



# Environmental Policy

## Description of Company

Our software solutions help companies design, make, and maintain the essential products the world relies on, from life-saving medical devices to sustainable energy solutions. Our customers include manufacturers from vital industries, including automotive, aerospace and defense, industrial machinery, and high tech.

## Shaping a More Sustainable Future

Across PTC, we strive to shape a more sustainable future, recognizing that the actions we take today will impact future generations. We are committed to enabling our customers to reduce their environmental impacts, as we simultaneously work to reduce our own environmental footprint.

## Policy Scope

This Policy addresses sustainability matters relating to Climate Change and Circular Economy. It covers all global business operations, except as clearly identified in context.

## Environmental Objectives

**FOCUS AREAS:**      **KEY ACTIONS:**

<p><b>LIMITING OUR CARBON FOOTPRINT</b></p>	<p><b>SBTi-Validated Targets:</b></p> <ul style="list-style-type: none"><li>• Near-Term Targets<ul style="list-style-type: none"><li>○ Reduce our aggregate scope 1 &amp; 2 greenhouse gas emissions by over 50% by 2030 from our 2022 baseline; and</li><li>○ Reduce scope 3.1, purchased goods and services, emissions by over 25% by 2030 from our 2022 baseline.</li></ul></li><li>• Long-Term/Net-Zero Target<ul style="list-style-type: none"><li>○ Reduce absolute Scope 1, 2, and 3 emissions to reach net-zero greenhouse gas emissions by 2050.</li></ul></li></ul> <p>We signed a Virtual Power Purchase Agreement (VPPA) in May 2024 to purchase renewable energy generated by a 10 MW portion of a solar facility for 15 years of output. The VPPA is expected to produce 20 to 25 million kWh of clean electricity per year, which would more than compensate for our expected annual global energy usage.</p>
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<p><b>ENABLING CUSTOMER DECARBONIZATION AND CIRCULARITY</b></p>	<p>Our material- and energy-intensive customers collectively report billions of metric tons of greenhouse gas emissions each year. Our software portfolio enables our customers to address the following key decarbonization and circularity challenges and demands:</p> <ul style="list-style-type: none"> <li>• Measure product footprint</li> <li>• Reduce product footprint</li> <li>• Establish circular business models</li> </ul> <p>We continue to strategically expand our products’ sustainability capabilities.</p>
<p><b>EMPOWERING EMPLOYEES</b></p>	<p><b>Green@PTC:</b></p> <p>Green@PTC is a community of over 350 passionate employee volunteer ambassadors driving change in countries in which they live and work. Initiatives undertaken by Green@PTC include reducing different types of waste across our global facilities, providing education on more sustainable commuting options for employees, and participating in yearly Earth Week initiatives.</p> <p><b>Innovation Runway:</b></p> <p>6-month programs where employees can focus on a sustainable product or corporate innovation to improve features or processes.</p>

**Compliance and Transparency**

We are committed to conducting our business and environmental initiatives with integrity and in compliance with all applicable laws and regulations. We pursue transparency across our environmental initiatives through consistent, credible disclosures and reporting.

**Alignment with global frameworks**

Our most recent Impact Report conforms with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Additionally, it aligns with the IFRS S1 and IFRS S2 standards issued by the International Sustainability Standards Board (ISSB), meaning it complies with most but not all of the ISSB disclosures.

We disclose our greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). Additionally, we received limited assurance over our most recent fiscal year Scope 1 and 2 GHG emissions.

We voluntarily submit annual responses to the CDP and Ecovadis Questionnaires.

## Sustainability Governance

### Board and Management Oversight of Sustainability Matters and Initiatives

As part of its oversight of our enterprise risk management, our Board of Directors has oversight over sustainability matters and initiatives. Each of the standing Board committees oversees sustainability matters and initiatives within its purview and expertise. Our Board committee charters describe the responsibilities of the respective committees.

Our Sustainability Council, a cross-functional team of executives, is responsible for the strategic direction of our sustainability program. The Sustainability Council provides periodic reports to the Corporate Governance Committee of the Board on the status of our sustainability strategy, initiatives, and programs. From an organizational standpoint, the Sustainability Council reports directly to the President and Chief Executive Officer, one level below the reporting line from the President and Chief Executive Officer to the Corporate Governance Committee and Board of Directors.

Below the Sustainability Council, there are subject matter experts in our Sustainability Committee, known as Executive Sponsors and Operating Leads, for each of the Environmental, Social, and Governance pillars of the sustainability program. The Sustainability Committee has representation from our sustainability, human resources, legal, finance, and accounting teams. The Board feels this cross-functional governance model provides the appropriate skills and competencies necessary to oversee strategies designed to respond to sustainability-related risks and opportunities.

Additionally, management supports its oversight of our GHG emissions accounting through integrated controls and procedures managed within our enterprise governance, risk, and compliance (GRC) system, providing visibility to our internal audit, central data operations, compliance, and project management teams.

