ptc

2025
IMPACT REPORT

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ptc

A MESSAGE FROM OUR PRESIDENT AND CHIEF EXECUTIVE OFFICER

In 2025, PTC proudly celebrated 40 incredible years—a milestone that sets us apart as one of the rare technology companies with such enduring success. As we reflect on this milestone, I'm excited to build on our legacy of innovation, transformation, and strong customer relationships for decades to come.

The dedication of our employees, the strength of our solutions, the support of our partners, and the trust of our customers and communities drive PTC's success. Our 2025 Impact Report captures our collective progress in reducing our emissions, enhancing our products, improving our communities, and conducting business with integrity.

Every day, we strive to embody focus, speed, and accountability—our guiding principles for achieving meaningful results. These words drive us to deliver solutions that empower our customers to bring products to market faster, improve quality, reduce costs, and enhance service opportunities—all while considering sustainability across the product lifecycle.

We're taking tangible steps to limit our carbon footprint.

As a company, we're taking actions to progress toward our Science Based Targets Initiative (SBTi) verified near-term and net-zero targets. We anticipate the solar array that's part of our Virtual Power Purchase Agreement to come online in 2026 and produce more electricity than PTC uses globally.

We're enhancing our products' capabilities in ways that support our customers' sustainability goals.

We believe the key to unlocking the full potential of product data lies in what we call the Intelligent Product Lifecycle. Our vision for the Intelligent Product Lifecycle is to help our customers build structured product data foundations in engineering and extend the value of that data across their entire business.

Having an Intelligent Product Lifecycle provides customers with the ability to drive AI-powered transformation, improve sustainability throughout the product lifecycle, and adopt innovative practices like circular business models. Our software portfolio enables customers to measure and reduce product footprints with methods aligned to business values like faster time to market, better quality at lower cost, and higher service revenues.

Our Double Materiality Assessment identified material opportunities associated with consumer demand for software solutions enabling the mitigation of climate change and the transition to a circular economy. We believe our software portfolio is well positioned to address these opportunities as we continue to support the development of more sustainable product design, production, and service.

We're elevating employee engagement and fostering an inclusive culture.

We're honored to have been certified as a Great Place to Work in 22 countries this year. This recognition reflects the caliber of Team PTC.

This year, we closely aligned our employee engagement, retention, and recruiting strategies with our business priorities. We created intentional programming that fosters inclusivity, deepens our employees' connection to our culture, and develops and attracts top talent. By refreshing our core values, enhancing learning opportunities, and celebrating achievements, we're cultivating behaviors that drive our success and position us to win together.

We're dedicated to ethical business practices and take a thoughtful, deliberate approach to implementing AI.

Our commitment to ethical leadership and integrity is at the heart of who we are. We uphold this commitment through a strong framework of policies, procedures, and processes that foster ethical behavior, ensure accountability and transparency, and safeguard the interests of our stakeholders.

We apply this same rigor to our approach to artificial intelligence (AI). We have guiding principles in place to ensure we're implementing AI—in our own business processes and in our products—in valuable, scalable, and responsible ways. We're dedicated to ensuring the invaluable data entrusted to us is secure.

I'm proud of what we've built, confident in our current progress, and excited for our future.

By advancing our Intelligent Product Lifecycle vision, championing sustainability, and fostering an inclusive and engaged workforce, we are not only addressing the challenges of today but also shaping a brighter, more sustainable tomorrow. Together, with our global community of employees, customers, and partners, we are driving meaningful change and creating a legacy of impact.

Sincerely,

Neil Barua
President and Chief Executive Officer

ABOUT PTC

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.

As a global leader in product lifecycle management, PTC software supports the management of data throughout the entire product lifecycle. The breadth, depth, and openness of our portfolio enable the Intelligent Product Lifecycle: the establishment of a strong product data foundation in engineering and making that data securely available to every team that needs it.

By embracing the Intelligent Product Lifecycle, our customers strengthen the quality, consistency, and traceability of product data, providing the foundation for data that is up-to-date, accessible, reliable, and actionable. This enables our customers to then use this data to accelerate innovation, simplify product complexity, streamline workflows, and achieve interoperability across their business.

With the development of a strong product data foundation, our customers have the foundation necessary for AI-driven transformation across

their teams, operations, and processes. By embedding AI into our existing products and established workflows, our customers are empowered to turn product data into decisions, and decisions into innovation.

Companies of all sizes rely on PTC because of our market-leading digital technologies, extensive partner network, and industry expertise. Together, our software supports each stage of the product lifecycle and includes product lifecycle management (PLM), application lifecycle management (ALM), computer-aided design (CAD), and service lifecycle management (SLM). Our SaaS and cloud-native offerings further differentiate us.

We are committed to the success of our 30,000+ customers and advance our solutions with new features, functionalities, integrations, and AI capabilities to address their most pressing challenges. By helping customers create and maintain products more efficiently and responsibly, we empower them to make a positive impact.

Headquartered in Boston, Massachusetts, with offices globally, PTC employs over 7,000 people.

For more information, visit ptc.com.

$2.48B
Annual Run Rate (ARR)*

$2.45B
ARR Constant Currency*

$868M
Cash Flow from Operations

$857M
Free Cash Flow*

* ARR (Annual Run Rate) is the value of our portfolio of recurring revenue contracts at the end of the period. Our constant currency disclosures are calculated by multiplying the results in local currency for FY25 and FY24 by the exchange rates in effect on Sept. 30, 2024. Free cash flow is cash flow from operations net of capital expenditures. These measures are described and reconciled in the Appendix.

ABOUT THIS REPORT

This report summarizes our meaningful progress on our sustainability initiatives during fiscal year 2025, which ended Sept. 30, 2025. It covers all global business operations, with any exceptions clearly identified in context. Throughout, we direct readers to additional sources for further detail. Monetary figures are presented in US dollars.

Send comments or questions about this report to ImpactReport@ptc.com.

Our Framework and Methodology for Sustainability Reporting

This report conforms with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Additionally, this report aligns with the IFRS S1 and IFRS S2 standards issued by the International Sustainability Standards Board (ISSB), meaning we have complied with most but not all of the ISSB disclosures. Our Annual Report on Form 10-K for the fiscal year ended Sept. 30, 2025 is not incorporated by reference.

PTC conducts an enterprise-wide double materiality assessment to assess and monitor our material sustainability matters. Our assessment process is described in the Our Double Materiality Assessment section.

We disclose our greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). Additionally, we are pursuing limited assurance over our Scope 1 and 2 fiscal year 2025 emissions. We expect to publish our Independent Accountant's

Review Report with respect to our limited assurance and our fiscal year 2025 emissions in March 2026 in an updated version of this Impact Report.

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

Forward-Looking Statements

This report includes forward-looking statements about our emissions reduction and other environmental targets, commitments, plans and initiatives, the anticipated financial effects of those plans and initiatives, the anticipated financial effects of opportunities associated with consumer demand relating to software solutions enabling the mitigation of climate change and the transition to a circular economy, and our product plans and initiatives.

These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, including that we may be unable to achieve the emissions reduction targets underlying the SBTi commitments or our other environmental targets if our initiatives to meet those targets are not as successful as or when we expect, that consumer demand for software solutions enabling the mitigation of climate change and the transition to a circular economy may be less than anticipated or materialize later than anticipated, and that our environmental initiatives and product plans may not have the impact or success that we expect if we are unable to complete such initiatives or introduce such products when

or as we expect or if customers do not adopt our products and solutions when or as we expect.

Other risks and uncertainties that could cause actual results to differ materially from those projected are detailed from time to time in reports we file with the US Securities and Exchange Commission (SEC), including our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other filings with the SEC.

PTC, Creo, Windchill, Pure Variants, ServiceMax, Servigistics, Vuforia, Onshape, Arena, Codebeamer, PTC Modeler, FlexPLM, Flex Insights, and the PTC logo are trademarks or registered trademarks of PTC Inc. and its subsidiaries in the United States and other countries.

OUR IMPACT PRIORITIES

United by a common goal of empowering our customers, our communities, and each other, our collective impact extends far beyond our global offices.

Enable Our Customers

Provide software solutions that empower our customers to create more sustainable product lifecycles, iterate toward decarbonization, and realize circularity objectives.

Operate With Integrity

Elevate responsible business practices by setting standards, policies, and processes that promote ethical behavior, accountability, and transparency.

Empower Our People

Develop and support our employees to nurture a strong culture where everyone can thrive.

Reduce Our Footprint

Take meaningful steps within our global operations toward achieving our SBTi-verified net-zero targets.
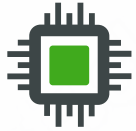
Support Our Communities

Create a better reality through our social impact initiatives, with a focus on environmental sustainability, STEM and education, and community support.

FY25 HIGHLIGHTS

Enable
Our Customers

Product releases with capabilities supporting customers' sustainability initiatives

Published *Product Sustainability for Dummies*, a first-of-its-kind guide specifically for product life cycle practitioners in discrete manufacturing

Operate
With Integrity

100% of employees completed cybersecurity training in FY25

Conformed our sustainability reporting to TCFD standards, and aligned with ISSB standards

Empower
Our People

Recognized as a Great Place to Work in 22 countries

Distinguished on the list of Fortune Best Workplaces in Technology 2025

Launched refreshed core values to guide how we work and win together

Reduce
Our Footprint

Pursuing Limited Assurance over Scope 1 and 2 emissions

Completed third CDP submission

Support
Our Communities

1.6 million students and educators leveraged our software in their STEM programs

11.6 million total hours of usage time

SUSTAINABILITY GOVERNANCE AND STRATEGIC MATTERS

IN THIS SECTION

Board Oversight of Sustainability Matters

Executive Oversight of Sustainability Strategy

Sustainability Risk Management

Our Double Materiality Assessment

Our Strategic Matters

SUSTAINABILITY GOVERNANCE

PTC approaches sustainability governance as a strategic imperative, with oversight spread across its Board of Directors, executive leadership, and cross-functional teams to ensure alignment with evolving regulatory expectations, stakeholder priorities, and long-term business objectives.

Our Commitment to Sustainability and Good Corporate Governance Begins at the Top

Our Board of Directors is committed to maintaining the long-term sustainability of PTC and delivering long-term value to our stakeholders. Accordingly, the Board sets the tone at the top to drive a culture of ethical behavior and compliance with laws. Our Board is structured and operates in a way designed to serve the interests of stakeholders. See the Business Conduct section for more information on our commitment to leading in all that we do by acting ethically and with integrity.

Board Oversight of Sustainability Matters and Initiatives

As part of its oversight of management's 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.

The **Corporate Governance Committee** is responsible for our corporate governance matters and oversight of our overall sustainability program, including sustainability-related risks and opportunities such as climate change, as well as oversight of sustainability risks and initiatives not addressed by other committees of the Board. The Corporate Governance Committee is also responsible for reviewing and discussing the contents of this Impact Report with management.

The **Compensation and People Committee** oversees our key people management strategies and programs, including those related to corporate culture, employee training and development, employee engagement, and employee retention.

The **Cybersecurity Committee** has oversight of our cybersecurity and data security programs and initiatives.

