the tumultuous pandemic and political climate, and how she envisions CSR and DEI (diversity, equity, and inclusion) driving current and future success for PTC.

Q: What inspires you about PTC?

A: In my first 90 days, I was immediately impressed by the energy for CSR and PTC's incredibly dynamic, visionary, and action-oriented employees. It was clear that our people and products are well-positioned to help our customers address key issues — from workforce training to environmental sustainability. As a technology company, we not only have the ability, but the responsibility, to make a positive impact and hold ourselves accountable. That is the journey we are on at PTC — and it's a truly inspirational one.

Q: What is your most urgent priority?

A: First and foremost, it is to ensure that our CSR and DEI priorities are aligned with PTC's long-term strategy. This includes our business development processes, how we identify and manage risk, and where we have opportunities for positive impact through our products and services. We are developing systems to allow us to measure and track our CSR and DEI performance.

Q: How have the events of the past two years shaped CSR at PTC?

A: The past two years have demonstrated even more interconnectivity between CSR and our business. By leveraging PTC's innovative product portfolio, we quickly stepped in to support [COVID-19 relief projects](#) that helped our customers pivot to the new reality of hybrid work. Our technologies helped to ensure that learning continued for students and educators, and supported their efforts to build the skills and pipeline for tomorrow's workforce. The ongoing social injustice we witness has had a profound impact on CSR globally. We have seen a renewed commitment to racial and ethnic justice and have been reawakened to a multitude of differences, disparities, and inequities. Historically, DEI has been seen as somewhat of a U.S. "export." At PTC, we are working with and through our ecosystem to develop a globally nuanced approach to DEI.

Q: Where do you feel the company has made the most progress in terms of CSR?

A: One of our greatest accomplishments has been embedding our CSR approach into our corporate initiatives, which influence our culture and day-to-day operations. We have created opportunities for employees to contribute to causes they are most passionate about through donation matching and volunteering, which we are excited to enhance in the coming years. One example of employee engagement that is transforming our culture is our Green@ PTC Employee Champion Network (ECN). These innovative employees are working toward driving change across the organization. We have a promising foundation here at PTC, and I am quite optimistic about the journey ahead.

About This Report

In this report, we describe our progress over the past two fiscal years from October 1, 2019, to September 30, 2021. The content is based on those CSR and DEI issues deemed most important to PTC and our stakeholders, as well as a review of relevant reporting standards and frameworks, including the Sustainability Accounting Standards Board (SASB) Software and IT sector standard. All of our business operations worldwide are in scope unless otherwise stated.

We are committed to periodic disclosure of our progress. Throughout this report, we guide readers to additional sources of information. All monetary units presented, unless otherwise stated, are in U.S. dollars.

We value and welcome feedback from all stakeholders and shareholders. Please send comments or questions about this report to CSR@ptc.com.

About PTC

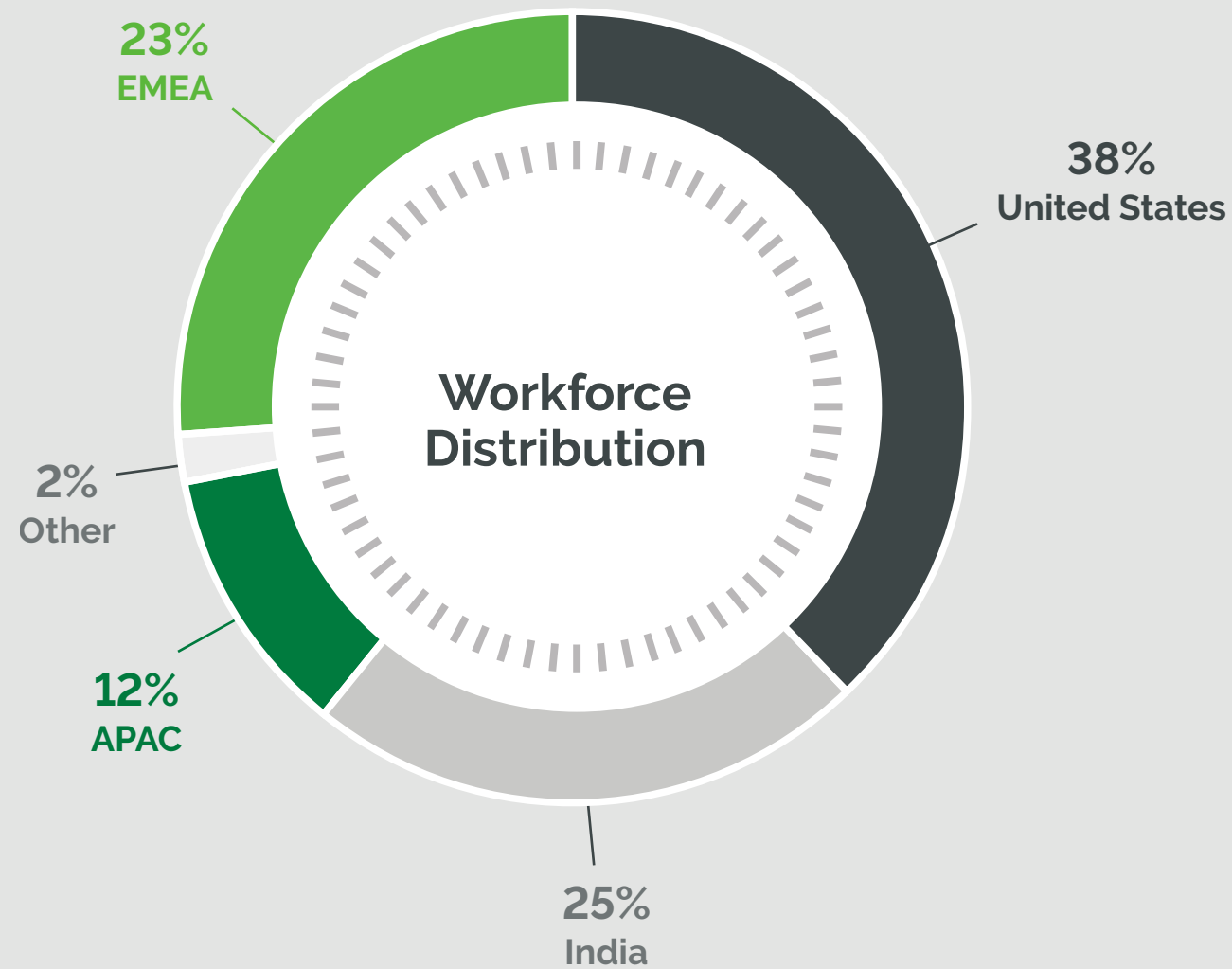
At PTC, we don't just imagine a better world, we create it.

Designing products that enable global manufacturers to realize double-digit financial impact is not good enough. We create technology to better the physical world and enable our customers to create a better world through their manufacturing operations, products, and services.

Our unique technology portfolio includes products such as computer-aided design (CAD), product lifecycle management (PLM), service lifecycle management (SLM), Industrial Internet of Things (IIoT), and augmented reality (AR), delivered as both on-premise solutions and via the Cloud. A full list of our products is available [here](#).

Our customer base includes some of the world's most innovative manufacturers in industrial machinery and equipment, federal, aerospace, and defense, electronics and high tech, automotive, professional services, and medical devices. When combined, PTC's solutions enable companies to create a closed-loop of information shared across their organization's entire value chain. This "digital thread" enables customers to drive excellence in engineering, efficiency in manufacturing operations, innovation across product offerings and business models, and optimized service delivery.

PTC at a Glance*



Boston, MA

Headquarters

6,709

Worldwide employees

86

Global offices

3

Data centers

80+

Countries where we do business

\$1,458 million

Revenue FY 2020

\$1,807 million

Revenue FY 2021

*As of September 30, 2021

Our Purpose

What sets us apart is our **Power to Create**. It is our purpose and what drives our business forward. We live our purpose through our commitment to our:

- Employees — to continually advance how we work and support them so they can achieve their greatest potential
- Customers — to understand and anticipate their needs so we can create cutting-edge technology that helps them solve difficult challenges
- World — enabling people to create solutions to the tough, unsolved obstacles of today, is the work that improves the future for all of us

Our purpose is brought to life through our core values:

CUSTOMER FIRST

We're committed to our customers' success, and we work every day to exceed their expectations. Their needs are at the heart of everything we do and create. We listen, we work to understand their perspectives, we respond quickly, and we follow through. We partner with them, and we raise the customer experience — so that together, we can deliver incredible outcomes through quality solutions.