### Enterprise-Wide Double Materiality Assessment

We conduct an enterprise-wide double materiality assessment (DMA) to identify sustainability topics that are material from both impact and financial perspectives. Impacts, risks, and opportunities (IROs) are identified and scored using rubrics aligned with the European Sustainability Reporting Standards and our Enterprise Risk Management (ERM) framework.

## Environmental Focus Areas

Our environmental focus areas consist of sustainability topics identified as material through our DMA and other areas where we believe we can have the greatest environmental impact.

### A. Material Climate-Related Opportunities

Our DMA identified material opportunities associated with consumer demand for software enabling the mitigation of climate change and a transition to a circular economy. For our discrete manufacturing customers, decarbonization and circularity are highly correlated since embodied carbon in product parts is a top contributor to a manufacturer's product footprint. In other words, less or more efficient materials can mean less GHG emissions. Thus, we generally approach and view the two opportunities as a combined opportunity.

#### A.1. Enabling Customer Decarbonization and Circularity

In support of our material opportunities, we are committed to strengthening the sustainability capabilities within our software portfolio. Our solutions help customers embed sustainability considerations into product design, manufacturing processes, and business strategies across the product lifecycle.

For many manufacturers, upstream activities such as raw material extraction, transport, and processing account for the largest share of a product's carbon footprint. Our software enables customers to reduce these impacts by supporting sustainable and circular design principles, including designing to minimize waste and pollution, keeping materials in use at their highest value, and enabling downstream recovery strategies such as reuse, repair, and remanufacturing.

##### A.1.a. Invest in Our Products

Our portfolio enables customers to design, manufacture, service, and manage products with sustainability and circularity in mind. Key capabilities include supplier evaluation, lifecycle assessment, materials and bill-of-materials transparency, and the efficient management and distribution of digital product assets across the value chain. Where applicable, we pursue strategic enhancements or expansions of our sustainability capabilities within our product portfolio.

##### A.1.b. Embrace Product Integrations

We understand the complexity of the product lifecycle, and the many systems involved, and embrace an open ecosystem, where our technologies can integrate with other vendors' solutions.

##### A.1.c. Inform our Product Roadmap

We recognize that collaboration and knowledge sharing are critical to advancing sustainability outcomes across industries and value chains. We engage with customers, suppliers, academic institutions, and other stakeholders to share best practices and support innovation. Our industry engagement helps us assess evolving sustainability demands and trends that help inform and guide our product roadmap.

## **B. Other Impactful Focus Areas**

### **B.1. Limiting our Carbon Footprint**

We are committed to following the latest climate science to reduce greenhouse gas emissions in line with a 1.5°C pathway. We prioritize actions that deliver the greatest emission abatement per dollar/time invested and our efforts are guided by our Transition Plan.

#### *B.1.a. Reducing Our GHG Emissions – SBTi Targets*

We maintain near-term and long-term targets validated by the SBTi. We monitor energy use, greenhouse gas emissions, and progress against our climate targets on an ongoing basis. We monitor evolving scientific guidance, regulatory expectations, and business priorities as we pursue our SBTi validated targets.

#### *B.1.b. Supplier Engagement*

We recognize the importance of supplier engagement in advancing sustainability outcomes across our value chain. We track our energy-intensive suppliers and analyze their sustainability reports and pathways to confirm alignment with our near-term and net-zero targets. Our current efforts are focused on our data center suppliers and most significant suppliers. Longer term, we plan to track a wider range of suppliers.

We maintain a Supplier Sustainability Policy that sets forth our expectations of suppliers to accurately measure and report their GHG emissions and consumption of natural resources to us.

#### *B.1.c. Waste Reduction and Material Recovery*

As part of our GHG emissions tracking, we measure our waste emissions produced from our global office portfolio and disclose these emissions in our annual Impact Report. We manage electronic waste and information technology assets in a manner that prioritizes reuse and refurbishment where feasible, and responsible recycling when reuse is no longer possible. In addition, we support the reuse, donation, refurbishment, or responsible recycling of office furniture and workplace materials as part of our facilities and real estate operations.

We do not produce any hazardous waste in our operations.

### **B.2. Empowering Employees**

In support of our environmental objectives, we foster employee engagement, awareness, and innovation with respect to our environmental initiatives.

#### *B.2.a. Employee Education and Training:*

We provide employees with access to education, training, and awareness-building opportunities related to climate change, environmental stewardship, and circular economy principles. These initiatives include internal learning programs, employee resource groups, and knowledge-sharing forums designed to build organizational capability and support informed decision-making across roles and functions.

*B.2.b. Employee-Driven Innovation:*

We encourage employee participation in internal innovation initiatives, including structured challenge-based programs, to identify, develop, and advance ideas that reduce environmental impact, improve operational efficiency, and support our environmental objectives.

*B.2.c. Guidance on Sustainable Workplace Practices:*

We promote responsible environmental behavior by providing guidance and resources to support sustainable work-place practices, including sustainable commuting options, remote-work efficiencies, and environmentally responsible procurement and consumption. Such guidance is intended to empower employees to reduce environmental impacts associated with daily business activities while supporting operational effectiveness.

**Last Updated:** April 2026