The **Audit Committee** has oversight of our accounting and financial reporting processes and audits of PTC's financial statements. The Audit Committee also has oversight of our ethics and compliance programs.
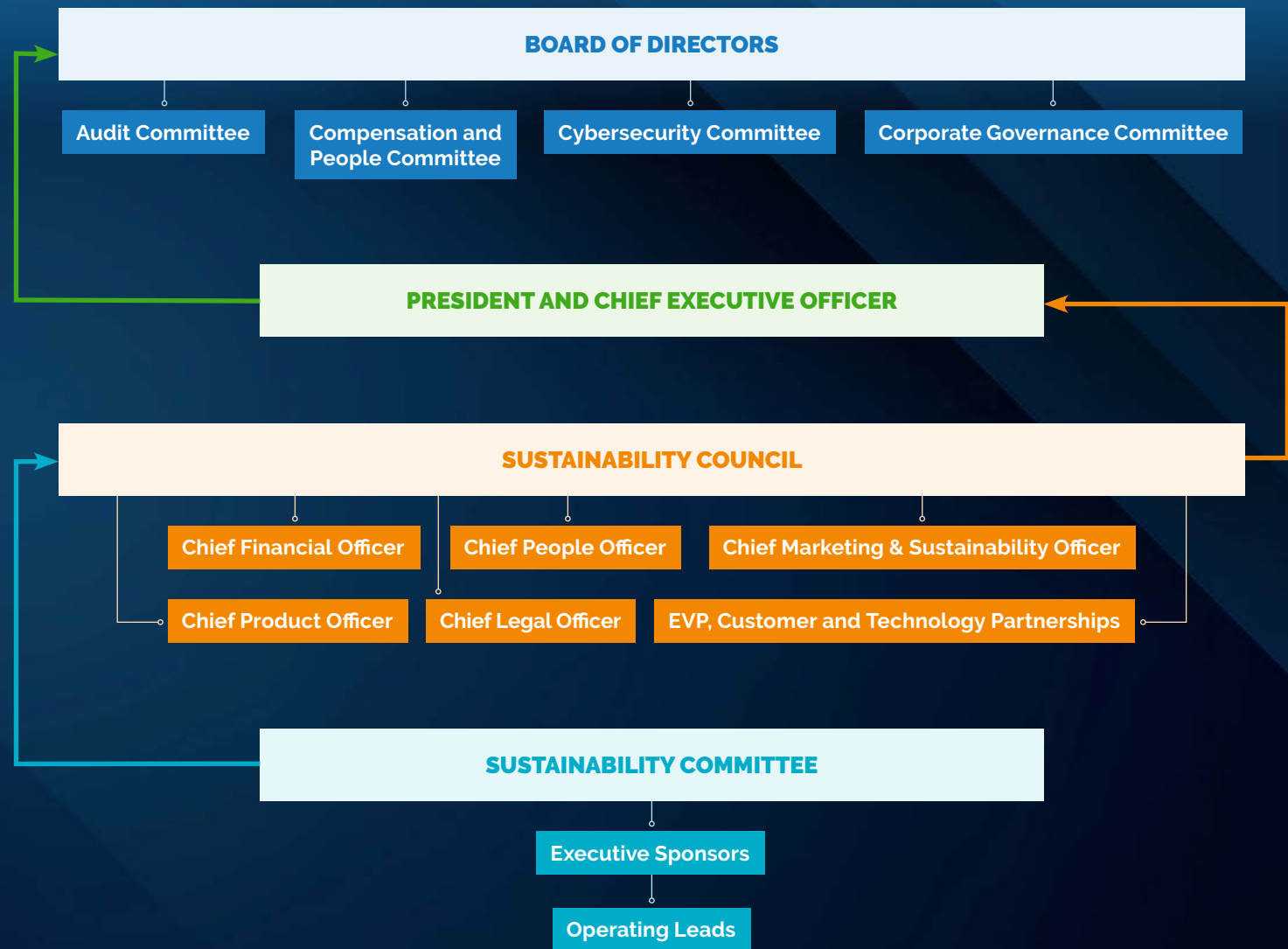
View the full details of Board Committee Charters.

Executive Oversight of Sustainability Strategy

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 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.

The Sustainability Council consists of our Chief Financial Officer, Chief Marketing & Sustainability Officer, Chief People Officer, Chief Legal Officer, Chief Product Officer, and Executive Vice President, Customer and Technology Partnerships.

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.

BOARD OF DIRECTORS

- Audit Committee
- Compensation and People Committee
- Cybersecurity Committee
- Corporate Governance Committee

PRESIDENT AND CHIEF EXECUTIVE OFFICER

SUSTAINABILITY COUNCIL

- Chief Financial Officer
- Chief People Officer
- Chief Marketing & Sustainability Officer
- Chief Product Officer
- Chief Legal Officer
- EVP, Customer and Technology Partnerships

SUSTAINABILITY COMMITTEE

- Executive Sponsors
- Operating Leads

SUSTAINABILITY RISK MANAGEMENT AND CLIMATE RESILIENCE

Sustainability Regulatory Landscape

PTC initially determined that it would be subject to the EU's Corporate Sustainability Reporting Directive (CSRD) beginning in its fiscal year 2026 based on the criteria applicable to its EU operations. However, in 2025, the European Commission adopted a directive delaying our reporting obligations by at least two years.

Given the delay of the CSRD, we are reporting in alignment with TCFD standards, which only requires disclosure of material sustainability topics from a financial perspective. We plan to continue to conduct double materiality assessments to identify and assess sustainability risks and opportunities, and to report in accordance with applicable laws.

Our Double Materiality Assessment (DMA)

In 2024, we conducted an enterprise-wide DMA to identify sustainability topics material from both impact and financial perspectives. The process incorporated a value chain analysis, peer benchmarking, and a review of regulatory frameworks and legislation, including ESRS, ISSB, and SASB. Impacts, risks, and opportunities (IROs) were identified and scored using rubrics aligned with ESRS guidance and our Enterprise Risk Management (ERM) framework. The IROs were grouped into environmental, social, and governance topics.

For risks and opportunities, the magnitude and likelihood were scored using a scale of 1 to 5. The magnitude score was based on defined quantitative and qualitative factors, including financial, legal and compliance, strategic, operational, reputational, and health and safety factors. The likelihood score was based on the likelihood of occurrence within a 10-year horizon. The magnitude score was multiplied by the likelihood score, and if the result equated to 15 or more, then the risk or opportunity was deemed material.

We engaged an external consultant to guide us throughout the 2024 DMA process. We held scoring workshops with internal subject matter experts and external stakeholder representatives. We considered our entire value chain and evaluated IROs based on the short-term (up to one year), medium-term (up to five years), and long-term (up to 10 years). The results were shared with our Sustainability Council and the Corporate Governance Committee of the Board of Directors.

In 2025, we conducted a refresh of our 2024 DMA results. We reviewed and refined IROs from the 2024 DMA and added new IROs resulting from our annual scenario analysis workshop. The IROs were reviewed and scored in workshops using the same framework described above and the results were shared with the Sustainability Council and the Corporate Governance Committee of the Board of Directors.

OUR FINANCIALLY MATERIAL OPPORTUNITIES

Our DMA identified the following two material opportunities, which are further discussed in the Shaping a More Sustainable Future section of our Impact Report. Although our DMA did not identify any material risks, we continue to monitor and track climate-related risks.

Topic	Opportunity Statement	Description
Climate Change **Type:** Opportunity **Relevant Value Chain:** Downstream **Timeframe:** All	Consumer demand for software enabling the mitigation of climate change	The demand for climate transition solutions that enable the acceleration of the transition to a low-carbon economy—driven by customer initiatives, stakeholder expectations, and sustainability-related regulations—creates opportunities for PTC to leverage its existing product offerings and develop new product capabilities. By offering solutions that enable customers to act with decarbonization principles in mind, such as footprint transparency and emission reduction capabilities, PTC could increase revenue and expand its market share.
Circular Economy **Type:** Opportunity **Relevant Value Chain:** Downstream **Timeframe:** All	Consumer demand for software enabling the transition to a circular economy	The demand for software solutions that enable the transition to a circular economy—driven by customer initiatives, stakeholder expectations, and sustainability-related regulations—creates opportunities for PTC to leverage its existing product offerings and develop new product capabilities. By offering solutions that enable customers to act with circularity principles in mind, such as designing for reuse, solving issues remotely, optimizing service parts management, and facilitating end-of-life part recovery, PTC could increase revenue and expand its market share.

Our Scenario Analysis Workshop

We conducted a climate-related scenario analysis workshop to assess the resilience of its business strategy under varying climate change conditions. The workshop followed TCFD and ISSB guidance, incorporating both qualitative and quantitative factors, and considered multiple plausible climate scenarios.

We used Shared Socioeconomic Pathways (SSPs) produced by the Intergovernmental Panel on Climate Change to assess IROs based on generally accepted optimistic and pessimistic climate transition predictions. Particularly, we used the less than 2°C warming scenario (SSP1-2.6) and the 4°C warming scenario (SSP3-7.0) to assess transition risks and opportunities as well as physical risks. The SSP1-2.6 optimistic scenario is based on a narrative consistent with the Paris Agreement's goal of holding global warming to well below 2°C above pre-industrial levels.

The results of the workshop were incorporated into our enterprise-wide DMA and scored using the financial rubric and timeframes described in Our Double Materiality Assessment section. The long-term timeframe was capped at 10 years due to the uncertainty of assessing risks or opportunities beyond that timeframe.

Our identified material opportunities were deemed material in both the less than 2°C and 4°C warming scenarios. For more information on immaterial risks and opportunities assessed in our climate-related scenario analysis workshop and our strategy to address these, see our Climate Risk Plan in the Appendix.

OUR STRATEGIC MATTERS

Based on the findings of our DMA, we developed the following list of strategic matters. While we identified two opportunities as financially material, we continue to monitor risks and opportunities that, while not meeting the threshold for materiality, remain significant to PTC's operations and goals.

Our material financial opportunities fall within Contributing to Industry Decarbonization and Circularity through PTC's Software Portfolio (Handprint).

Topic	Strategic Matter
Environmental Strategic Matters	Contributing to Industry Decarbonization and Circularity through PTC's Software Portfolio (Handprint)
	Limiting our Carbon Footprint (Footprint)
Social Strategic Matters	Elevating Employee Engagement
	Positively Impacting Our Communities
	Empowering the Next Generation Through STEM
	Developing Skills Across Our Partner Ecosystem
Business Conduct Strategic Matters	Promoting Ethical and Transparent Business Conduct
	Protecting Personal Data and Securing Our Customer's Data

SHAPING A MORE SUSTAINABLE FUTURE

IN THIS SECTION

ENABLING THE PROFITABLE REDUCTION OF PRODUCT FOOTPRINTS WITH THE INTELLIGENT PRODUCT LIFECYCLE

As a company, we are committed to decarbonization and have both near-term and net-zero SBTi-validated targets. While we take pride in our emissions reduction efforts, we recognize the ability to support our customers' sustainability goals carries the potential to have a much greater impact on the environment. Our material- and energy-intensive customers collectively report billions of metric tons of carbon dioxide each year, and our software portfolio enables our customers to address the following key decarbonization and circularity challenges and demands:

- **Measure product footprints.** Customers, regulatory organizations, and investors increasingly demand product-level transparency.

- **Reduce product footprints.** The net zero and other frameworks require an aggressive reduction in emissions and material waste.

- **Establish circular business models.** Reducing footprints for stakeholders is not enough. Shareholders expect profits to grow from product footprint reductions.

Our software portfolio empowers companies to deliver more sustainable, cost-effective outcomes across each phase of the product lifecycle. It starts with helping our customers build structured product data foundations in engineering and extending that value across the enterprise—what we call the **Intelligent Product Lifecycle**. Among the value this digital backbone can enable for our customers is the ability to profitably reduce their footprint using product data that is configuration-aware, accurate, up-to-date, and access controlled across the enterprise.

Our climate-related efforts focus on two strategic matters. Our first strategic matter—contributing to industry decarbonization and circularity through our software portfolio—addresses two material financial opportunities identified in our DMA. Limiting our carbon footprint, our second strategic matter, addresses our actions to reduce our own greenhouse gas emissions, an area we believe is important to our company and stakeholders.

Sustain as designed with configuration-awareness to achieve profitable and compliant "re-x" loops (reuse, refurbishment, remanufacturing, recycling) for end-of-life on parts and products

Service as designed with configuration-awareness to profitably support uptime, utilization, and durability

Produce as designed with configuration-awareness to lower factory scrap and energy

SERVICE

SUSTAIN

PRODUCE

Powered by
PRODUCT DATA

INTELLIGENT PRODUCT LIFECYCLE

Connected through Openness

Accelerated by SaaS

Fueled by
AI

DEFINE

PLAN

DESIGN

Define product business, performance, and footprint requirements

Design configurable and durable products to these requirement specifications across mechanical, software, and electrical disciplines

Plan downstream manufacturing, service, and sustainment

The above graphic describes the sustainability-specific initiatives enabled by the Intelligent Product Lifecycle and is not meant as a comprehensive view of its advantages.