BRAINS, PASSION & FUN

We hire and retain talented, diverse people who possess exceptional skills and potential. Our employees take great pride in their work and are inspired by possibility. We are curious, lifelong learners who love what we do while also having fun doing it.

PTC FOR ALL

It's the communities, customers, partners, and employees who create the amazing ecosystem of PTC. We believe in the power of diverse ideas. We value and respect all identities, cultures, and perspectives. And we choose to be our best, most authentic selves. We act with integrity, and we work collaboratively as a team to achieve extraordinary outcomes.

EXCELLENCE & INNOVATION

We strive to rise above "good" and be "the best." We inspect and approach decision-making with data. We hold ourselves to high-quality standards in our pursuit of excellence. We celebrate ingenuity and are invigorated by new challenges. We're never afraid to share our thoughts, and we bring our ideas to the forefront to be heard. Innovation happens every day and within every team at PTC.

BOLDNESS & AGILITY

Our team spirit is bold, ambitious, and decisive — and it is the essence of our success. We believe in taking calculated risks, failing fast, learning from the experience, and recovering quickly. We're execution-oriented, but we're agile and resilient along the way.

Some Awards and Recognitions





Innovation

Our technology helps customers digitally transform to solve today's challenges, improve business outcomes, and advance the way people work. From the design of more sustainable products to improved efficiency in manufacturing operations to streamlined services for essential equipment — our technology contributes to making the world a better place for all.

A Discussion With Our Chief Strategy Officer and the President of Our Digital Thread Business



Innovation at PTC is not only about creating products that help our customers improve productivity, build amazing machines, and reduce costs; our customers also want products that will help them achieve their own sustainability goals and address pressing needs facing the globe. Here, Catherine Kniker, Executive Vice President and Chief Strategy Officer, and Troy Richardson, President of our Digital Thread Business, discuss how PTC's broad product portfolio and approach to innovation are creating shared value for customers, society, the planet — and our shareholders.

Q: How have the changing needs of society and the planet affected the pressures facing PTC's customers?

CK: Sustainability and climate change are no longer peripheral issues for our customers due to consumer demand for more sustainable products and pressure from investors and regulators globally. For many, they must essentially transform their operations to address these demands and remain competitive. Our customers at the forefront of these transformations are attempting to reconcile environmental and economic objectives through product innovation, including green products, enhanced operational performance, and reductions in indirect costs by, for example, reducing risks of penalties related to greenhouse gas (GHG) emissions.

TR: Our customers were at different stages in their digital transformation journey when COVID-19 forced us into lockdown. Overnight, businesses were faced with unprecedented and unforeseen changes that required them to reimagine their work model, specifically having all or most of their workforce remote. This instantly accelerated their digital transformation plans to accommodate the shift to remote work. Our customers now need to prepare for the next disruption and are turning to PTC for help.

Q: How does PTC keep people at the center of its innovation?

CK: We provide opportunities for innovation to our employees by offering paid time to work on ideas outside of their current role as well as hackathons and innovation sessions. From a product development perspective, customers are at the foundation of our efforts. We develop solutions based on their needs and input.

TR: People are at the core of everything at PTC, and I'm proud to say we have the best people. To maintain our competitive edge and keep people at the center of our innovation engine, we invest in training and education and in creating a diverse workforce that brings different views and perspectives to the table.

Q: In what way can PTC be part of the solution to the challenges facing both our customers and society in general?

CK: Through our products and services, PTC is helping our customers develop more sustainable approaches to the product lifecycle, from product design to manufacturing to recycling, disposal, and reuse. For example, our CAD software allows our customers to use virtual testing and simulation of physical goods during product design. This reduces the need to create intermediate prototypes, thereby reducing unnecessary use of materials and energy.

TR: First and foremost, PTC is a technology company that enables digital transformation, helping customers transform how their physical products are engineered, manufactured, and serviced. Our investments in software as a service (SaaS) offerings across our entire product portfolio are helping customers adjust to their new hybrid workforces. Our SaaS technologies make it possible for their employees to work from anywhere, have equal access to software, and allow multiple people to work on the same project simultaneously, collaboratively, and seamlessly.

Q: In our world today, we are seeing the transformation in many industries from the physical to digital world. How does this drive innovation at PTC?

CK: At PTC, we are leveraging new digital solutions to enhance how our customers engineer, manufacture, and service their physical products. For example, our Digital Performance Management (DPM) solution enables our customers to understand where they have inefficiencies in their manufacturing processes.

TR: We want the manufacturing industry to benefit from the same efficiency gains those other industries that have already embraced digital transformation have realized. However, this will take time. We are building a path for them to adopt SaaS while continuing to innovate our core products, so all our customers have the power to create with PTC technologies regardless of where they are on their digital transformation journey.

ENABLING CUSTOMERS TO LOWER THEIR ENVIRONMENTAL IMPACT

Our digital technologies enable customers to design, manufacture, and service products in ways that lower their physical environmental impact by saving energy, reducing waste, and optimizing efficiencies. PTC's technology also enables manufacturers to reimagine their business models — such as delivering products as a service. Such business models incentivize manufacturers to create products that require fewer resources to produce, are easier to repair, and are ultimately simpler to reuse or recycle and reduce physical hardware and infrastructure.

Cummins Inc.: Optimizing New Product Designs to Prioritize Sustainability

Challenge

Cummins set out to rethink their design process in light of their focus on sustainable products and processes. Cummins targeted the design phase because about 70% of an item's lifecycle CO2 footprint is set there.

Solution

Cummins is applying Creo® generative design and simulation solutions in order to iterate faster, experiment with materials and design options, and ensure that products meet their requirements — all within the digital world.

Impact

Moving simulation upfront in their design process helps Cummins create better products, get to market faster, and optimize for environmental sustainability.

Cummins is applying generative design to any conventionally designed part, which can reduce the material used by 10%-15%.

[Please click here to read the full case study.](#)

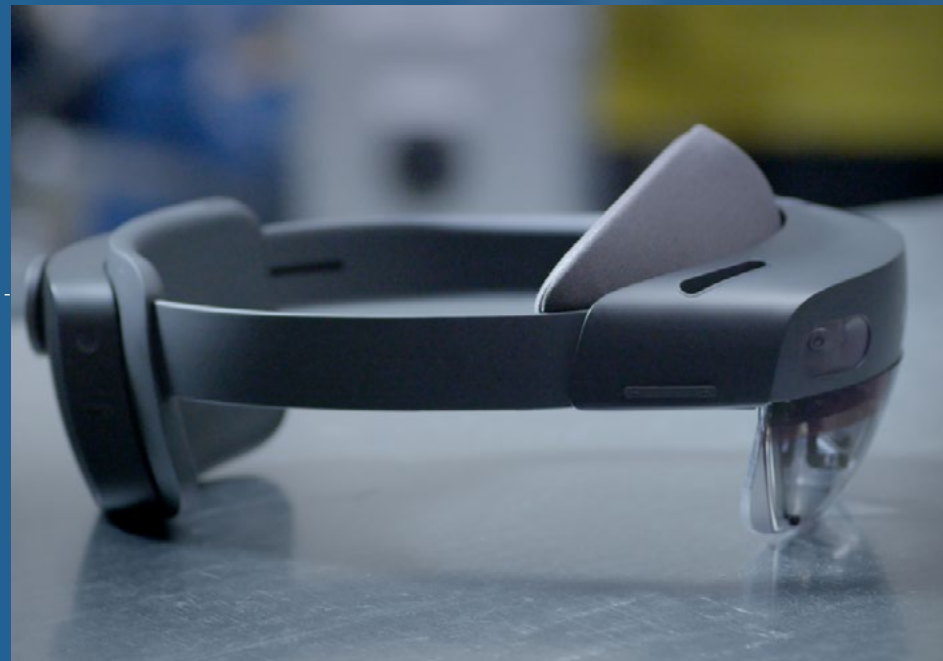
Cummins is the world's largest independent diesel and natural gas engine designer and manufacturer and a leading supplier of electrification systems, including fuel cells and battery systems. Cummins ranks in the top 6% on Newsweek's list of America's Most Responsible Companies and has spent 14 consecutive years on Ethisphere World's Most Ethical Companies list.

Atlas Copco: Modernizing Technician Training Yields Environmental Benefits

Stockholm-based Atlas Copco produces multiple brands of vacuum systems that are essential in a wide range of applications such as thin-film coating, mass-spectrometry, solar technology, steel-degassing, and food packaging. With service teams dispersed across the globe, they needed a better way to train technicians to maintain and repair their ever-expanding list of products. Their Vacuum Technique Service Division (VTS) turned to PTC's Vuforia® augmented reality (AR) solution as the foundation for an innovative and efficient way to train its technicians.

With Vuforia, VTS developed a program where technicians interact virtually with products at their own pace from any location using the HoloLens 2. In a side-by-side comparison, two technicians — one trained in person and one using a custom-made AR Training app — were able to disassemble and reassemble a pump with matching proficiency.

Since scaling up the program, the new approach allows employees to complete training from any location — which significantly reduces the travel costs, both environmental and financial, associated with training while maintaining the same level of high-quality customer service.



Our Response to COVID-19

The COVID-19 pandemic changed the way we work and live in ways that will have long-term impacts.

When the COVID-19 pandemic became evident in March 2020, we promptly assembled a COVID-19 response team, and our Board of Directors formed a committee to oversee management's response. This team met to monitor and put in place plans to mitigate the impact of the pandemic on our employees, our business, our customers, and the communities in which we operate.

Protecting Our Employees

Our top priority was employee health and safety. In March 2020, we moved to a fully remote working environment. We introduced new flexible work policies and family care resources, including paid global emergency sick leave for COVID-19-related impacts and a flexible part-time policy allowing employees to continue to receive full-time pay while working part-time hours to address child care, virtual schooling supervision, eldercare, and other family responsibilities. We also held webinars to help employees manage stress and mental health and provided frequently updated information on our internal COVID-19 Hub page about the pandemic and, later, vaccinations.

As governments began to lift restrictions and PTC offices reopened on a voluntary basis in select countries in mid-2020 and into 2021, we put in place new rigorous cleaning and sanitizing procedures.

Through April 2022, and in accordance with government regulations, our global employees could choose to continue to work at home or come into a PTC office. Based on the overwhelming scientific evidence showing the power of immunization to prevent COVID-19 and reduce the spread of the virus, we are requiring all U.S.-based employees to be fully vaccinated; while policies vary outside the United States based on local regulations, we encourage all employees to follow evidence-based public health recommendations.

COVID-19 also taught us important lessons about how our employees want to work. Accordingly, we have launched a new hybrid workplace model allowing employees to work from home for two to three days per week.

"We are committed to do our best to balance the business needs and the health and safety of our employees as we move forward together."

– Paul Lenfest, DVP of Central Operations

Helping Our Customers Navigate the New Virtual Reality

Like PTC, our customers also shifted most of their workforces to remote work in early 2020. Many have globally distributed workforces, supply chains, and customer bases. Through our products, technology, and our own experience working in a digital environment, we helped our customers adjust to their new virtual settings by enabling ongoing collaboration, flexibility, agility, and innovation.

For example, we made our Vuforia® Chalk™ remote assistance AR solution available for free from March through August 2020. Vuforia Chalk enables off-site and on-site collaboration. To help raise awareness, we leveraged our relationship with NAM to widely communicate the free offer to tens of thousands of manufacturers and organizations, many of which provide essential services such as wastewater treatment and food processing.

Part-Time Policy Allows Needed Relief

The part-time work policy allowed me to take care of my sick mother and visit my father in the hospital at the end of his life with cancer. I was able to be with him every afternoon until his last day. All my life I will never forget this benefit offered."

– Sandrine Truchot, Secretary



Giving Back to Our Communities

The COVID-19 pandemic took a particularly significant toll in 2021 in India, home to almost 25% of our workforce. To help, PTC employees from around the world supported relief organizations, including Doctors Without Borders, Americares, UNICEF, Give2Asia, and Direct Relief, as well as several local nongovernmental organizations (NGOs). Altogether, through PTC's Employee Match program and with an additional donation of \$50,000 from the PTC Foundation, we contributed more than \$140,000 to help these organizations address the COVID-19 pandemic. PTC India also hosted a vaccination clinic and campaign at its local office, helping more than 670 people receive vaccinations.

Medical Innovation in a Crisis

We were inspired by many of our customers who wanted to provide COVID-19 relief through their business. We offered our engineering and manufacturing customers free access to our Onshape® SaaS development platform for CAD for projects addressing emergency needs.

- Rich Brilliant Willing, a decorative LED lighting company and Certified B Corporation in Brooklyn, NY, quickly transformed its production from lighting to face shields. Using Onshape, its designers reduced the materials needed by 48%, allowing them to create 14,000 face shields for first responders and medical personnel.
- Design engineer Jordan Elevons, founder of the 3D digital design firm, Elevons LLC, created a 3D-printed COVID-19 respirator using cotton pads as a filter for use as an emergency replacement for conventional N95 masks.

Creating Affordable Ventilators in Record Time

In late March 2020, when medical experts were projecting massive shortages of ventilators needed for COVID-19 patients, the U.S. government asked the Boston-area hardware startup Meter for help. Its mission: design a more affordable ventilator that could be rapidly manufactured in large quantities without relying on specialized parts already in high demand for existing ventilators. One additional challenge: all of Meter's engineers were working remotely.

Using Onshape, Meter's engineers were able to simultaneously work together online and, in under 21 days, designed and manufactured an affordable ventilator at a cost of under \$1,000 — significantly lower than the industry average. Meter also created a robust open-source library of ventilator designs, enabling ventilator-deficient communities to source and build ventilators locally — either in industrial manufacturing facilities or by hand.

“Onshape was just incredibly valuable for us. We were moving way too fast to deal with emailing files around or setting up servers and a lot of the other things that we would need to do to have that same level of collaboration.”

– Eduardo Torrealba, Co-Founder and CEO of Meter

Working Together to Create Innovation

For four weeks in 2020, a significant amount of square footage at PTC's Boston Seaport headquarters was transformed by the Onshape team into a prototyping lab to support local nonprofit MasksOn to design, test, and manufacture durable, reusable, and easily sanitized PPE for high-risk clinicians in direct contact with COVID-19 patients.

Their approach was anything but traditional: the team used full-face snorkel masks and attached them to a medical-grade filter using a custom-engineered, 3D-printed adapter to create an airtight seal over the snorkel holes. The prototypes, tooling, and other components were 3D printed at PTC.

“We basically turned large dedicated spaces throughout the building into Tony Stark's lab and testing facility,” says Bradley Sauln, a Senior Technical Services Engineer for Onshape at PTC. “We had one-half of the space completely dedicated to prototyping and testing the adapters for their fit. On the other side, we set up two prototype assembly lines.”

And when they weren't physically together, the team used Onshape to collaborate. Together, PTC employee volunteers assembled a new mask every 45 seconds. In total, the team helped produce more than 34,000 masks — and helped deliver them to local clinicians.

Helping Our Customers' Furloughed Employees Acquire New Skills

During the pandemic, many organizations were forced to furlough portions of their workforces. To help support our customers' employees while on temporary leave, we made our subscription-based eLearning programs and tools available to customers at no cost through the launch of the Free Ride to PTC University program. For months, our customers' employees had free, unlimited access to skills-based learning led by the industry's most knowledgeable and respected technical instructors on PTC's ThingWorx®, Creo®, and Windchill® software, allowing them to improve their digital capabilities and return to work with more to offer.



Our People

Diversity, Equity, and Inclusion

OUR COMMITMENT

DEI is critical to how we think about our employee culture, our engagement with our customers and partners, and the communities in which we work and live.

Our definition of “diversity” is intentionally broad and includes many groups, united by purpose. Our goal is to drive meaningful change and take bold action to create an environment where we can all be our best, both personally and professionally. We are also committed to embedding equity into every part of the organization, promoting an innovative, inclusive forward-thinking culture that supports high-performing teams.

Diversity: A variety of backgrounds, perspectives, and experiences that includes peoples of different ethnicities, races, religions, genders, gender identifications, sexual orientations, geographic locations, roles, tenure, physical abilities, ages, education, social classes, veteran status, and beyond.

Equity: The process of focusing on diversity and inclusion wherein all people, regardless of their identity, have fair access, opportunity, and resources to grow, contribute, and develop.

Inclusion: The behaviors and social norms that ensure unique strengths and facets of identity are understood, embraced, and leveraged to make people feel welcome, valued, and supported.