STRATEGIC MATTER

CONTRIBUTING TO INDUSTRY DECARBONIZATION AND CIRCULARITY THROUGH OUR SOFTWARE PORTFOLIO

Our 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.

Customers in our primary verticals (see below) share similar upstream supply chain and operational factory challenges, such as resilient component sourcing and manufacturing process efficiency. Downstream challenges can vary by industry vertical depending on power sources (e.g., electric vs. combustion engines) and service/recovery networks. Our end users are primarily in the engineering, manufacturing, and service departments of these customers.

Our sustainability offerings focus on six primary industry verticals:

| Aerospace and Defense | Automotive | MedTech | Electronics and High-Tech | Industrial | Retail |

Our software offerings align with three of our customers' key decarbonization and circularity challenges:

1. Measure product footprints.

- **Windchill and Arena:** Our PLM software offerings enable the creation of high-quality bills of materials (BOMs) to manage footprint attributes across material, part, supplier, manufacturing process, and/or configuration levels. These BOMs can iteratively interact with automated lifecycle assessment (LCA) tools to estimate supply chain data gaps and calculate lifecycle impact factors for as-designed product configurations.

- **FlexPLM:** Our Retail PLM software offering consolidates product, material, and supplier sustainability data into one location, enabling product teams to make more sustainable design decisions and efficiently track regulatory compliance. It also provides product definitions (including materials and their origins), certificate documents, and calculations to support digital passports.

2. Reduce product footprints.

- **Creo and Onshape:** Our CAD software offerings enable the selection of more sustainable materials, using less materials, and lowering both energy and scrap in manufacturing processes. Capabilities like generative design, additive manufacturing, and simulation work together to help drive these footprint efficiencies that often correlate with financial savings.

- **Windchill and Arena:** Our PLM software offerings enable modularity and supplier selection at BOM levels that facilitate resilient component sourcing and circular products. Modularity can provide both the supply and demand for service parts, refurbished parts, and manufactured parts.

- **Codebeamer and Pure Variants:** Our ALM software supports sustainability by managing product footprint requirements, tracing these requirements through design and verification stages, and enabling circularity by connecting modular software development with its modular physical parts.

- **PTC Modeler:** Our model-based system and software engineering tool can distribute system-level footprint requirements to participating sub-system design teams across multiple disciplines, such as mechanical, electrical, and software engineering.

3. Establish circular business models.

- **ServiceMax, Servigistics, and Arbortext:** PTC Asset 360, released in late 2025, offers cradle-to-cradle asset data management to enable customers to track and facilitate profitable circular activities. Paired with Servigistics, our service parts management solution, and with Arbortext, our dynamic publishing solution, PTC Asset 360 provides product intelligence from the field to help profitably extend product life and facilitate end-of-life part and product returns.

Addressing Our Climate-related Opportunities

We are taking the following key actions to address our climate-related opportunities:

- **Concentrate sustainability R&D on our customers' three priority challenges:** Measuring product footprints, reducing product footprints, and establishing circular business models.

- **Deeply understand our customers' evolving needs to address these challenges.** We collaborate with hundreds of manufacturing accounts annually at PTC Exchange events, Corporate Experience Center visits, PTC User Community channels, PTC Innovators Program, and industry events.

- **Educate our market on existing approaches with PTC software.** In March 2025, we published Product Sustainability for Dummies with Wiley Publications. It's our industry's first book to outline specifically how product lifecycle practitioners in discrete manufacturing should frame and approach their sustainability initiatives.

- **Invest in our products.** We are strategically expanding our products' sustainability capabilities. In 2025, we added the following sustainability capabilities to our products:

  - **Codebeamer:** An ALM Design for Sustainability requirements template to preconfigure best practices in early design decisions.

  - **Windchill:** A PLM Material Management and Bill of Materials roll up function to facilitate as-designed passports.

  - **Arena:** Supply Chain Intelligence (SCI) capabilities to enable design teams to make informed sourcing decisions at the part levels for factors like footprint, compliance, and supply chain risks.

  - **PTC Asset 360** to support as-serviced passports.

Potential Financial Effects of Climate-related Opportunities

The capabilities of our software portfolio to address the industry challenges of decarbonization and circularity create financial opportunities for PTC.

First, customers addressing these sustainability challenges are more likely to renew their existing software subscriptions since the product capabilities can be foundational and/or directly contribute to their decarbonization and circularity objectives. Second, increasing sustainability needs can result in additional software subscriptions to help drive outcomes related to decarbonization and circularity.

We believe that both scenarios could positively contribute to our financial performance. Over the long term, generational priorities, real-world material and energy pressures on economies, and green technology tipping points all trend toward increasingly circular products. We plan to monitor these trends and continue incorporating our sustainability opportunities into our strategic planning.

- **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.

  - **Windchill** offers integration methods with life cycle assessment (LCA) software, including a pre-configured integration with Makersite. The Makersite integration can help fill in supplier data gaps, report on product-level environmental impact, and provide interactive hotspot analysis for design teams to accelerate the reduction of supply chain footprints.

  - **Windchill** and **Creo** offer integration methods with material databases, including a preconfigured integration by ANSYS Granta. This enables designers to select materials based on a mix of engineering and sustainability criteria.

  - **Windchill** and **Creo** offer integration methods with simulations, including a preconfigured integration with aPriori. This helps predict manufacturing process costs and footprint together, assisting designers with reducing energy emissions and scrap, often in ways aligning with cost reduction.

  - **Flex Insights** provides for integrations to leading retail sustainability services and standards to provide users with the data needed to proactively work toward sustainability targets.

  - **Servigistics** integrates with Accenture's OnProcess Technologies, providing visibility into reverse logistics to enable the inclusion of circular reuse, refurbishment, and remanufacturing loops into the service parts network.

- **Inform our product roadmap.** While sustainability presents immediate priorities, it also requires long-term iterative progress. We are assessing evolving sustainability demands and trends over the medium- and long-term to inform and guide our product roadmap.

  - **Academia.** We engage with academia on cutting-edge approaches to sustainability challenges, such as our professor chair sponsorships at French universities ECAM LaSalle and University of Technology of Compiègne, that focus on identifying new ways to integrate sustainable development issues and environmental impact management from the very beginning of the design process. We also participate in co-op programs with leading university graduate programs to research and validate new sustainability markets and solutions.

  - **Industry standards.** PTC is represented on the board of the Industrial Digital Twin Association, a global consortium dedicated to standardizing and advancing the use of digital twins in industrial ecosystems by promoting the Asset Administration Shell standard as the foundational framework to exchange asset level data in digital passports and across industrial ecosystems. This would help shed light on some of the harder areas to address in a company's footprint that require deeper value chain data. Through this standardized transparency, our customers could further their product footprint reductions.

  - **Industry groups.** PTC representatives participate in sustainability industry groups like the Conference Board (council board member), the Trellis Network, Sustainability Roundtable, and the Net Zero Consortium (founding sponsor). These peer networks support our integration of best practices and help us innovate new approaches.

- **Allocate resources.** Our Sustainability Council allocates appropriate resources to enable our teams to address our opportunities. See the Sustainability Governance section for more on our cross-functional sustainability teams.

Metrics and Targets of Climate-related Opportunities

Our strategy aims to create value for our customers, increase our Annual Run Rate (ARR) and cash flow, and deliver long-term value for shareholders. ARR is the primary metric we use to assess our sustainability opportunities. Given the overlap of decarbonization and circularity capabilities within our software portfolio and other use cases of our software, we are currently unable to accurately isolate the amount of ARR aligned with these opportunities to a degree of certainty that would be meaningful to investors.

CUSTOMER DECARBONIZATION AND CIRCULARITY IMPACTS

We are proud to showcase a selection of customers whose stories embody the spirit of innovation and commitment required to address today's sustainability challenges. These case studies highlight how forward-thinking organizations are leveraging PTC solutions to design and deliver products that are cutting-edge and environmentally responsible. We feature early innovators and sustainable product designs to highlight that meaningful progress is both achievable and scalable when supported by the right tools and vision.

INTERSPORT®

Ryvid

ENERGYMINER

Mazak

CUSTOMER SPOTLIGHT

IIC - INTERSPORT INTERNATIONAL CORPORATION GMBH USES FLEX INSIGHTS TO EVALUATE SUPPLY CHAIN SUSTAINABILITY

For Intersport International, supply chain management plays a critical role in reducing its product footprint. By using Flex Insights, the company augmented its FlexPLM supplier data with third-party facilitated sustainability KPIs, such as normalized GHG emissions. This integration helps Intersport International strengthen its environmental reporting capabilities and prepare for changing regulatory requirements.

"PTC makes sustainability data accessible to a wider audience across the organization by presenting key seasonal insights in clear, easy-to-understand dashboards. It supports the tracking of essential KPIs and enables teams to make more informed decisions throughout the development process."

Etane Ebako
Senior Manager Business Service
IIC-Intersport International Corporation GmbH

CUSTOMER SPOTLIGHT

DRIVING SUSTAINABLE INNOVATION: RYVID'S MODULAR AND CIRCULAR APPROACH

Ryvid, a US-based electric motorcycle startup, has a holistic approach to sustainability. Using Creo CAD, they design their motorcycles with modularity and customization in mind. This approach allows riders to exchange panels, adjust suspension systems, and replace sub-assemblies without the need for specialist tools. By prioritizing versatility from the outset, Ryvid enables their motorcycles to evolve with their owners' needs, reducing waste while enhancing long-term usability.

Driven by the belief that sustainability extends far beyond the initial point of sale, Ryvid supports customers with open, detailed instructional videos and an extensive 3D CAD parts catalog. These resources make repairs and modifications more accessible, fostering a deeper connection between riders and their bikes. Additionally, Ryvid is actively cultivating an ecosystem of riders and third-party manufacturers to develop accessories and components, further enhancing the adaptability and sustainability of their platform.

Going beyond new bike production, Ryvid is advancing circularity by offering drivetrains and battery management systems for retrofitting existing combustion engine motorcycles. This strategy not only extends the life of older vehicles but also addresses barriers to electrification in regions where motorcycles are relied upon daily and the cost of new electric models remains prohibitive. By championing retrofitting as a practical and impactful solution, Ryvid is reducing waste, lowering carbon emissions, and making electric mobility accessible to more riders worldwide.

Ryvid

CUSTOMER SPOTLIGHT

HOW ENERGYMINER IS REVOLUTIONIZING RENEWABLE ENERGY

Energyminer is revolutionizing renewable energy by transforming free-flowing rivers into clean-energy sources with its Hydroelectric Energyfish Fleet—a scalable array of Energyfish that operate together as a modular, hydrokinetic power plant. Using Onshape, PTC's cloud-native CAD platform, to innovate their designs, each Energyfish, when anchored to a riverbed, generates clean energy 24/7 without disrupting aquatic ecosystems, offering a sustainable alternative to traditional dams.

Sustainability is central to Energyminer's philosophy. The Energyfish units within the fleet are designed to be fish-friendly and fully recyclable, reflecting the company's commitment to minimizing environmental impact. By combining durability, recyclability, and ecological compatibility, Energyminer sets a new benchmark for environmentally responsible hydropower solutions.

The decentralized nature of the Hydroelectric Fleet brings tangible advantages to communities. By enabling local, run-of-river power generation without dams, the fleet reduces dependence on centralized grids and unlocks renewable energy potential in rural and underserved regions. This opens new pathways for energy autonomy and supports the global transition toward cleaner, more resilient energy systems.

To enable accelerated development of the Hydroelectric Fleet System, Energyminer relies on Onshape's real-time design capabilities, built-in simulations, and collaborative tools. These features support efficient engineering processes and help maintain high standards in performance, reliability, and sustainability.

Energyminer has recently received the first official permit in Germany for a complete hydroelectric fleet. Their fleet will generate electricity from free-flowing water, operate around the clock, and continue to support the ecosystem, marking a shift in the energy industry's relationship with ecological standards.

ENERGYMINER

CUSTOMER SPOTLIGHT

SUSTAINABILITY MEETS PRECISION ENGINEERING AT MAZAK

Mazak Europe, a leading CNC machine tool manufacturer, is executing a "Go Green" strategy to cut its carbon footprint by 50% by 2030 while maintaining ultra-precise manufacturing for sectors like MedTech and motorsport. PTC's Windchill solution became an integral part of the company's approach to decarbonization, which focuses on continuous, incremental improvements that add up to significant impact. A flagship outcome of this approach is a new product line that delivers up to a 22% reduction in CO_2 emissions versus its predecessor.