WHY IT'S IMPORTANT

Our future growth is dependent on the ability to attract, develop, and retain a diverse workforce of talented and engaged employees who believe in the purpose of PTC.

“PTC for All — one of our core values — requires us to build inclusive practices across our policies, programs, and experiences. This is what will continue to make PTC a great place to work for current and future employees. We are building a culture of respect for all identities, cultures, and perspectives so that we can bring our best, most authentic selves to the workplace. That’s the way we win.”

– Kameelah Benjamin-Fuller, Chief Diversity Officer and CSR Leader

We work to attract a wide diversity of people from different backgrounds, cultures, education experiences, and religions because we know that a workforce that reflects the diversity of our customers and communities will bring more innovative thinking and better ideas and solutions to our business.

In the past two years, we have invested in people, programs, and systems to build a multiyear strategy around DEI. This included the appointment of our first Chief Diversity Officer and CSR Leader, facilitating a baseline DEI assessment of our policies, practices, and programs, evolving our Employee Resource Groups, and incorporating global DEI goals around representation at all levels into our top-line corporate goals. The results of our assessment are informing our strategy and practices as we embed DEI principles further into how we attract, select, retain, and develop talent. (See [A Conversation with Kameelah Benjamin-Fuller](#).)

CEO **ACT!ON** FOR DIVERSITY & INCLUSION

In 2019, PTC's Jim Heppelmann signed on to the CEO Action for Diversity & Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. Today, this commitment helps to define our organization's actions and drive our progress.

Our Three-Pronged Approach

Our DEI approach includes:

1. **Awareness:** we are rolling out DEI learning and development experiences, including conscious inclusion training and inclusive design workshops, and leveraging PTC's 11 ERGs to help raise awareness around the breadth and depth of DEI.
2. **Agency:** we are instilling confidence in PTC employees to be agents of change by building employees' skills to empower them. Our employees are driving change, serving as ERG leaders, and joining our Global DEI Champion Network, where they support content localization, surface critical DEI issues within their region, and co-design training and learning experiences.
3. **Accountability:** we are working to establish goals and metrics to hold ourselves accountable. We are investing in digital, Cloud-based tools to enable us to track our diverse talent pipeline, hiring slates, and new hires, as part of our ongoing digital transformation.

In support of our approach, in 2021, we took several steps to increase our attraction and talent-sourcing capabilities, including:



Launching new recruiting practices to expand where we source talent and how we support a more inclusive applicant and candidate experience.

Revitalizing our internship programs for the new hybrid work environment.

Investing in talent programs to drive our long-term goals around diversity at all levels of the organization.

Enhancing our data and analytics approach to better understand our talent demographics and employee experience.

Lifting Our Employees to New Heights

"PTC Lifts" is a new 12-month employee learning and development program that seeks to increase exposure of underrepresented minorities to different business functions at PTC, connect them with leaders, and place them in learning circles where they have the professional support to thrive.

In our first pilot, participants selected an aspirational business track as the focus of a capstone project, which they presented to senior leadership. The program also included quarterly fireside chats with PTC leaders, as well as mentorship and coaching opportunities throughout the year.

ASPIRATIONAL TRACKS

- Product Development
- Customer Success
- Sales and Marketing
- Finance and Operations
- OnShape
- Strategy

"The opportunity to join PTC Lifts pushed me to think beyond my current role and where I can add value to the company. Moving forward, I am creating a professional development plan to move into a more formal role in employee engagement and experience. Listening to business leaders share their journeys with us was also inspirational. PTC Lifts is an experience that proves we are valued employees — that we belong at PTC and that we are included in a PTC for All."



– Liz Zimmerman, Office Manager

The 4Cs Assessment Model

In 2021, we introduced the "4Cs assessment model," first pioneered by **Dr. Robert Rodriguez**, DEI Thought Leader, to better understand and guide the health, impact, and effectiveness of our ERG program.



ERGs and Champion Networks

At PTC, our ERGs serve as talent incubators by providing employees with valuable leadership, mentorship, and networking opportunities. They are also a contributing factor in building a more inclusive work environment. A PTC executive serves as a Sponsor of each ERG, and our CEO serves as a rotating Sponsor.

In 2020 and 2021, we continued to grow our ERG community, introducing a Virtual ERG — for employees who are 100% remote — as well as an Early Career ERG.



In 2021, members of our Women@PTC ERG in France celebrated International Women's Day by hosting their own #ChoosetoChallenge campaign, a global effort to challenge and call out gender bias and inequality.

“Being able to work for a company where I am free to be my authentic self every day allows me to work to my greatest potential. The PTC culture not only accepts but encourages all employees to live their truths and is a major reason why I chose to work at PTC.”

– Tyler Griffin, Sales Representative and Chair of PRISM

“I’m most proud of how quickly PTC Family became an impactful forum for parents and families at PTC during a challenging period. We provided employees an ongoing ‘Caring for Families’ series designed to meet family needs in a multitude of ways, addressing important topics like balancing work, single parenting, elderly care, and neurodiversity.”

– Craig Melrose, Executive Vice President, Digital Transformation Solutions, and Executive Sponsor of PTC Family

“Green@PTC is all about making small changes every day. We are really proud of our team for being an enabler of that and look forward to continuing this progress in the year to come.”

– Sydney Chen, Senior Customer Success Manager, and Wes Fabrizio, Senior Central Operations Business Analyst, and Co-Chairs of Green@PTC

Asian Employees	Empowers and celebrates Asian culture and our Asian and Asian American employees
Black Employees	Promotes individual and collective growth through various resources for Black employees
Early Career	EC@PTC focuses on early career talent by fostering community, breaking down silos, and exposing members to resources for professional development
Hola	Mobilizes Latin/e/x and Hispanic employees to embrace and promote professional growth and augment their business impact and contribution
PRISM	Our mission is to create an inclusive culture of acceptance and understanding of all sexual orientations and gender identities
Energize	Energize focuses on building a global community around health and wellness
Family	Empowers parents and caregivers to be successful both in the office and at home by providing a support system
SMART	Provides support, structure, and a welcoming space for employees of all neuro-abilities through education, management training, and storytelling
Veterans	Amplifies the veteran voice and experience to enhance the future of PTC
Virtual	Provides a community for virtual workers
Women	Provides a global community where women, regardless of level or location, can support, network, and grow personally and professionally

Additional Employee Champion Networks sponsored by DEI include:

Innovation	Provides a community for discussion around positive, fast-changing technological advances both in and outside of PTC
Green	Raises awareness and engagement among employees to make our workplace, homes, and communities more environmentally sustainable

Creating a Sense of Belonging and Safety for the LGBTQIAP+ Community

At PTC, we are on a journey to create a culture of inclusion for all employees, making them feel comfortable and safe to bring their authentic selves to work, where they will be respected and valued for their contributions and who they are.

Helping to lead the change is our PRISM ERG, which drove PTC's corporate sponsorship of Pride in Our Workplace in Massachusetts. The nonprofit organization includes LGBTQIAP+ professionals and allies from industry-leading companies throughout New England working to amplify underrepresented voices within the workplace. It also provides access to professional development tools and training, networking, community building, and thought leadership forums.

We also encourage our employees to share pronouns (via email signatures) to proactively express identity and show allyship with the LGBTQIAP+ community. In addition, working closely with PRISM, we host a global speaker series to help employees deepen their understanding of LGBTQIAP+ allyship.

In 2021, we held a global speaker event with Lily Zheng, a DEI changemaker and award-winning author. They spoke with PTC employees about building effective allyship skills, expanding their individual capacities to create change, and embodying self-advocacy.