Mazak complements equipment-level efficiency with digital energy visibility. Its integrated energy dashboard functions like a built-in smart meter, giving operators real-time and cumulative power data to guide decisions and verify efficiency gains. This transparency shifts optimization from intuition to data-driven action, lowering energy use per part. The company also champions longevity as a sustainability lever, supporting machines that remain productive for 40–50 years, thereby avoiding the embodied carbon of frequent replacements and aligning with circular economy principles.

PTC's Windchill solution underpins Mazak's sustainability push by enabling platform modularity and configurable product structures with standardized parts and clear combination rules. This helps drive higher part reuse, fewer unique components, simpler variation management, and faster, more flexible manufacturing. This can result in less engineering and production waste, shorter lead times, and a smaller environmental footprint across the product lifecycle—compounding the emissions reductions achieved by Mazak's hardware and operations innovations.

Mazak

STRATEGIC MATTER

LIMITING OUR CARBON FOOTPRINT

PTC offers digital software, not physical products. Our software is increasingly available as a service (SaaS), as opposed to on-premises or hosted in PTC facilities. Additionally, PTC leases all its offices, which are mostly in dense urban locations in modern, efficient buildings. Water, hazardous materials, and biodiversity have minimal impacts on our operations. Thus, our footprint does not negatively impact the environment in a material way.

While our DMA did not identify any material climate-related risks, we believe we should contribute to the efforts to mitigate climate change and take our commitment to reducing our footprint seriously. We believe it is important to our business, and we have SBTi-validated targets and reduction paths in place to reach net zero by 2050.

Our Transition Plan

Our Transition Plan addresses our strategy to reduce our carbon footprint. We prioritize our emissions reduction by tackling our largest impact areas first, such as Scope 1 emissions, Scope 2 emissions, Scope 3 Category 1 (Purchased Goods and Services), and Category 7 (Employee Commuting). Our Sustainability Council oversees our Transition Plan and our globally focused initiatives. We monitor the progress of emission reduction, including any material changes to PTC, and update the Transition Plan as necessary.

	DECARBONIZATION LEVERS	SCIENCE-BASED TARGETS VALIDATED BY SBTI	
		Near-term (2030)	Net-zero (2050)
Scope 1 & 2 Reductions			
Decarbonizing Our Operations	Downsizing Office Space VPPA Electrification of Office Heating	**50%** Absolute reduction in Scope 1 & 2 emissions	**90%** Absolute Reduction in Scope 1, 2, & 3 emissions
Scope 3 Reductions			
Footprint	Selecting Sustainable Suppliers Waste Programs Green@PTC Employee Commuting Benefits	**25%** Absolute reduction in Scope 3.1 emissions	**10%** Removals/ Sequestration
Scope 3 Impact			
Handprint	Product R&D		

Actions Toward our Footprint Reduction

Scope 1 Actions:

We are reducing Scope 1 emissions through real estate downsizing and electrification of buildings and office heating. Our real estate team prioritizes selecting LEED-certified offices and other sustainability certifications (see the full list in the Appendix), as well as locations in areas with mass-transit options. We are taking actions to appropriately size office spaces for employees to optimize our footprint and, where possible, collaborate with our leased office buildings' management to encourage electrification of office heating.

Leased cars are another Scope 1 emissions contributor. We are shifting our company policy away from leased cars and toward transportation allowances, which fall under Scope 3. Combined with our real estate strategy, we expect that employees with transportation allowances rather than leased cars will be more likely to use cost-effective mass transit alternatives.

Scope 2 Actions:

In 2024, we signed a Virtual Power Purchase Agreement (VPPA) to purchase renewable energy generated by a 10 MW portion of the Millers Branch Solar Facility in Haskell County, Texas for 15 years of output. The project's goal is to connect the solar array with the Texas electrical grid in the summer of 2026.

We entered into the VPPA to reduce our reported Scope 2 emissions and minimize our impact on the environment with respect to our electricity use. We expect the renewable energy generated by the Solar Facility will offset all our Scope 2 emissions associated with electricity use. The VPPA is expected to produce 20 to 25 million kWh of clean electricity per year.

Scope 3 Actions:

Purchased Goods and Services (Scope 3.1) is our largest category within Scope 3 emissions. To help reduce these emissions, we have a Supplier Sustainability Policy, which sets forth our expectations of suppliers to accurately measure and report their GHG emissions and consumption of natural resources to us.

To complement our policy, we are tracking our energy-intensive suppliers and analyzing their sustainability reports and pathways to confirm alignment with our near-term and net-zero targets. Currently, this includes our data center suppliers and top spend suppliers.

Longer term, we plan to track a wider range of suppliers. The reduction of our Scope 3.1 emissions is dependent on our suppliers staying true to their reduction commitments.

To help reduce our Scope 3 waste emissions, PTC participates in an e-waste reuse and recycling program. For the past five years, we have partnered with Sprout to recycle and repurpose equipment and parts to help reduce waste in landfills. Together, we have reused over 7,000 assets and recycled over 3,500 assets, avoiding 436,573 MTCO2e.

To further reduce Scope 3 emissions, we cover 100% of monthly commuter costs (up to $280 for US-based employees) to encourage greener forms of transportation, such as public buses, trains, and bikes.

The Millers Branch Solar Facility in Haskell County, Texas (pictured right) is expected to come online in 2026.

ENABLING CLIMATE SOLUTIONS THROUGH PHILANTHROPY

At PTC, we believe addressing the world's biggest challenges requires breakthrough technologies and early investment, especially when markets are not yet ready to support large-scale adoption. Climate overshoot is one such challenge. Even if the world reaches "net zero," excess atmospheric carbon must be removed—with net financial benefits—to restore and maintain productive ecosystems.

Toward this, the PTC Foundation facilitated a strategic Impact Grant to Terraset, a non-profit pioneering a market-building model for early-stage carbon removal. Terraset pools philanthropic capital to make upfront pre-purchases from carbon removal developers, giving them the financial certainty to build, hire, and scale faster than the market alone would allow.

One of the developers supported through this funding happened to be Climeworks, a global leader in direct air capture (DAC). Climeworks' technology removes CO_2 directly from the atmosphere and, partnering with Carbfix, stores it underground for thousands of years. Climeworks uses our Windchill PLM solution to modularly design and optimize their DAC systems.

Climeworks' next-generation modular DAC system has demonstrated significant advancements that will enable processes to become more cost efficient, including doubled energy efficiency, increased throughput, and a much longer filter material lifespan. These advancements mark key progress toward making the world's first profitable direct air capture plant a reality.

This collaboration exemplifies how corporate resiliency, philanthropic capital, and climate technology leadership can align to help accelerate measurable impact. It also reinforces our belief that business has a critical role to play in building a sustainable future, through both the products we create and the relationships we forge.

OUR FOOTPRINT METRICS AND TARGETS

FY25 Emissions

We remain committed to accurately and transparently reporting our emissions footprint in accordance with the GHG Protocol. This year, we decided to implement a methodology change that will allow for a more complete collection of our Scope 3 purchasing data. Given the methodology change will result in a greater than 5% increase to our baseline year reported emissions, we are in the process of recalculating our emissions for our FY22 (baseline), FY23 and FY24 reporting years. We will publish the recalculated emissions data for these years, as well as our FY25 emissions data, in an updated version of this Impact Report once the recalculation is complete. We expect the updated emissions data to be published in March 2026.

Our SBTi-verified Targets

We have validated SBTi near-term and net-zero targets. We committed to reducing our Scope 1 and 2 emissions 50% and our highest Scope 3 emissions category (Scope 3, Category 1 – Purchased Goods and Services) 25% by 2030. We also committed to net-zero targets by 2050, with 90% absolute reductions and up to 10% abatement if needed. Once the recalculation of our baseline year emissions is complete, we will reevaluate our targets to confirm our targets still meet the SBTi minimum ambition and coverage requirements.

EMPOWERING OUR TEAM AND COMMUNITIES

IN THIS SECTION

Elevating Employee Engagement

Positively Impacting Our Communities

Empowering the Next Generation Through STEM

Developing Skills Across Our Partner Ecosystem

EMPOWERING OUR TEAM AND COMMUNITIES

Our people—Team PTC—are the heart of our company. In FY25, we aligned our people strategy with the business through purposeful programs that strengthen our culture, attract and develop top talent, and positively impact our communities.

Through refreshed values, enhanced learning opportunities, and recognition programs, we engage our employees and foster key behaviors, like inclusion, boldness, collaboration, and continuous improvement—qualities essential for our success. Social impact activities, community events, and academic partnerships provide additional avenues to make a meaningful difference. United in our mission to empower customers, communities, and each other, our impact goes far beyond the walls of our offices.

An engaged workforce fuels business performance by driving innovation, productivity, collaboration, and job satisfaction. When employees feel connected to our mission and values, they can truly thrive, amplifying our collective impact around the world.

2025 Recognition

Great Place to Work Certification in 22 Countries
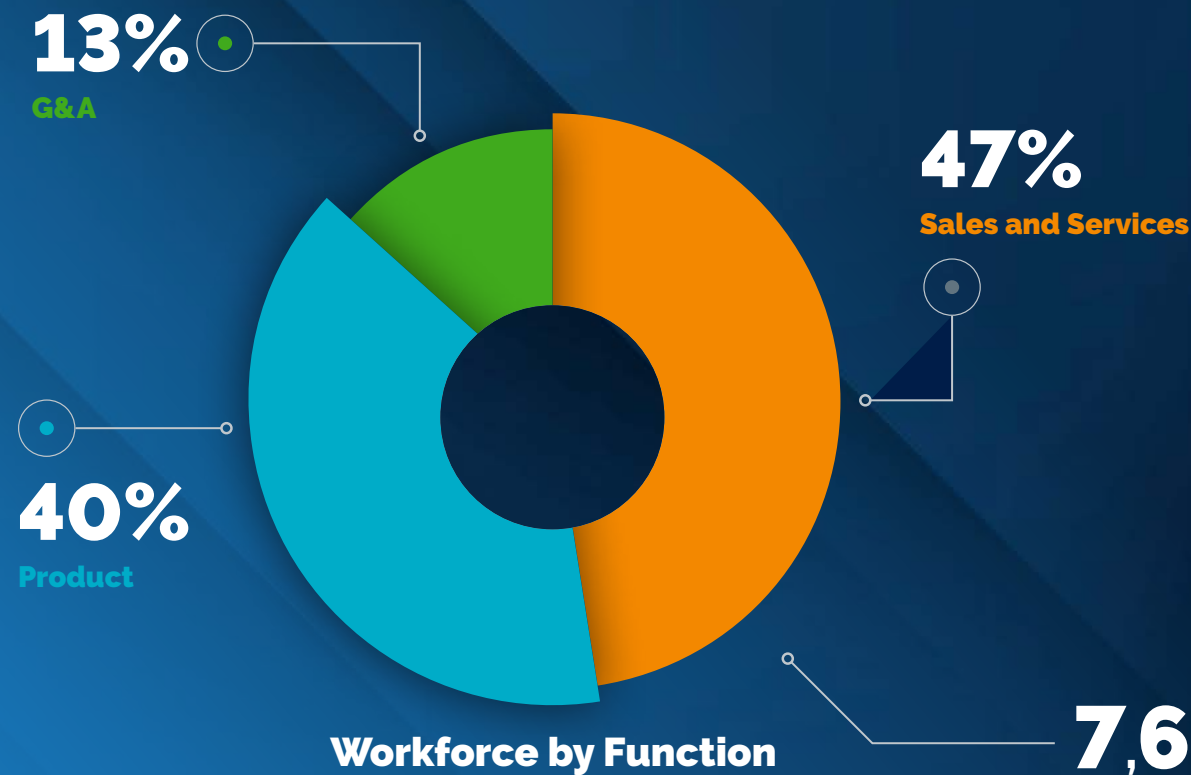
#3 Top Largest Places to Work in Massachusetts
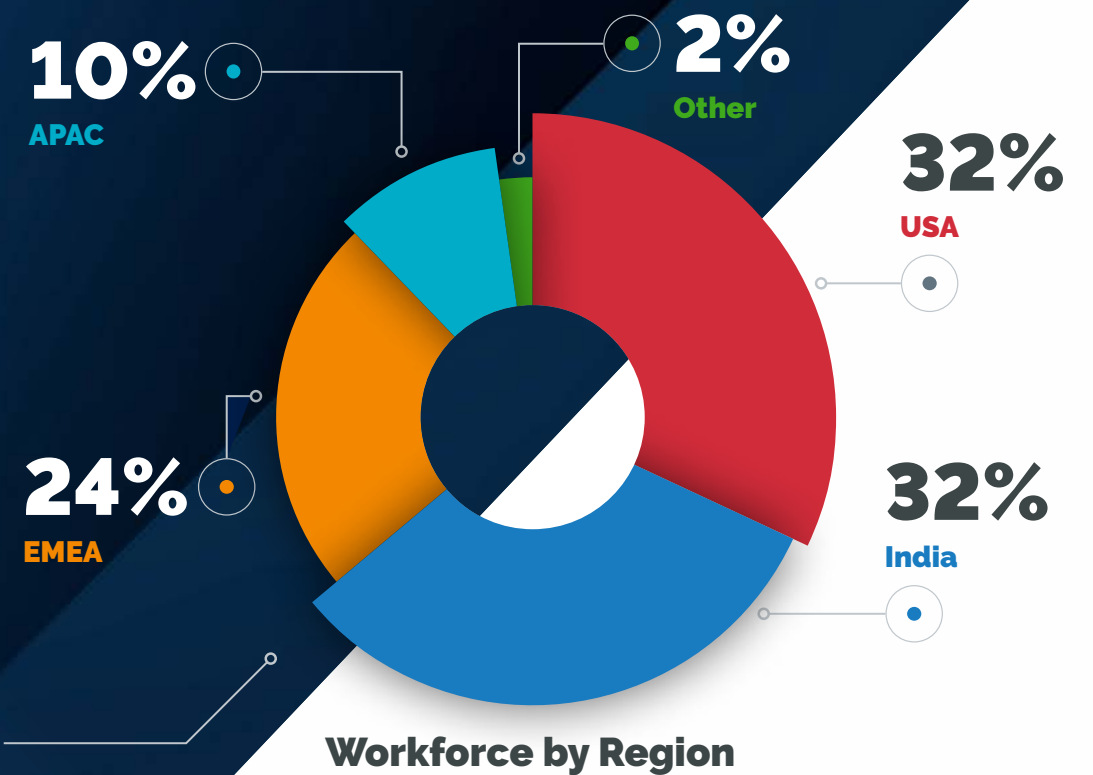
Best Workplaces in Technology