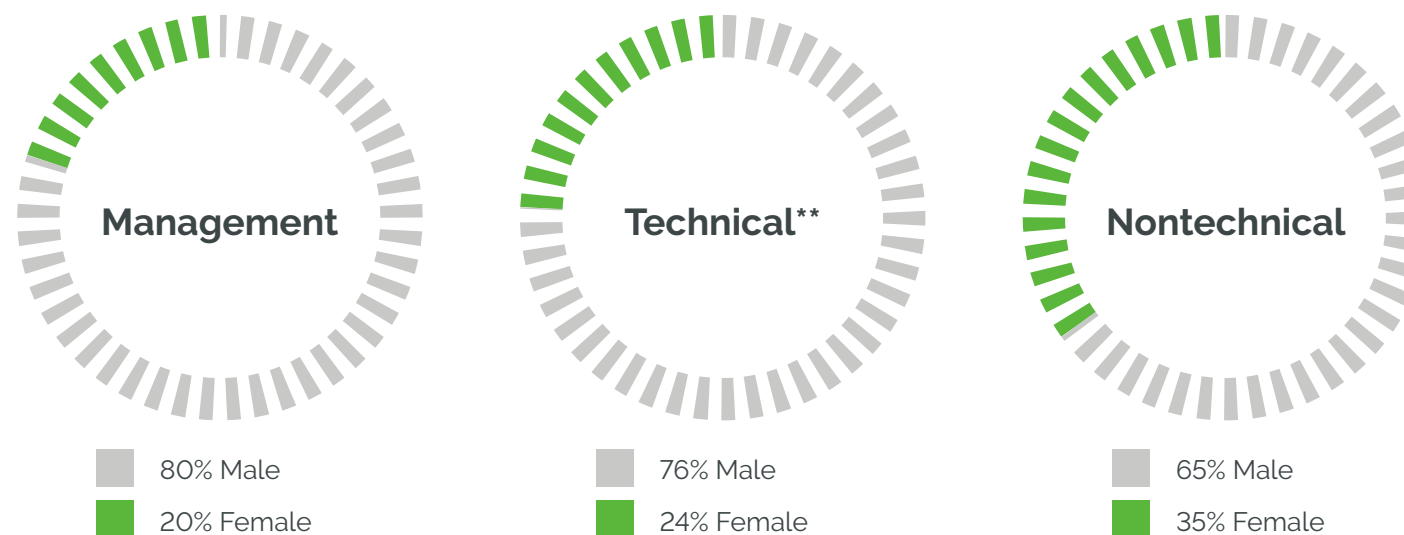
We also published a resource guide to help transgender employees transitioning and provided resources for their managers to best support them. The guide outlines steps employees can take in partnership with their manager and our People Team to create a transition plan.

Managers also work with our People Team to ensure the transitioning employee is aware of all transgender health benefits PTC offers, including gender-affirming surgery and hormone therapy.



Employee Demographics*

As part of our digital transformation, we are investing in technology to facilitate self-ID campaigns for applicants, candidates, and employees. This will help us collect and disclose more comprehensive demographic data, including underrepresented groups (URGs) across several aspects of identity — expanding on equal employment opportunity (EEO) categories in the United States and more robust data on employee populations in other regions.



Gender Diversity	
FY'19-FY'21	
▲ 654	increase in employees
▲ 11%	increase in workforce population
▲ 278	increase in females
▲ 15%	% increase in females

*Data reflects the global workforce. Binary categories are a reflection of our data collection limitations to date. Going forward, we are building a richer process to include more values for sex and gender identity.

**Technical workers include those in research and development, IT, innovative engineering, and select other segments of the business.

Training and Career Development

Our core value “Brains, Passion, & Fun” encourages employees to be lifelong learners who continue to grow and excel. We believe that continuous learning is critical to the success of PTC and each employee. That is why we invest in employee education and professional skills development.

Through our Executive Leadership Development Program, we build the capabilities of our senior leaders and help ensure strong succession pools and progressive leadership. We also piloted a new development platform called Cultivate, which provides feedback, management coaching, and insights on opportunities to improve people managers' workplace relationships in a virtual world.

In 2021, we expanded our investment in digital learning through LinkedIn Pro, providing employees on-demand access to more than 16,000 courses in local languages. We also shifted traditional in-person training programs, such as new-hire orientation and manager training, to virtual formats to scale across our global audience. In addition, we continued to offer tuition reimbursement to our U.S.-based employees.

We are also working to build our pipeline of diverse talent through our Rotational Leadership Development Program for recent college graduates. This highly selective two-year program helps participants to accelerate their careers by obtaining hands-on experience in roles across the business. Of those who have completed the program, 100% have found permanent positions at PTC. In addition, we offer an annual summer internship program; in 2021, more than 40% of interns were women.

HUMAN RIGHTS

We are committed to respecting and protecting the human rights of our employees and members of our communities. We do not tolerate any forms of human rights violations, such as human trafficking, discrimination, slavery, or child labor. [Learn more here.](#)

Compensation and Benefits

PTC is committed to providing a flexible benefits program that allows employees to choose the benefits that meet their unique needs. Our THRIVE program is a re-imagined benefits journey helping employees take care of their health, wealth, and well-being. The holistic benefits we offer are designed to attract, motivate, recognize, and retain talent.

Financial Benefits

We offer competitive market-based pay including sales incentives and company equity. PTC also sponsors an Employee Stock Purchase Program and various retirement savings programs around the world.

Medical Benefits*

We provide comprehensive medical benefits that offer flexibility for the diverse and changing needs of our employees and their family members. Benefits include:

- Health savings accounts
- Flexible spending accounts
- Dental and vision benefits
- Employee Assistance Program
- Life and Accident Insurance
- Disability Insurance
- Transition-related care and services

Other Benefits*

- Online wellness resources
- Mental health and resilience resources
- Fitness center discounts
- Time off: paid holiday, vacation, birthday, wellness & sick leave, jury duty, and volunteer days
- Parental leave
- Bereavement leave
- Recognition programs

*Benefits apply to our U.S.-based employees. Benefits may differ outside the United States.

Engagement and Recognition

Applause is PTC's peer-to-peer global rewards and recognition platform which employees can use to celebrate colleagues who live our core values and contribute to PTC's success. We want to acknowledge employees who consistently drive our strategic goals. Recognition makes us all feel valued, engaged, and appreciated for our contributions in helping make PTC a great company. Employees are eligible for a variety of recognition awards based on level of contribution, which can be redeemed for merchandise or gift cards. During this reporting period, our employees submitted more than 18,000 Applause recognition moments.

Workplace Health and Safety

Our global Health and Safety Policy applies to all PTC employees, interns, and contractors. We are committed to meeting or exceeding all applicable occupational health and safety regulations where we operate with proper safeguards in place. We investigate and take appropriate follow-up actions in the event that a health or safety incident occurs.

PTC is committed to protecting the health and safety of our employees, customers, and communities in which we operate. Health and safety are integral parts of our operations, and a responsibility of all employees across all business units. We are committed to continually monitoring and assessing our health and safety programs to try to ensure the well-being of the people with whom we interact.



Our Communities

OUR COMMITMENT

Through the PTC Foundation, we are committed to creating a better reality by providing financial grants to organizations with charitable and social missions and by supporting employees in their efforts to give back to the community.

WHY IT'S IMPORTANT

PTC values the communities where our employees, customers, partners, and suppliers work and live. Supporting the growth of strong, resilient communities helps us and, we believe, inspires others to make the world a better place.

Our Approach

Through the PTC Foundation, we focus our charitable giving in three areas:



STEM and Education: We support educational initiatives, nonprofits, and educational institutions, with a particular focus on STEM education, entrepreneurship, technology advancement, and STEM and education programs that promote diversity.



Community: We support nonprofits and programs in the communities where PTC employees, partners, and stakeholders are located.



Giving: We carry out donations through four programs:

- Philanthropic Grants
- Employee Charitable Giving Match
- Employee Volunteering and Grants
- In-Kind Donations

The PTC Foundation is governed by a Board of Directors comprised of volunteers from different parts of the organization. The Board evaluates all funding requests using a grant evaluation scorecard that considers the alignment of the funding request with PTC's giving criteria and ability to create a better world.

Supporting Racial Justice in Our Communities

We recognize that communities of color have faced a long history of systematic racial injustice in the United States — from unequal access to housing, financial services, and education to disparities in health and higher rates of incarceration. In 2020, the PTC Foundation showed support for communities of color by donating \$50,000 to the National Association for the Advancement of Colored People (NAACP) Empowerment Program. The program works to build inclusive criminal justice policies, healthcare systems, economies, and classrooms.

NAACP

Empowerment Programs

Empowering Our Employees to Create a Better World

The PTC Foundation supports our employees around the world when they give back to their communities, either financially or with their time and talents.

We encourage our employees to get involved in the communities in which they live and work through our Global Volunteer Policy, which provides each employee with two paid days per fiscal year to volunteer with a nonprofit organization. In addition, for each half day of volunteer service by PTC employees, PTC donates \$100 to the charitable organization; larger employee groups can collaborate to receive \$500 toward their cause.