OUR PEOPLE

A global, multi-disciplinary team is how we win together.

13%
G&A

47%
Sales and Services

40%
Product

Workforce by Function

7,642
full-time employees*

10%
APAC

2%
Other

32%
USA

32%
India

24%
EMEA

Workforce by Region

*Data as of September 30, 2025

STRATEGIC MATTER

ELEVATING EMPLOYEE ENGAGEMENT

At PTC, the work our employees do is complex, challenging, and deeply inspiring. Their creativity and commitment drive innovation and deliver meaningful impact to our customers and communities. We strive to create an environment where everyone can thrive—one that values collaboration, celebrates achievements, and provides resources and support needed to achieve ambitious goals. When employees feel energized and connected to our purpose, the results are stronger teamwork, bold ideas, and lasting outcomes.

We believe the most meaningful way to gauge the effectiveness of our employee engagement efforts is to regularly gather employee feedback through various channels, including our engagement pulse survey. In June 2025, we achieved an **86% response rate** (up 2% from our last survey in October 2023) and maintained a strong **engagement score of 82**. These results reflect continued willingness among employees to share their experiences. When benchmarked externally, our engagement score outperformed the Global Glint 2024 average (74) and the tech industry's 2025 average (76). PTC uses Glint's best practice 5-point Likert scale, which is transformed to a 100-point scale for survey reporting.

OUR VALUES

Reflecting who we are and how we work, our values are foundational to our culture and guide how we show up for each other, our customers, and our communities.

We embedded these values across the employee lifecycle—recruiter toolkits, onboarding, goal setting, recognition, leadership messaging, and performance reviews. The values are showcased through employee spotlights across PTC's communications channels, curated LinkedIn Learning courses, and gamified engagement tools to help our people connect and contribute to our culture in authentic ways.

WHAT EMPLOYEES ARE SAYING

82
Demonstrate Culture[1]

"People at PTC demonstrate our culture & values at work."

80
Purpose & Values[2]

"I feel connected to the purpose and values of PTC."

[1] New question; +11 from Glint's Global 2024 benchmark

[2] +1 from last year's survey; no benchmark

CUSTOMERS MATTER

Really matter. We listen, work to understand their unique challenges, and strive to create excellent experiences, products, and partnerships that deliver meaningful impact.

TEAM PTC

We win and lose together. We break down silos for our collective success. We see the bigger picture and build trust with each other by delivering on our promises, meeting deadlines, and sharing knowledge.

BE BOLD

Speak up and be accountable. It's OK to disagree, raise concerns, and take calculated risks. If something isn't working, we're empowered to address it early, learn from our failures, and pivot quickly for better outcomes.

PTC FOR ALL

We choose to be our best, authentic selves and welcome all to do the same. We always act with integrity and care about each other and the world around us.

PURPOSEFUL INNOVATION

We are driven to innovate across every team. We celebrate both big ideas and small continuous improvements. We stay curious and focus on delivering real customer value every day.

Employer Brand Ambassadors: With 90 global participants from regions where PTC operates, this program aims to enhance personal branding, foster networking, and leverage platforms to build meaningful connections across #LifeAtPTC.

FOSTERING AN INCLUSIVE CULTURE

Inclusion at PTC begins with our global community and is reflected in every employee, product, and interaction. We celebrate differences and recognize that diverse perspectives drive innovation. We all play a role in shaping our inclusive culture built on respectful dialogue and shared responsibility.

Guided by our PTC for All value, we encourage everyone to bring their authentic selves to work and support others in doing the same. We act with integrity and care for each other and the world around us. We attract, develop, and retain top talent through inclusive programs, practices, global Culture Resource Groups (CRGs), mentorship, and community involvement.

CRGs are open to all PTC employees worldwide. employees join based on shared backgrounds, experiences, or interests, and are major contributors to building a more inclusive culture. They serve as talent incubators by providing employees with valuable leadership, mentorship, and networking opportunities.

WHAT EMPLOYEES ARE SAYING

81

Belonging[1]

"I feel a sense of belonging at PTC."

[1] +1 from last year's survey; +8 from Glint's Global 2024 benchmark

All of PTC's CRGs are open to every employee—membership is not limited by role, location, or background.

EARLY CAREER
Fostering community, career connections, and resources to develop early talent.

ENERGIZE
Building a global community around health and wellness.

FAMILY
Empowering PTC families to be successful at both home and work.

GLOW
Empowering women and allies to network, celebrate, advocate, and grow personally and professionally.

HOLA
Creating belonging for PTC's Hispanic & Latinx employees and allies by providing community, career development resources, and raising cultural awareness.

LOTUS
Celebrating Asian culture and supporting professional and personal growth through shared experiences and programming.

PRISM
Cultivating an inclusive space for LGBTQ+ employees and allies through awareness, education, and community.

SMART
Supporting accessibility and success for all employees through resources and advocacy.

SOUL
Fostering an inclusive space for Black employees and allies through intentional programming and professional development that strengthen our culture.

VETERANS
Elevating the voice and experience of Veterans to strengthen our culture.

VIRTUAL
Enhancing the virtual and hybrid work experience to support performance and connection.

Promoting Talent Development

Our approach to talent development is rooted in continuous learning, inclusive growth, and strategic alignment with our business and values so we can drive results as one team. We meet employees in the moments that matter—whether through onboarding, mentorship, the performance cycle, or career development—to empower them to unlock their potential through timely, relevant, and accessible learning opportunities.

For All

All employees have access to these tools and programs that support every stage of their career development.

LinkedIn Learning: Curated learning paths offer access to thousands of online courses for continuous development.

Global Mentorship Programs: Cross-cultural and functional mentorship initiatives that foster leadership readiness and collaboration.

On-demand Resources: Centralized intranet tools supporting growth and connection.

Custom Intact Team Training: Tailored programs addressing specific business needs.

Enablement Sessions: Localized content in multiple languages to ensure accessibility.

Skill Builds: Focused on themes such as influence without authority, courageous conversations, and productivity.

For People Managers

Managers play a pivotal role in shaping the employee experience. We equip them with flexible, scalable resources to lead with clarity, empathy, and impact.

Managing@PTC Hub: On-demand guides, helpful courses to being a successful manager at PTC, and skill builds focused on attracting, developing, and inspiring talent.

Meeting with Managers: Educational calls offering business updates and enablement.

Internship Program Expansion: Delivered high-impact early career experiences for 228 interns across US, India, EMEA, and APAC, with strong NPS scores and increased conversion rates to full-time roles.

WHAT EMPLOYEES ARE SAYING

77
Growth[1]

"I have good opportunities to learn and grow at PTC."

84
Ongoing Feedback[2]

"My manager provides me with feedback about my performance to help me do my job better."

88
Contribution[3]

"I understand how my work contributes to PTC's success."

[1] +2 from last year's survey, +5 from Glint's Global 2024 benchmark

[2] +8 from last year's survey; +7 from Glint's Global 2024 benchmark

[3] +1 from last year's survey; +5 from Glint's Global 2024 benchmark—a strong indicator of engagement overall

Maintaining Strong Recognition Programs

Our global employee recognition programs reinforce our values, celebrate the behaviors that impact our business priorities, and honor employees who contribute to innovation and excellence.

- **Change Makers** is our top recognition program celebrating employees who bring our values to life and drive our strategy forward. Each quarter, up to three Change Makers are selected by a global, cross-functional committee of senior leaders.

- **Applause** is our social rewards and recognition platform that enables employees to celebrate colleagues through peer-to-peer recognition where earned points can be redeemed for meaningful rewards.

- **Innovate at PTC** is a company-wide program designed to cultivate a culture of innovation by empowering employees to explore bold ideas and collaborate across functions. It provides a structured framework for idea incubation, skill-building, and network expansion, enabling participants to test new concepts and drive meaningful impact. Innovate at PTC exemplifies how our values come to life through employee-led innovation.

Attracting Top Talent in a Competitive Market

Talent Acquisition (TA) is a strategic enabler of PTC's transformation and growth. Through global programming, TA drives alignment between business needs and workforce capabilities, ensuring we attract, engage, and retain top talent. Our FY25 hiring strategy focused on operational excellence with AI integration, global alignment, and proactive workforce planning.

JOHN ROUSSEAU

VP, Technical Operations (US)

Values:

With strategic foresight, technical excellence, and cross-functional collaboration, John exemplifies what it means to be a Change Maker by leading the launch of Onshape Government. This purpose-built version of Onshape was designed to help meet the compliance needs of US federal and state agencies, defense contractors, and organizations working on regulated projects. This new offering helped expand PTC's market reach and drive lasting business value.

SARAH SCHOENEN

EMEA Head of Legal Operations and Digital Transformation (Germany)

Values:

Sarah has championed AI implementation across the company. This year, she led the enhancement of HALO (Hub for Agile Legal Operations), a centralized hub supporting EMEA and global legal activities and transactions. She also advanced legal operations by piloting a Contract Lifecycle Management (CLM) system in EMEA, laying the groundwork for a company-wide CLM rollout.

13

Change Makers from **4** countries out of **93** total nominations from around the world

18,208

Applause recognition moments

1,000

Employees have made contributions to **93** unique innovations through the Innovate at PTC program since 2020

OFFERING COMPREHENSIVE BENEFITS AND REWARDS

We offer a comprehensive suite of benefits and wellness programs that support employees (and their families) in all aspects of life—mentally, emotionally, physically, and financially—to help reduce stress-related challenges and promote a healthier work-life balance across all regions. Learn more about PTC's total rewards and benefits here.

WHAT EMPLOYEES ARE SAYING

89
Work/Life Balance[1]

"My manager supports my efforts to balance my work and personal life"

81
Employee Well-being[2]

"PTC takes a genuine interest in the employees' well-being"

[1] +2 points from the last survey; no benchmark

[2] +3 points from the last survey; +12 from Glint's Global 2024 benchmark

Wellness & Well-being Offerings

- **Access to SupportLinc Employee Assistance Program (EAP):** Confidential, professional emotional and mental health support, along with a monthly EAP webinar series on wellness trends.

- **Wellness Intranet Resources:** Intranet resources with monthly themes to provide a consistent global experience while maintaining local relevance through enablement sessions.

- **Wellness Ambassadors:** Employees passionate about health and wellness who motivate colleagues through local initiatives that strengthen personal, physical, mental, emotional, and financial well-being.

- **Flex@PTC:** Flexible work arrangements designed to support personal and professional needs.

- **Mental Health Awareness Month:** Programming includes expert-led webinars, fitness challenges, and virtual yoga in partnership with the Energize CRG.

- **Suicide Prevention:** Tools, resources, and support provided during Suicide Awareness Month in September, featuring events aimed at reducing stigma.

Core Global Benefits

| Health, life, and disability insurance | Retirement savings plans | Paid parental leave | Paid Time Off and Compassionate Leave | Performance-based compensation |

Cultivating a Safe Work Environment

Reinforced in our Global Health and Safety policy, the Global Safety, Security, and Resiliency program at PTC aims to ensure our people and facilities remain safe and secure.

- **Crisis Management Policy:** Enables PTC to swiftly and efficiently address a crisis or potential crisis that could affect PTC stakeholders and/or damage PTC's reputation and value. For the continued safety and security of our workforce, public emergency incidents (e.g., natural disasters, geo-political and governmental actions, human events such as riots, protests, and acts of terrorism) that have the potential to significantly impact the safety, security, and overall well-being of our people, and/or the availability of PTC facilities, are monitored and responded to appropriately.

- **Global Physical Security Policy:** Establishes required security practices and controls for our PTC facilities and employees to practice consistently across the globe to help keep our people, facilities, assets, and data safe and secure. The policy establishes controls and responsibilities for all PTC identification badges and describes requirements for Access Control Systems (ACS), and Video Surveillance systems for all PTC facilities globally.

- **Global Health and Safety Policy:** Designed to maintain compliance with applicable occupational health and safety local, state, federal and international regulations, statutes and laws. It supports PTC's ongoing efforts to provide a healthy and safe work environment for our workforce. PTC's Global Safety Program is led by a Global Safety Committee, responsible for establishing and maintaining the Policy, providing methods for employees to report health and safety incidents or concerns, and offering health and safety training.

- **Local Emergency Action Plans:** Established globally, our Emergency Action plans provide local guidance for workplace emergencies, such as bomb threats, fires, medical emergencies and accidents, severe weather and natural disasters, power failures, and workplace violence and active assailants, and establish Emergency Response Teams for each local office.

- **Travel Risk Management Program:** Designed to help keep employees safe and secure during business travel.

- **Workplace Violence Prevention Policy:** PTC strives to maintain a safe and violence-free workplace for all employees and contractors and will not tolerate any form of violence or threat of violence. This global policy states that any observed or reported form of violence or threat of violence will be taken seriously and investigated. We have developed and maintain response plans and provide related employee training.

STRATEGIC MATTER

POSITIVELY IMPACTING OUR COMMUNITIES

We strive to make positive impacts in areas that are aligned with our organizational goals, empowering our employees and enhancing our brand reputation.

PTC for Good

PTC for Good is our holistic and strategic approach to social impact initiatives that encompasses all the ways we are embedding positive change across our entire ecosystem—and includes the PTC Foundation. Through these efforts, we are amplifying our ability to be a force for good in the world.

The PTC Foundation is rooted in its mission "to create a better reality" by enabling communities to embrace technology through grants, while also empowering employees to positively impact their communities through volunteering and giving across global programs.

The PTC Foundation Board of Directors is a cross-functional team of employee volunteers, including executives. It provides oversight and guides priorities to ensure alignment with PTC's organizational goals and objectives.

Our Cause Pillars

We structure our impact around three pillars to align resource allocation with our global purpose and employee passions.

- **Environmental Sustainability:** We partner with organizations that prioritize practical solutions and positive actions toward protecting our planet, including supporting research, education, and innovation around environmental sustainability.

- **STEM and Education:** We invest in and inspire future generations of engineers and innovators through relevant nonprofits and educational institutions within the space.

- **Community Support:** We champion organizations that have broad-based support from PTC employees in the community.

PTC FOR GOOD

Our Social Impact Initiatives

Our social impact initiatives, driven by our Impact Ambassadors and Green at PTC—dedicated groups of employee volunteers championing environmental and social impact year-round, center on mobilizing employees and nonprofits through annual volunteering and giving campaigns, sustainability training, and grantmaking. Our key actions include:

- **Season of Caring:** Our long-standing campaign during the holiday season inspires employees to make a positive difference through community service.
  - Watch our 2024 Recap Video

- **Spring into Service:** We continue the momentum from Season of Caring well into the year, with an emphasis on Earth Week.
  - Watch our 2025 Recap Video

- **Impact Grantmaking:** Employees are invited to nominate nonprofit organizations that align with our three pillars for grant consideration. Read our blog for details on the nonprofit organizations supported.

- **Company Donation Matching:** We match employee donations up to $250 USD to eligible nonprofits.

- **Volunteering Paid Time Off:** Employees can use up to two paid days per fiscal year for nonprofit service.

$620,000

in philanthropic grants through the PTC Foundation and PTC Inc. to 15 organizations

$117,144

in corporate charitable contributions through the employee donation match program

$148,941

in total employee donations

7,101

total employee volunteer hours

STRATEGIC MATTER

EMPOWERING THE NEXT GENERATION THROUGH STEM

Our Strategy

For over 20 years, PTC has aimed to enable the workforce of the future by providing resources and support for K-12 and collegiate students, educators, and academic institutions interested in learning and teaching PTC's technology and software solutions as part of their STEM programs.

The PTC Education program offers free and discounted software, original curriculum materials, online courses, certification, and engagement programs.

The PTC Education team is dedicated to strengthening our position in the market by fostering deeper, more strategic relationships with higher education institutions and K–12 schools. We collaborate closely with educators and academic programs to help make our technology not only accessible but fully integrated into the learning experiences that prepare the next

generation of engineers, designers, and innovators. Through active participation in key industry events, support for student competitions, and the creation of valuable educator resources, we empower institutions to bring real-world tools into their classrooms—tools that students will rely on as they advance into their careers.

Our strategy creates accessibility and shared value across the education and industry ecosystem. Through offering free or discounted access to cloud-native tools like Onshape, which run on any device and require no specialized hardware, we help schools overcome resource barriers and empower students to learn and collaborate more effectively. This allows students to graduate with practical, in-demand skills that make them more employable, while helping our customers to benefit from a talent pool already trained on PTC software. As these future professionals enter the workforce, we believe they will bring with them a preference for the tools they've learned to trust, strengthening our customer relationships and reinforcing PTC's role in shaping the future of engineering.

Our Approach

To support this strategy, the PTC Education team has a multi-faceted approach that directly supports both educators and students.

- We offer industry-recognized certifications to help **Career and Technical Education (CTE) programs** validate student achievement and prepare learners for the workforce.

- Our team develops **ready-to-use curriculum** that educators can implement in classrooms, making it easier to teach design and engineering concepts using PTC tools.

- To complement these classroom tools, **we engage the educator community** with professional development opportunities through webinars and speaking engagements.

- Through **partnerships with organizations** like Project Lead The Way (PLTW), Engineering for US All (E4USA), ITEEA, and SolidProfessor, we're working to scale educator training and curriculum development that integrates our software into STEM programs across the US.

While we support learners across various educational levels, our primary focus is on universities due to their proximity to the workforce and our customer base. By equipping university students with industry-relevant skills and tools, we not only enhance their preparedness for professional careers but also enable our customers to recruit individuals already proficient in PTC technologies.

1.69M
students and educators leveraged our software in their STEM programs

1,693
schools received donations of our Onshape Education Enterprise software subscription

11.6M
total hours of usage time

$50K
in financial grants to **50** student competition teams

PROGRAM SPOTLIGHT

FIRST ROBOTICS

AN IMMERSIVE, MENTOR-BASED PROGRAM

FIRST Robotics is an immersive, mentor-based program that actively involves students in science, engineering, and technology through robot competition. In the 2024-25 competition season, PTC sponsored 50 teams through grants, contributing a total of $50,000.

Additionally, PTC provides free access to Onshape to any student or mentor involved in the program. This initiative ensures that all participants can model their designs regardless of their ability to afford high-powered devices or software licenses. PTC employees actively contribute their time volunteering at events or coaching teams, offering valuable mentorship to this vibrant STEM community.

PROGRAM SPOTLIGHT

SCIENCE OLYMPIAD

DEDICATED TO IMPROVING THE QUALITY OF SCIENCE EDUCATION

Science Olympiad is a national organization in the US dedicated to improving the quality of science education through competitive tournaments. Over 200,000 participating students gain hands-on experience in various scientific disciplines, which can inspire future careers in STEM. PTC supports the Science Olympiad organization as a sponsor, as well as providing access to Onshape software licenses for participants.

This year, we collaborated with the Science Olympiad organization to trial a new competition called Engineering CAD. Students were provided with drawings and tasked with modeling those parts and assemblies. This provides students with an engaging challenge while also giving them the opportunity to demonstrate technical proficiency and earn industry-recognized credentials.

SUPPORTING THE NEXT GENERATION OF ENGINEERS THROUGH COLLEGIATE DESIGN COMPETITIONS

PTC is proud to support several collegiate design competitions that empower students to apply engineering theory to real-world challenges. These programs foster innovation, collaboration, and professional development, helping shape the future of the engineering workforce.

SAE Collegiate Design Series: The Society of Automotive Engineers (SAE) Collegiate Design Series provides hands-on, team-based engineering experiences for undergraduate and graduate students through competitions such as Formula SAE, Baja SAE, and SAE Aero Design. These projects demand technical expertise and offer opportunities to build skills in project management, communication, and resource planning. For the 2024–2025 season, the PTC Foundation continued its sponsorship of these competitions to inspire and equip future engineers.

Formula Student UK: Held annually at Silverstone Circuit, Formula Student UK is Europe's most established educational engineering competition. Organized by the Institution of Mechanical Engineers, it challenges university teams to design, build, and race single-seat cars. While hosted in the UK, the event draws over 100 teams from around the world, making it a truly global showcase of student engineering talent. The PTC Education team provided financial sponsorship to the competition and to an annual training event that kicks off the season.

IREC (Intercollegiate Rocket Engineering Competition): IREC is one of the world's largest collegiate rocket engineering competitions, hosted annually in the US as part of the Spaceport America Cup. It attracts student teams from over 50 countries, including Brazil, India, Turkey, Mexico, and China. These teams design, build, and launch high-powered rockets, gaining experience in propulsion, avionics, and systems integration. The PTC Education team was proud to be a Gold level sponsor of the 2025 event.

Onshape Education Enterprise Plan: Across all collegiate competitions, PTC sponsors 234 university teams with donations of the Onshape Education Enterprise plan. This version of Onshape includes powerful features such as finite element analysis (FEA), release management, and real-time collaboration tools, allowing students to spend less time managing CAD files and more time designing, testing, and learning.

STRATEGIC MATTER

DEVELOPING SKILLS ACROSS OUR PARTNER ECOSYSTEM

Partner enablement and certifications are foundational to PTC's strategic mission of delivering innovative technology solutions that help customers achieve their digital transformation goals. By equipping partners with knowledge, tools, and credentials, we empower our ecosystem to deliver consistent, high-quality outcomes across industries and geographies.

Launched in March 2025, our certification program allows partners to be recognized as trusted advisors, giving our customers confidence that their solutions will be deployed efficiently and effectively, thus enabling faster time-to-value. Enablement programs aim to align partners with PTC's latest innovations, methodologies, and best practices—ultimately helping enhance customer satisfaction, retention, and success.