We also encourage employees around the world to donate to organizations meaningful to them through our gift matching program. During FY21, PTC matched more than \$65,000 in employee donations to organizations such as the Pan-Mass Challenge, Doctors Without Borders, UNICEF, and the Leukemia & Lymphoma Society.



Week of Caring: PTC's Week of Caring program encourages our employees around the world to make a difference in the lives of others through service and to create a sense of community within PTC. Here, the PTC community in France created a suite of holiday activities, including community recycling, a recipe challenge, and an origami competition.



In June 2021, 100 PTC employees joined City Year Boston for a virtual volunteer event to support Boston students. Together, they assembled more than 600 STEM kits for middle school students. Kits included spy decoders to enhance students' logical reasoning, supplies for mystery engineering challenges, and art supplies for a mini mural.

Corporate Giving Initiatives

Transforming Education for Students and Educators Worldwide Through Software Donations

When COVID-19 hit, educators faced the unprecedented challenge of teaching students remotely using available web tools. While this affected many aspects of learning, one area hardest hit was STEM education due to the on-premise technology infrastructure used in such programs.

Enter our Onshape® web-based CAD platform that can run successfully on Chromebooks, laptops, and even smartphones. In 2020, in response to the challenges facing many students and teachers, we made our Onshape Education Enterprise Plan, which normally would have been available only through paid subscription, available at no cost to schools and universities around the world.

In the UK, The Chiltern Academy was one of the schools that took advantage of the offer, allowing it to continue STEM classes during the pandemic.

In less than two years, the number of education users of Onshape software has increased by nearly 300%, surpassing 1 million users. This includes more than 22,000 educators and their students who spent nearly 7 million hours modeling designs in Onshape during 2020 and 2021.

In 2021, to recognize the achievements of K-12 teachers, college professors, and instructors who have continued to motivate their students throughout the pandemic, we hosted the first-ever annual Onshape Educators Award. Visit our [website](#) to see the winners.

Robots Come to the Rescue to Ensure the Challenge Goes On

In 2020, when *FIRST*®, a nonprofit dedicated to preparing young people for the future through team-based robotics programs, was forced to cancel its annual in-person robotics competition due to the COVID-19 pandemic, PTC stepped up to help. PTC invited students to a virtual "Robots to the Rescue" competition in which teams were challenged to


design a robot using Onshape to solve a current real-world problem — such as providing food and supplies to people in remote places or removing pollution from the atmosphere. Because Onshape is web based, *FIRST*® students could collaborate remotely. To watch the awards ceremony and see the winning designs, visit our [website](#).



Supporting Boston Public Schools

Through our sponsorship of City Year Boston, we are helping to improve education and graduation rates in Boston Public Schools, where more than half of students come from economically disadvantaged households.

NATIONWIDE, A RECENT STUDY FOUND THAT STUDENTS WORKING WITH CITY YEAR DEMONSTRATED:



- 40% more growth in math
- 50% more growth in literacy than their peers

As part of the program, City Year assembles a team of young adults participating in the AmeriCorps program to provide educational support and mentoring to students and serve as peer role models. While COVID-19 caused an abrupt shift to virtual learning, City Year was able to continue to support students virtually, including providing one-on-one, small-group tutoring, and extended-day homework help.

Our partnership with City Year also involved an idea exchange between our organizations on efforts to building a stronger, more diverse workplace.

Impact of Our Support to City Year Boston During the 2020–2021 School Year

- 331** Total students supported
- 94** Students who received one-on-one and small-group academic intervention
- 12,327** Minutes of differentiated academic intervention provided
- 33** Students coached
- 1,031** Minutes of coaching provided

Supporting a More Diverse Tech Sector in Massachusetts

In Massachusetts, only 5% of tech workers are Black, and only 7% are Hispanic or Latin/e/x. PTC is committed to helping to build a more inclusive and diverse technology ecosystem in Massachusetts to drive innovation and inclusivity within the industry.



As a founding member of the Massachusetts Technology Leadership Council (MasSTLC), we were one of the first companies in 2020 to commit to its Tech Compact for Social Justice, which supports the inclusion of Black, Latin/e/x, and Indigenous people in the tech community. We also serve as one of the program's underwriters. By committing to the program, we pledge to do our part to accelerate progress in the sector within the state. (See [Our People](#) for more information).

M A S S A C H U S E T T S
HIGH TECHNOLOGY COUNCIL
Dedicated to Growth... Committed to Action

We are also proud to be part of the Massachusetts High Technology Council, Inc. (MHTC), which advocates for conditions that support investment, job growth, and improved quality of life in Massachusetts. Since 2020, PTC has served as the annual sponsor of the MHTC's Women in Leadership (WIL) initiative, which is working to drive recruitment, retainment, and promotion of women into leadership positions. To date, more than 100 organizations have participated in WIL initiative events and roundtables, including a panel in September 2021 entitled "A Systematic Approach to Talent Management for Women and URMs" moderated by our Chief Diversity Officer and CSR Leader Kameelah Benjamin-Fuller. Watch the recording of the event [here](#).

"The Massachusetts High Technology Council's Women in Leadership Initiative is a strong example of impactful collaboration among leaders from Massachusetts businesses, professional services, and academic centers. Its 'leaders helping leaders' model to identify and expand effective employer practices presents a uniquely promising opportunity for employers to participate in helping solve an important challenge: closing the leadership gap between men and women in the workplace."

— Massachusetts Lt. Governor Karyn Polito

Our Giving: FY21

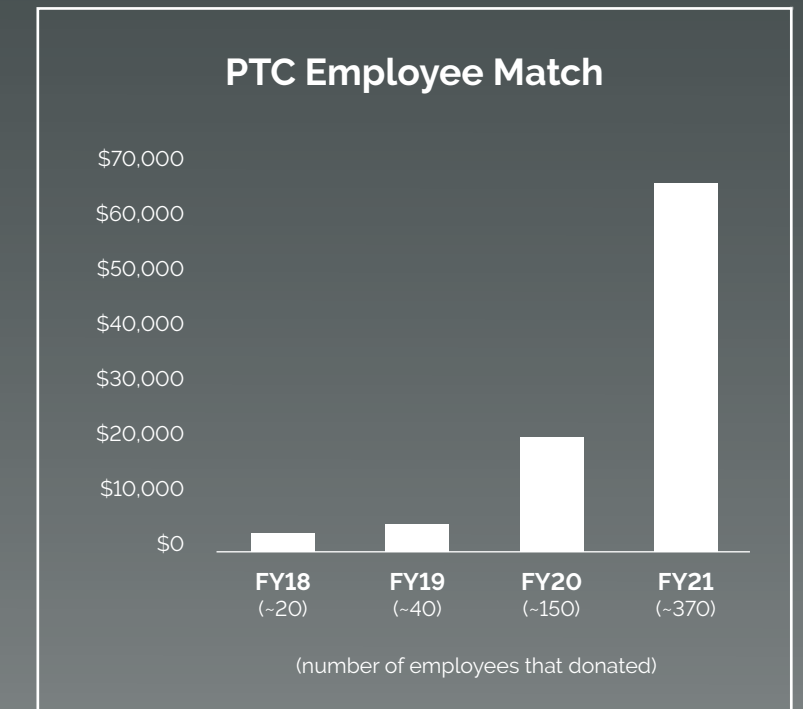
\$550,000

Total Giving by the PTC Foundation

\$65,000

Employee Charitable Giving Match, an Increase of 150% From FY20

In-Kind Donations



Our Planet

OUR COMMITMENT

At PTC, we're committed to continuing to develop and provide our customers with the digital technologies and solutions they need to transform their businesses and help them achieve their sustainability goals. We're also continuing to pursue ways to lessen our environment impact.

WHY IT'S IMPORTANT

We recognize that climate change and global warming are real and that we have a role to play in addressing those challenges. Sustainability and climate change are no longer peripheral issues for us or our customers due to stakeholder demand and the need for more sustainable operations and products.

Our Approach

Our Technologies and Solutions

We support our customers with the digital technologies and solutions they need to transform how they engineer, manufacture, and service their physical products, enabling them to lower their environmental impact by saving energy, reducing waste, and driving operational efficiencies. See our [Innovation](#) discussion to understand how we support our customers' sustainability initiatives.

Our Operations

As a software company, we don't have manufacturing facilities or expansive supply chains that support manufacturing operations. Instead, our primary footprint is through our 86 offices around the world and our data centers.