Partners are now using certifications as recruitment criteria to help confirm that new individuals joining their company possess the skills and knowledge necessary to be successful in the field. This is an early sign of the impact that certifications can have on both the employability of individuals and the success of organizations as the program continues to mature and grow.

Our Strategy Pillars

PTC's partner enablement and certification strategy is built on three pillars:

Capability Development

Structured, role-based learning paths and technical training enable partners to be proficient in PTC's product portfolio, including Creo, Windchill, and Codebeamer. This empowers partners to deliver solutions that meet specific customer needs.

Credentialing & Validation

Certifications validate partner expertise and serve as a quality benchmark for customers. They help differentiate partners in the marketplace and build customer confidence in partner-led engagements.

Continuous Engagement & Support

Ongoing enablement through webinars, update sessions, and co-selling support help partners stay on top of product innovations and shifting customer expectations, aligned with our vertical go-to-market strategy. Through our New Product Introduction webinar program, partners learn the latest about product features upon release. This dynamic approach fosters agility and responsiveness in customer engagements.

Strategic decisions around enablement investments are guided by customer feedback, partner performance data, and alignment with PTC's growth priorities—helping us direct resources where they will have the greatest impact.

Partner Enablement Metrics

To measure the effectiveness of partner enablement and certifications, PTC tracks the following key metrics:

Ecosystem Certification Coverage

Within the first six months of certification availability, over 900 individuals across our go-to-market ecosystem have achieved certification. In FY26, we aim to increase these numbers further and introduce more specialized, domain-specific certifications.

Customer Satisfaction Scores (CSAT)

Feedback from customers on partner-led implementations and support engagements.

Partner Engagement Rates

Participation in enablement programs, webinars, and training modules.

GOVERNANCE AND INTEGRITY

IN THIS SECTION

Oversight of Enterprise Risk Management

Promoting Ethical and Transparent Business Conduct

Supplier Sustainability Policy

Responsible AI

Protecting Personal Data and Securing PTC Customer Data

GOVERNANCE AND INTEGRITY

Our commitment to leading in all that we do by acting ethically and with integrity defines who we are. We support this commitment with a robust framework of policies, procedures, and processes designed to promote ethical behavior, accountability, and transparency, and protect the interests of our stakeholders.

Oversight of Enterprise Risk Management

Our Board of Directors is responsible for the oversight of management's enterprise risk management. Our executive management is responsible for managing risk and takes an enterprise-wide approach to identify and address existing, emerging, and future risks, including non-financial risks. Our Board and its relevant committees review with our executive 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 its relevant committees do not view risk in isolation but discuss risk throughout the year in relation to ongoing operations and proposed actions and initiatives.

For details regarding our sustainability governance, view the Sustainability Governance section.

STRATEGIC MATTER

PROMOTING ETHICAL AND TRANSPARENT BUSINESS CONDUCT

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. Stemming from our commitment to sharing the information our customers and partners need to be confident in doing business with us, we created our Trust Center as a hub for information about our compliance with laws and regulations that apply to our business.

100%

of employees completed the annual Code of Business Conduct and Ethics Certification in FY25

Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics addresses our policies on the following topics:

- Anti-bribery and anti-corruption
- Fair competition
- Human rights
- Open door and anti-retaliation
- Confidential information and IP
- Health and safety
- Non-discrimination

This is not a complete list of the topics covered. See our Code of Business Conduct and Ethics to understand the full scope of the code.

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, customers and suppliers to abide by all the principles in our Code. Failure to comply with the Code may result in disciplinary action up to and including termination. Our Chief Compliance Officer provides our Board of Directors with periodic reports on the operation and effectiveness of our ethics and compliance program.

We maintain an Open Door & Anti-Retaliation Policy encouraging employees to speak up and seek guidance when they have questions about the Code or PTC policies, need guidance on how to ethically navigate a complicated situation, or want to report unethical behavior. Employees can report unethical behavior to designated PTC contacts, 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. We are 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. 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.

Supplier Sustainability Policy

Our Supplier Sustainability Policy sets forth the expectations of our business suppliers and partners to read and comply with our Code of Business Conduct and Ethics and ensure that the requirements are communicated, understood, and followed by their employees and employees of their subcontractors and suppliers. It also specifies that suppliers must support internationally recognized human rights, especially those banning child labor, forced labor, slavery, discrimination, harassment and human trafficking, and comply with all applicable laws and regulations regarding health and safety in the workplace.

Our policy encourages our suppliers to consider their environmental impacts, including energy efficiency and consumption, use of reliable energy, waste of water and other natural resources, and greenhouse gas emissions in the supplier's own business and across their supply chains. We also encourage our suppliers to measure and report their GHG emissions and consumption of natural resources.

For more on how we are pursuing more sustainable suppliers based on their environmental impact, see the Actions Toward Our Footprint Reduction section.

Our policy reserves the right to take appropriate measures against suppliers and business partners that do not fulfill the requirements of our Supplier Sustainability Policy, up to and including termination of their relationship with us.

RESPONSIBLE AI

AI Governance Framework

We have an AI Governance Framework to guide our efforts in adopting responsible AI governance while fostering AI innovation. The AI Governance Framework consists of our executive leadership team, an AI Steering Committee, and an AI Action Committee.

The Board of Directors and the Corporate Governance Committee receive periodic reports on the status of our AI governance strategy and our AI initiatives and programs.

The AI Action Committee is a cross-functional team responsible for developing AI policies, evaluating AI use cases, and creating AI training programs. The AI Action Committee provides periodic reports to the AI Steering Committee, which evaluates matters escalated by the AI Action Committee and makes strategic recommendations. The AI Steering Committee, in turn, provides periodic reports to the executive leadership team, which offers comprehensive guidance on our AI strategy.

As part of implementing responsible AI governance, we developed an AI Governance Policy that aligns with the principles of trustworthy AI, as defined by the National Institute of Standards and Technology's (NIST) Artificial Intelligence Risk Management Framework (AIRMF1.0). These principles emphasize AI that is valid, reliable, safe, secure, resilient, transparent, explainable, privacy enhanced, and fair. Our AI Governance Policy outlines the governance structure we use to assess the risks associated with the design, development, deployment, and use of trustworthy AI solutions.

We also assess AI risk as it relates to sustainability. See our Climate Risk Plan in the Appendix for more information about how we monitor AI power usage in connection with our net-zero strategy.

Board of Directors

Executive Leadership Team

AI Steering Committee

AI Action Committee

AI at PTC: Enabling Customers to Turn Product Data into Product-Driven Intelligence

There is a categorical shift happening in how product development gets done, and AI is a driving force. Our expertise in supporting product companies digitally transform and create their product data foundation—and our deep understanding of where and how work happens—enables us to embed AI where it is relevant for customers and deliver meaningful impact.

Our solutions empower organizations to strengthen their product data foundation to become the backbone of AI-driven transformation across their business. Embedded into the existing workflows of PTC products such as Windchill, Codebeamer, and ServiceMax, our AI capabilities can transform product data into actionable decisions and those decisions into innovation.

AI Enablement for PTC Employees

In FY25, we focused on deploying AI-enabled tools and activating AI features in the applications employees use every day to automate routine, repetitive tasks such as drafting emails, summarizing meetings, and automating processes, freeing employees to concentrate on strategic, value-add activities. By reducing cognitive load and eliminating mundane work, AI gives our employees the opportunity to be more creative, collaborative, and human—focusing on innovation rather than administration.

The **PTC AI Champions program** is an internal ambassador group composed of passionate, early adopters of AI who lead by example in transforming how we work. They serve as go-to resources for colleagues by sharing best practices, offering support, and showcasing real-world applications of AI. Through ongoing engagement opportunities, collaborative initiatives, and knowledge-sharing activities, the program empowers employees to explore AI tools, build confidence, and accelerate innovation across teams.

STRATEGIC MATTER

PROTECTING PERSONAL DATA AND SECURING OUR CUSTOMERS' DATA

Cybersecurity and Data Privacy

Cybersecurity

Cybersecurity is a risk area with oversight at the highest levels of the organization, including the executive level and Board. The Cybersecurity Committee of the Board receives quarterly reports from our cybersecurity teams on the state of our cybersecurity and our initiatives to enhance our cybersecurity profile and that of our products. As part of our program, we train our employees throughout the year on cybersecurity risks and our policies and practices designed to address those risks.

Data Privacy

Data Privacy and the protection of personal information is critical to our organization. We've developed and implemented a global privacy program to safeguard personal information through sound policies and procedures that place appropriate controls on personal information processing.

Advancing a Cybersecurity and Privacy-First Culture

Our Cybersecurity & Privacy Ambassadors (CSPA) program is a global community of employees that come together to form the foundation of PTC's human firewall. Ambassadors learn and model best practice behaviors that keep us safe from potential threats, while serving as a link between PTC's security experts and the rest of the company to help us secure PTC's SaaS future.
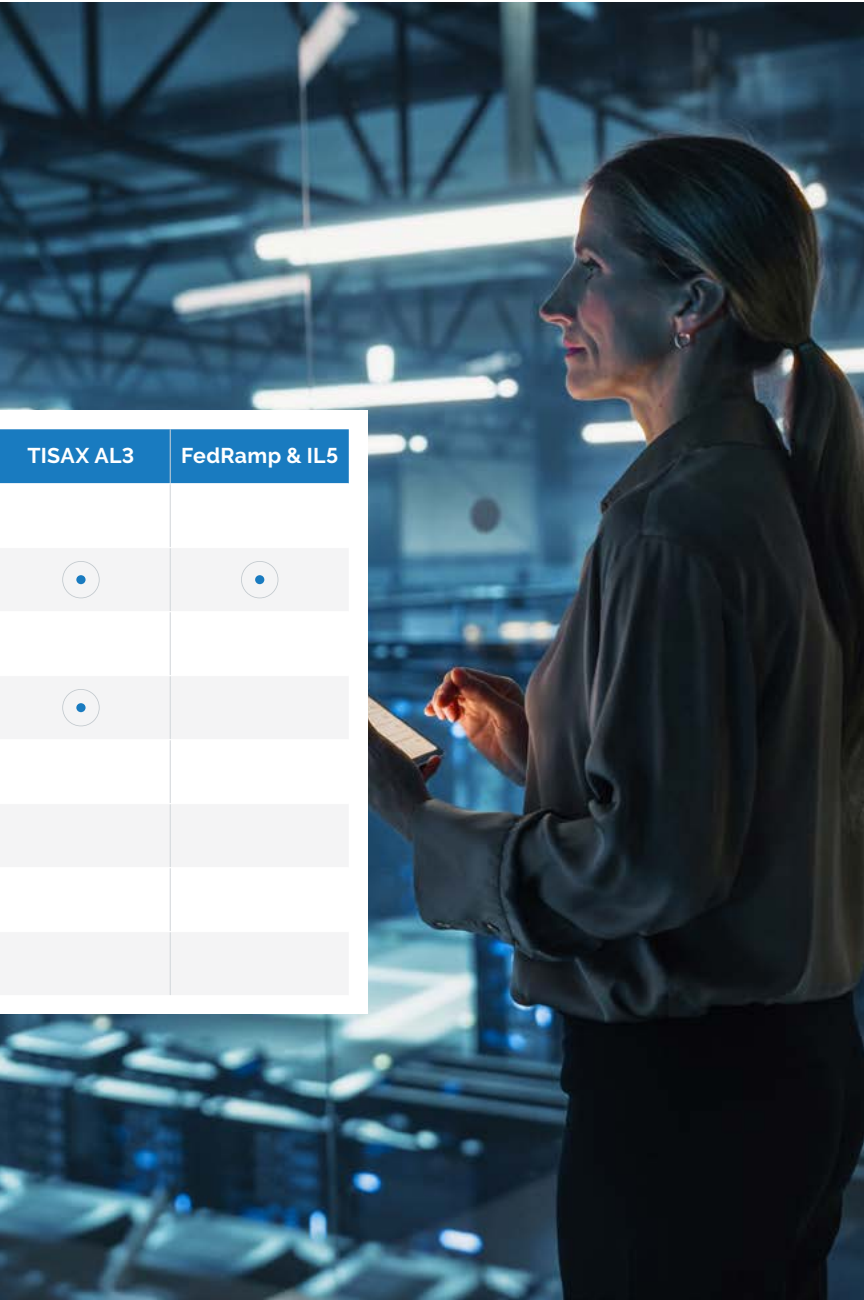
For more on our proactive cybersecurity approach and Privacy Policy, visit our Trust Center.