We lease and design offices that reflect our commitment to efficient workspaces, including our LEED Platinum Certified global headquarters in Boston. In addition, we are pursuing opportunities in other locations to reduce our impact with a focus on facilities with aging, less-efficient infrastructure. For example, we recently completed renovations of our Tokyo office, reducing office space by more than 10,000 square feet by converting to an open floor plan and installing energy-efficient occupancy sensors and lighting upgrades.

We also seek to reduce and mitigate our environmental impact through recycling, energy and resource conservation, and community transportation support programs. We don't own or lease corporate aircraft, and we leverage technology solutions to reduce the need for employee and customer travel.

In assessing new capital projects, as well as in our risk management and business continuity planning, we consider environmental factors, including energy, water availability, and climate change-related risks.

Conserving Natural Resources in India

Home to a fifth of the world's population, India has only 4% of the world's water. According to the World Resources Institute Water Risk Atlas, PTC's India offices and operations are in "High" or "Extremely High" overall water risk regions, making the need to mitigate our impact critically important.

In Pune, India, a dedicated team of employees representing our housekeeping, electrical, and heating, ventilating, and air conditioning (HVAC) teams devised a solution to reduce water consumption. They added plumbing to channel rainwater during the heavy monsoon season into an underground storage center that they can later use for landscape irrigation. During the first year of installation in 2019, we collected 700,000 liters of water, equal to annual water consumption of approximately 1,300 of PTC's Indian employees.

We also keep the environment in mind when renovating our facilities. In the past two years, we have updated all lighting in our India offices to LED lights to conserve energy and are assessing the feasibility of installing solar panels to reduce demand on the local electric grid.

"We see solar panels as a huge opportunity to reduce our environmental impact, but it also has a very attractive ROI."

*- Nicholas Aspandiar, Senior Director,
India Facilities & Operations.*



Photo by Warren Patterson

Conserving Resources in Our Data Centers

Operating data centers also requires significant amounts of energy and water. Energy is used not only to power the IT equipment, but to cool the buildings to keep data systems from overheating. In most data centers, water is circulated through a closed-loop system for cooling, requiring both water and energy inputs to maintain the pumps and infrastructure.

To use water, energy, and land more efficiently, PTC leases space in co-located data centers for most of its data storage. In selecting data centers, we intentionally select providers based on their commitment to not only quality service and security, but also environmental responsibility. One of our partners holds ISO 14001 and 45001 certifications. A second partner is meeting the power requirements of its data centers, in part, through investments in renewable energy, including large-scale solar projects.

Driving Change Through Industry and Employee-Led Action

Employee-Led Action

We are proud of the sustained involvement and passion of our employees around the world who volunteer their time to help in local communities, use their voices to raise awareness of environmental issues, and take actions both big and small to reduce PTC's footprint, as well as, their own.

Green@PTC is our environmentally focused Employee Champion Network (ECN), working to foster a global community for the already passionate and newly curious employees. It provides learning resources on the topics of sustainability and environmental awareness, motivating employees to embrace green choices every day.



Each year, PTC commemorates Earth Week, led by Green@PTC, with a celebration featuring global and local discussions, activities, and volunteer opportunities. In 2021, we hosted our 10th Earth Week at PTC, which we marked with a campaign-themed "Restore Our Earth." The week's events included an employee panel discussion with environmental PTC champions, an environmental justice podcast, and a recycling-themed virtual Bingo challenge where, to win, employees posted pictures of how they support the environment.

We also continued our tradition in 2021 of donating one tree for every employee who volunteered for or participated in an activity for Earth Week. Since 2017, PTC has planted nearly 4,000 trees in employee-chosen areas around the world, including in the Amazon, Haiti, India, and California. In 2021, PTC also donated \$18,000 to environmental charities that our employees support.

Moving forward, the Green@PTC team is prioritizing the removal of single-use utensils, plates, and cups from our offices, replacing them with reusable alternatives. They are also rethinking recycling and composting practices, partnering with our food providers to implement more conscious catering practices and educating and empowering our employees to bring sustainable behaviors from the work-from-home environment back into the office.

Industry Action

In 2020, PTC signed on to the [Carbon Reduction in Manufacturing Initiative](#) launched by the Advanced Manufacturing and Production Platform community of the World Economic Forum.



The Initiative convenes global leaders in manufacturing to accelerate key actionable solutions, Fourth Industrial Revolution (4IR) technology innovation and incubate new partnerships to cut global carbon emissions in the sector by 50% by 2030.

Part of PTC's participation includes acting as a judge for the Global Lighthouse Network. This community of manufacturers shows leadership in using 4IR technologies to transform factories, value chains, and business models for compelling financial and operational returns.

Looking Forward

We are in the process of evaluating our environmental opportunities and developing an approach to inform an integrated environmental strategy. We are also seeking to define an approach to measure and evaluate the environmental savings our customers achieve through our products.

Responsible Business

Ethical Conduct and Compliance

PTC is committed to conducting its business with integrity and in compliance with all applicable laws and regulations and expects its directors, executives, employees, contractors, and business partners acting on its behalf to do the same.

Code of Business Conduct and Ethics

Our [Code of Business Conduct and Ethics](#) (the "Code") applies to all PTC employees, executives, consultants, and our Board of Directors. We also expect our business partners and suppliers to abide by all of the principles in our Code. Failure to comply with the Code may result in disciplinary actions up to and including termination. Our Chief Compliance Officer provides our Board of Directors periodic reports, on the operation and effectiveness of the company's ethics and compliance program.

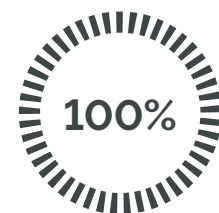


Our **Open-Door Policy** encourages employees to present ideas, raise concerns, and ask questions. All managers are expected to maintain an "open door" for their direct reports and other employees or business partners.

Any employee who is aware of suspected misconduct, illegal activities, fraud, abuse of PTC's assets, or violations of the standards outlined in the Code is responsible for reporting the incident to their immediate supervisor and/or our People team. Employees can also report to a member of our compliance or legal teams, or anonymously through the PTC Open-Door Helpline via phone or online, 24 hours a day, seven days a week, from anywhere in the world.

PTC is committed to investigating and dealing with all concerns, complaints, or incidents of wrongdoing in a fair and timely manner while respecting the confidences and sensitivities of all persons involved. If disclosure is required to investigate the incident or to take appropriate action, including disciplinary measures, we seek to balance those needs with those of the persons involved and all applicable privacy laws.

All PTC employees, regardless of title or role, are prohibited from retaliating or taking adverse action against anyone for raising suspected conduct violations or for cooperating in an investigation of a report of such violations. Any individual who has been found to have engaged in retaliation against someone for raising, in good faith, a conduct concern or for participating in the investigation of such a concern, may be subject to discipline, up to and including termination of employment or other business relationship.



100% of employees completed the annual Code of Business Conduct and Ethics certification

Supplier Integrity

All of PTC's business suppliers and business partners are required to read and comply with our Code and ensure that the requirements are communicated, understood, and followed by their employees and employees of their subcontractors and suppliers. PTC reserves the right to take appropriate measures against suppliers and business partners that do not fulfill these requirements, up to and including suspension or termination of a supplier relationship. For more information, see [Supplier Sustainability Policy](#).

Public Policy and Political Contributions

We are committed to participating constructively and responsibly in the political process and to providing clarifying analysis and information regarding the issues that affect our business and our stakeholders. We do not make corporate political contributions and do not have a political action committee.

Protecting What Is Most Important in Life and Work



In the 1980s, Jayson Duley was serving as an openly gay man in the U.S. Air Force as a Security Specialist guarding nuclear weapons. It was during the "Don't Ask, Don't Tell" policy days before openly gay people could serve in the military or be their authentic selves in many professions.

"You had to be very careful about who you confided in about yourself," he recalls.

Today, Jayson serves as Senior Director of Global Security at PTC, where he oversees employee safety, security threat, and vulnerability assessments. While it was more than 30 years ago, Jayson says he still uses the skills he learned in the military every day at PTC, such as not letting his guard down. "The 'bad' guys only need to be successful once; as a security professional — whether that is in the military or at PTC — my team and I must be successful 100% of the time to protect the organization — it's not a 9-to-5 job."

He said he also learned the importance of putting aside your ego; being intellectually curious; and most of all, collaboration.

While his responsibility is protecting PTC's physical assets, he sees a growing convergence with the digital world. For example, many of the physical assets he protects are reliant on remote systems and networks, making it critical that he work closely with PTC's Cybersecurity team. "My team operates in the physical world; IT operates in the virtual world. But we work together because we need them, and they need us to keep the whole operation safe."

He also says his personal life has influenced his quest for authenticity and the desire to protect the things he has discovered to be most important to him today.

"When I was interviewing at PTC, it was clear the company's leadership wants people to bring their authentic selves to work, which, at this stage of my life, is really important to me." That, along with the opportunity to lead a security program at a global level, made his decision to join PTC an easy one.

Risk Management

We regularly encounter risks as part of the normal course of our business and have designed an enterprise-wide approach to help identify and address existing, emerging, and future risks, including nonfinancial risks, to protect our business and that of our customers.

Our Board and its relevant committees review with PTC's management the risk management practices for which they have oversight responsibility. Since overseeing risk is an ongoing process and inherent in PTC's strategic decisions, the Board and relevant committees do not view risk in isolation but discuss risk throughout the year in relation to ongoing operations and proposed actions and initiatives.

Our Business Continuity and Cybersecurity teams are responsible for oversight of physical and digital risks, such as natural disasters and cyberattacks, as well as continuity planning and preparedness.

Protecting the Virtual World: Cybersecurity and Data Privacy

PTC leadership is responsible for identifying, assessing, and managing the company's cybersecurity risk and establishing and maintaining reasonable and effective governance, programs, processes, and resources to do so.

In 2021, we established a Board-level cybersecurity committee to expand the Board's oversight of the company's management of cybersecurity risks. In addition, all employees receive information security training annually.

PTC Product Security Certifications and Compliance	
Cloud Services	ISO 27001 (2013), SOC 2 Type 2
Onshape SaaS	SOC 2, Type 2 Certified
Arena SaaS	SOC 2, Type 2 Compliant
Vuforia Chalk	SOC2, Type 2
Technical Support	ISO 9001:2015

100%
of employees
completed
cybersecurity training

PTC understands the importance of protecting personal information. PTC has adopted a Privacy Policy, a privacy and data protection statement, and a comprehensive written information security plan for the protection of personal and proprietary information. The security plan includes policies and procedures for accessing, collecting, storing, using, transmitting, and protecting personal information. We also conduct periodic internal compliance audits of our relevant privacy practices to verify adherence to our policy.

Metrics

	2021
Incidents/concerns regarding privacy practices, breaches of privacy, and losses of personal data that were substantiated	0
Privacy breaches requiring notification by PTC to individuals or government authorities	0

SASB INDEX

We have prepared this report in alignment with the SASB standard for the Software and IT sector. In the following table, we have indicated where PTC reports on metrics that are included in the SASB standard, including sections of this report, our website, our proxy statement, and our periodic filings with the SEC. Our ESG reporting continues to evolve and expand. For metrics on which we do not report at this time, we will continue to evaluate our ability to report on that metric in the future.

Environmental Footprint of Hardware and Infrastructure		
TC-SI-130a.1	Total energy consumed; PTC operations only	PTC does not own any real estate and is, therefore, limited in transparency and tracking of utilities data. An assessment of PTC's global environmental footprint is intended to be slated for coming years as part of the expansion of the internal environmental program. See Our Planet section.
TC-SI-130a.2	Water withdrawn and consumed in PTC operations	PTC does not own any real estate and is, therefore, limited in transparency and tracking of utilities data. An assessment of PTC's global environmental footprint is intended to be slated for coming years as part of the expansion of the internal environmental program. See Our Planet section.
	Analyze PTC operations in water-stressed regions (WRI Water Risk Atlas tool; Aqueduct)	Based on our initial assessments, a significant portion of PTC's real estate footprint, by square feet, are in areas designated as "High" or "Extremely High" baseline water stress by the WRI Water Risk Atlas Tool, Aqueduct .
TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	To optimize water, energy, and land use, PTC leases space in co-located data centers for most of its data storage. In selecting data centers, we intentionally select providers based on their commitment to not only quality service and security, but also environmental responsibility. See Conserving Resources in Our Data Centers .
Data Privacy & Freedom of Expression		
TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	PTC maintains a Data Privacy Policy covering PTC's collection and processing of personal data generally, product-specific Privacy Policies for Onshape and Arena, and a separate Employee Privacy Notice.
TC-SI-220a.2	Number of users whose information is used for secondary purposes	None (0)
TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	\$0 USD
TC-SI-220a.4	Number of law enforcement requests for user information	0 requests
	Number of users whose information was requested	0 requests
	Percentage of requests resulting in disclosure	0%
TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Due to the current nature of data processed by PTC, there are currently no countries where we do business where the government requires monitoring, blocking, or content filtering.

Data Security		
TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Cybersecurity is a risk area with oversight at the highest levels of the organization, including the Executive Level and Board. The Cybersecurity program is constantly under review, as we are always adapting to new threats and maturing the program. As a matrixed cybersecurity organization, PTC has adopted the "Three Lines of Defense Model" to effectively address cybersecurity risk management, controls, and assurance. The overall operational program is led by a cross-functional Cybersecurity Strategy Council led by the office of Cyber Risk Management, which reports to our Chief Compliance Officer. The Council is supported by a qualified team of security professionals and key business stakeholders from all key functions, including Products, IT Infrastructure, SaaS, and Cloud. The Cybersecurity Risk and Privacy teams are supported from an assurance perspective by our Internal Audit teams. All cybersecurity, risk, and internal audit functions report to the PTC Executive Leadership team and the PTC Board. See Protecting the Virtual World: Cybersecurity and Data Privacy .

Recruiting & Managing a Global, Diverse, & Skilled Workforce		
TC-SI-330a.1	Percentage of employees located outside the United States	62.1% See PTC at a Glance .
	United States	37.9%
	Americas (excluding United States)	2.0%
	Europe, Middle East, Africa	26.0%
	Asia-Pacific Countries (APAC)	11.0%
	India	23.0%
TC-SI-330a.2	Employee engagement as a percentage	82% — Overall employee satisfaction is determined by the average of responses to (1) general workplace happiness and (2) how likely an employee is to recommend working at PTC.
TC-SI-330a.3	Percentage of gender and racial/ethnic group representation	We are increasing our investments in Cloud-based technology tools to help us track our talent pipeline, interview slates, and hiring conversions. As part of our digital transformation, we are also investing in technology to facilitate self-ID campaigns for applicants, candidates, and employees. This will help us collect and disclose more comprehensive demographic data, including URGs across several aspects of identity — expanding on equal employment opportunity (EEO) categories in the United States and more robust data on employee populations in other regions. See Our People section.
	FY2021 percentage of gender representation for (1) management, (2) technical employees, and (3) nontechnical employees	
	All employees	Male: 70% Female: 30%
	Management	Male: 80% Female: 20%
	Technical employees	Male: 76% Female: 24%
Nontechnical employees	Male: 65% Female: 35%	

Intellectual Property Protection & Competitive Behavior		
TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	\$0 USD

Managing Systemic Risks From Technology Disruptions		
TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	<p>PTC Cloud measures performance and disruptions by measuring service-level uptime/URL availability.</p> <p>We offer this performance to our customers through our Service-Level Agreement :</p> <ul style="list-style-type: none"> • Service Availability: PTC commits to service availability for the production environment, excluding excused downtime, of 99.5%, measured on a monthly basis. • Testing and Calculation: Service availability is measured by accessing the service URL from multiple locations every 5 minutes, and the pass/fail result is captured for use calculating service availability. <p>During this reporting period, PTC consistently met these targets when measured across the global populations of customers.</p>
TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	<p>PTC has established Business Continuity and Disaster Recovery Plans with a risk-based approach, and is on a road map to align with the ISO 22301 standard. PTC has invested in an enterprise-wide program designed to ensure that all employees, stockholders, revenues, assets, clients, business relationships, corporate reputation, information, and information systems are properly protected from the impacts of a variety of risks typically classified as natural (e.g., weather-related, earthquakes), man-made (e.g., hackers, virus, theft, sabotage, workplace violence, financial attack, disinformation campaign), and technological (e.g., hardware failure, network failure, power outages). PTC's Business Continuity Management System being implemented leverages ISO22301:2019 Business Continuity Management Standard industry practices. The program is governed by a cross-functional team of business leaders with Executive Leadership oversight, led by the Business Continuity Manager.</p>



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