PTC Product Security Certifications and Compliance

PTC SERVICE	ISO 9001	ISO 27001	SOC2 TYPE II	TISAX AL3	FedRamp & IL5
Technical Support	●				
PTC Cloud		●	●	●	●
Arena			●		
Codebeamer	●	●	●	●	
ServiceMax		●	●		
Onshape			●		
Vuforia			●		
Pure Variants		●			

100%
of employees completed Cybersecurity Training in FY25

APPENDIX

IN THIS SECTION

Sustainability Accounting Standards Board Index

Climate Risk Plan

SUSTAINABILITY ACCOUNTING STANDARDS BOARD INDEX

This document has been prepared in alignment with the SASB Software & IT Services Industry Standard. While SASB metrics do not relate to the two material opportunities identified in our materiality analysis, we continue to report the following for transparency.

Our sustainability reporting continues to evolve and expand. For metrics on which we do not report at this time, we will continue to evaluate reporting on that metric in the future, including whether we have reliable data.

Note: Data is as of Sept. 30, 2025.

Environmental Footprint Of Hardware And Infrastructure		
TC-SI-130a.2	Water withdrawn and consumed in PTC operations	PTC has limited visibility into leased building water usage. Future tracking of this metric is being considered.
	Analyze PTC operations in water-stressed regions	We assess water-related risks based on the location of our offices upon lease renewal. Because this is a long-term issue and we have globally dispersed operations, PTC and its value chain have time to shift and adjust business practices to accommodate and prevent harmful effects.
TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	In selecting data centers, we intentionally select providers based on their commitment to not only quality service and security, but also to environmental responsibility, including water, energy, and land use. PTC leases space in co-located data centers for all of its data storage.

Data Privacy & Freedom Of Expression		
TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	PTC maintains a global privacy program to safeguard all personal information through sound policies and procedures that place appropriate controls on personal information processing. Information about how PTC collects and processes personal information is set out in the Data Privacy Statement covering PTC's collection and processing of personal information generally, with specific Privacy Statements for SaaS User and Mobile Apps, Job Applicants, and Children's Data and Onshape Education Plans, together with 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

Data Privacy & Freedom Of Expression *(Continued)*

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 nature of data processed by PTC, there are 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, including a dedicated Cybersecurity Committee of the 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 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.

Recruiting & Managing A Global & Skilled Workforce

TC-SI-330a.1	Percentage of employees located outside the United States	67.7%
	United States	32.3%
	Americas (excluding United States)	1.7%
	Europe, Middle East, Africa (EMEA)	23.9%
	Asia-Pacific countries (excluding India) (APAC)	9.8%
	India	32.4%
TC-SI-330a.2	Employee engagement as a percentage	82%

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

CLIMATE RISK PLAN

PTC conducts an annual assessment of climate risks and opportunities using guidelines from the Task Force on Climate-Related Financial Disclosures (TCFD). Similar to last year, we extended our evaluation to our supply chain to determine potential physical and transitional effects of climate change. We evaluated our climate-related risks and opportunities based on the short-term (up to 1 year), medium-term (up to 5 years), and long-term (up to 10 years). Our FY25 scenario analysis leveraged two scenarios when considering our climate-related risks, opportunities, and strategies. We analyzed the less than 2°C warming scenario, also known as SSP1-2.6 by TCFD standards, and the 4°C warming scenario, or SSP3-7.0. These scenarios were chosen based on accepted optimistic and pessimistic climate transition predictions.

Risk	Description	Risk or Opportunity	Value Chain Risk / Opportunity Driver	Magnitude	Likelihood	Mitigation Strategy / Rationale
Acute Environmental Risk	Increased instances of extreme weather events could impact the entire PTC value chain potentially resulting in operational disruptions and increased costs due to communication infrastructure/grid instability and building damage. Severe storms or environmental hazards could cause rolling blackouts, which could negatively impact SaaS companies that rely heavily on grid infrastructure. Additionally, office buildings may be damaged in the event of extreme weather events.	Physical Risk	Upstream Own Operations Downstream	3	2	We have globally dispersed operations, which helps reduce the magnitude of this risk, including the duration of any disruption. We lease our buildings, which helps mitigate financial risk associated with any building damage. Further, our high-risk sites have added mitigation infrastructure to diminish this risk. To help mitigate extreme weather events, we are implementing energy efficiency initiatives and transitioning to renewable solutions. To use water, energy, and land more efficiently, a number of our leased office spaces/buildings are LEED-certified buildings in locations accessible to mass transit. Additionally, for leased space in co-located data centers, PTC selects providers based on their commitments to quality service, security, and environmental responsibility. PTC has largely consolidated with data center and cloud providers with decarbonization targets that align with our own.
Chronic Environmental Risk	Sea level rise and drought/water stress could impact the entire PTC value chain and lead to operational disruptions and increased costs.	Physical Risk	Upstream Own Operations Downstream	3	2	We have globally dispersed operations, which helps reduce the magnitude of this risk, including the duration of any disruption. We lease our buildings, which helps mitigate financial risk associated with any building damage. Further, we have the ability to assess this risk based on the location of our offices upon lease renewal. Because this is a long-term issue, PTC and its value chain have time to shift and adjust business practices to accommodate and prevent harmful effects. PTC has redundancy across its operations to mitigate any risks associated with long-term environmental risks.

Risk	Description	Risk or Opportunity	Value Chain Risk / Opportunity Driver	Magnitude	Likelihood	Mitigation Strategy / Rationale
Market Shifts	Potential changes in consumer preferences and demand for sustainable and low-carbon products and services can create risk for businesses that are unable to adapt, potentially leading to a loss of market share and decreased financial performance.	Transition Risk	Downstream	1	1	Our sustainability practices, including our net-zero SBTi verified targets and transparent reporting of GHG emissions, help to mitigate this risk. Additionally, we comply with certain sustainability programs of our customers, and we set forth sustainability expectations of our suppliers in our Supplier Sustainability Policy.
New Environmental Legislation	Implementing changes surrounding mandatory reporting and emerging regulations have the potential to present significant time and cost burdens.	Transition Risk	Own Operations	2	5	Implementing changes to meet regulatory requirements, including emissions reporting/assurance requirements, will require investment. We have robust legal and compliance programs, as well as oversight of our sustainability program from the highest levels of the organization—our Board of Directors. Our strong sustainability governance structure mitigates this risk.
AI Power Usage Growth	As AI grows in popularity, it runs the risk of using a lot of computing infrastructure and energy resources, which could lead to increased carbon intensity for our cloud services. This could negatively impact our ability to reach our Net Zero targets.	Transition Risk	Upstream Own Operations	1	2	PTC focuses on continuing to partner with cloud service and AI providers aligned with net-zero strategies.
Climate Change Opportunity	The demand for climate transition solutions that enable the acceleration of the transition to a low-carbon economy—driven by customer initiatives, stakeholder expectations, and sustainability-related regulations—creates opportunities for PTC to leverage its existing product offerings and develop new product capabilities. By offering solutions that enable customers to act with decarbonization principles in mind, such as footprint transparency and emission reduction capabilities, PTC could increase revenue and expand its market share.	Transition Opportunity	Downstream	5	5	PTC helps customers incorporate sustainability into the design and product lifecycle of their products, which we expect will grow our market share through the climate transition. For more detail, see Our Financially Material Opportunities section.
Circular Economy Opportunity	The demand for software solutions that enable the transition to a circular economy—driven by customer initiatives, stakeholder expectations, and sustainability-related regulations—creates opportunities for PTC to leverage its existing product offerings and develop new product capabilities. By offering solutions that enable customers to act with circularity principles in mind, such as designing for reuse, solving issues remotely, optimizing service parts management, and facilitating end-of-life part recovery, PTC could increase revenue and expand its market share.	Transition Opportunity	Downstream	5	5	PTC helps customers incorporate sustainability into the design and product lifecycle of their products, which we expect will grow our market share through the climate transition. For more detail, see Our Financially Material Opportunities section.

OPERATING AND NON-GAAP FINANCIAL MEASURES

Operating Measure

Annual Run Rate (ARR)	ARR (Annual Run Rate) represents the annualized value of our portfolio of active subscription software, SaaS, hosting, and support contracts as of the end of the reporting period. We calculate ARR as follows:

- We consider a contract to be active when the product or service contractual term commences (the "start date") until the right to use the product or service ends (the "expiration date"). Even if the contract with the customer is executed before the start date, the contract will not count toward ARR until the customer right to receive the benefit of the products or services has commenced.

- For contracts that include annual values that change over time, we include in ARR only the annualized value of components of the contract that are considered active as of the date of the ARR calculation. We do not include any future committed increases in the contract value as of the date of the ARR calculation.

- As ARR includes only contracts that are active at the end of the reporting period, ARR does not reflect assumptions or estimates regarding future contract renewals or non-renewals.

- Active contracts are annualized by dividing the total active contract value by the contract duration in days (expiration date minus start date), then multiplying that by 365 days (or 366 days for leap years).

We believe ARR is a valuable operating measure to assess the health of a subscription business because it is aligned with the amount that we invoice the customer on an annual basis. We generally invoice customers annually for the current year of the contract. A customer with a one-year contract will typically be invoiced for the total value of the contract at the beginning of the contractual term, while a customer with a multi-year contract will be invoiced for each annual period at the beginning of each year of the contract.

ARR increases by the annualized value of active contracts that commence in a reporting period and decreases by the annualized value of contracts that expire in the reporting period.

As ARR is not annualized recurring revenue, it is not calculated based on recognized or unearned revenue and is not affected by variability in the timing of revenue under ASC 606, particularly for on-premises license subscriptions where a substantial portion of the total value of the contract is recognized as revenue at a point in time upon the later of when the software is made available, or the subscription term commences.

ARR should be viewed independently of recognized and unearned revenue and is not intended to be combined with, or to replace, either of those items. Investors should consider our ARR operating measure only in conjunction with our GAAP financial results.

Non-GAAP Financial Measures

Free Cash Flow	Free cash flow is cash flow from operations net of capital expenditures. Free cash flow is not a measure of cash available for discretionary expenditures.
Constant Currency	**Constant Currency:** ARR presented on a constant currency basis uses the foreign exchange rates in effect on Sept. 30, 2024.

Calculations and Reconciliations

The following table reconciles Free Cash Flow to the most comparable GAAP financial measure.

(in millions)	Year ended September 30, 2025
Cash from operations	$ 868
Capital expenditures	(11)
Free cash flow	$ 857

OUR LEASED, LEED-CERTIFIED BUILDINGS AND RELOCATIONS TO MASS TRANSIT-ACCESSIBLE CENTERS[1] [2]

Building	Certification
Atlanta, US	LEED Certified, Energy Star Certified
Boston, US (Headquarters)	LEED Platinum, Energy Star Certified
San Ramon, US	LEED Gold
Nagoya, Japan	DBJ Green Building Certification[3]
Pune, India (Weikfield)	IGBC Certified
Guangzhou, China	LEED Gold
Seoul, South Korea	LEED Certified
Singapore	Certified Green
Tokyo, Japan	DBJ Green Building Certification[3]
Barcelona, Spain	Double LEED, WELL Platinum
Budapest, Hungary	Certified BREEAM
Paris, France	Certified BREEAM (International Construction Standard)
Bucharest, Romania	Certified BREEAM

[1] Green shading indicates offices moved from a suburban location to urban center accessible by public transportation

[2] The locations listed in this table are leased office spaces within buildings that have LEED certifications (or similar). The office space of PTC Headquarters in Boston is LEED Gold certified; the building is LEED Platinum certified.

[3] DBJ Green Building Certification is an environmental and social rating system created and applied by the Development Bank of Japan to measure the environmental and social awareness characteristics of real estate properties.

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