IMPACT REPORT

| 2023

ptc

TABLE OF CONTENTS

A MESSAGE FROM OUR CEO-ELECT

As the CEO-Elect of PTC, it has been a distinct honor to spend the last few months getting to meet with our stakeholders. I've had the opportunity to see how our purpose – Power to Create – empowers our employees, customers, partners, and communities around the globe to not just imagine a better world, but to help create it.

Our 2023 Impact Report shares our initiatives, progress, and work we're doing to address the challenges we as a global community face. You'll quickly see why it makes me proud to be a part of this company.

WE'RE COMMITTED TO MINIMIZING OUR ENVIRONMENTAL FOOTPRINT.

Earlier this year, in recognition of the importance and urgency of sustainability and reducing greenhouse gas emissions, PTC signed the Science Based Targets initiative (SBTi) commitment letter, pledging both near-term emissions reductions and long-term net-zero targets. We reported our Scope 1, 2, and 3 greenhouse gas emissions for the first time and are actively working toward our targets of reducing our Scope 1 and 2 emissions by 50% before 2030 and achieving net zero before 2050.

OUR INDUSTRY-LEADING TECHNOLOGY ENABLES OUR CUSTOMERS TO REDUCE THEIR ENVIRONMENTAL IMPACT.

NEIL BARUA
CEO-Elect

> Our software strengthens our customers' processes across the product lifecycle, enabling them to make better design choices, manufacture more efficiently, and optimize product service and repair.

Our customers design, make, and service the things that allow the world to operate – the vehicles we use, the machines needed to build infrastructure, life-saving medical devices, the new wave of clean energy products, and so much more. Our software strengthens our customers' processes across the product lifecycle, enabling them to make better design choices, manufacture more efficiently, and optimize product service and repair.

In parallel with our SBTi commitments, we're broadening the ways in which we support manufacturers' efforts to reduce the environmental footprint of their products. Earlier this year, we expanded our relationships with aPriori and Ansys to offer more capabilities inside our existing products that enable our customers to further enhance their sustainability initiatives.

OUR PURPOSE STARTS WITH OUR EMPLOYEES AND NURTURING A DIVERSE AND INCLUSIVE CULTURE.

We have made significant strides in advancing our diversity, equity, inclusion, and social impact work. We recognize the power of our diverse employee base, and we strive to provide equitable opportunities to grow and invigorate a culture where all are welcome.

From our vibrant Employee Resource Groups (ERGs) to benefits focused on employee well-being to our employee-led charitable efforts, you'll see how we're doing critical work and making an impact in our communities.

WE'RE COMMITTED TO LEADING IN ALL THAT WE DO BY ACTING ETHICALLY AND WITH INTEGRITY.

We support this commitment with a framework of policies, procedures, and processes designed to promote ethical behavior, accountability, and transparency, and to protect the long-term interests of our stakeholders.

As we enter 2024, I'm committed to working closely with the Board, our Executive Leadership Team and the ESG Council to further advance our ESG initiatives.

Creating a better world is the responsibility of each and every one of us. At PTC, we are working every day to help create it – and we're just getting started. I continue to be inspired by the passion and commitment of our employees and entire ecosystem to take on the significant challenges facing our world and be a part of the solution.

Sincerely,

NEIL BARUA
Chief Executive Officer Elect

ptc®

DIGITAL TRANSFORMS PHYSICAL

⊙ ABOUT PTC

At PTC, we don't just imagine a better world, we help create it. Our software is used by manufacturing companies to design, manufacture, and service products that we rely on to enrich our lives every day. While our customers range from industrial giants to start-ups, they have one thing in common: products — cars, medical devices, wind turbines, computers, and so much more. Our digital technologies provide the backbone necessary to transform how these physical products are engineered, made, and serviced with excellence, efficiency, sustainability, and customer experience in mind.

Our broad software portfolio includes market-leading computer-aided design (CAD), product lifecycle management (PLM), application lifecycle management (ALM), industrial Internet of Things (IIoT), service lifecycle management (SLM), and augmented reality (AR) technologies and is further differentiated by our SaaS and cloud-native solutions. With PTC technologies, companies are innovating faster, operating more efficiently, and differentiating after-market service. Each of our technologies on its own can be transformational. When used together, our technologies help companies develop a digital thread across their operations, enabling them to enhance the customer experience, create new product offerings and business models, and improve efficiency and productivity.

Headquartered in Boston, Massachusetts, PTC employs over 7,000 people and supports more than 35,000 customers globally. For more information, visit ptc.com.
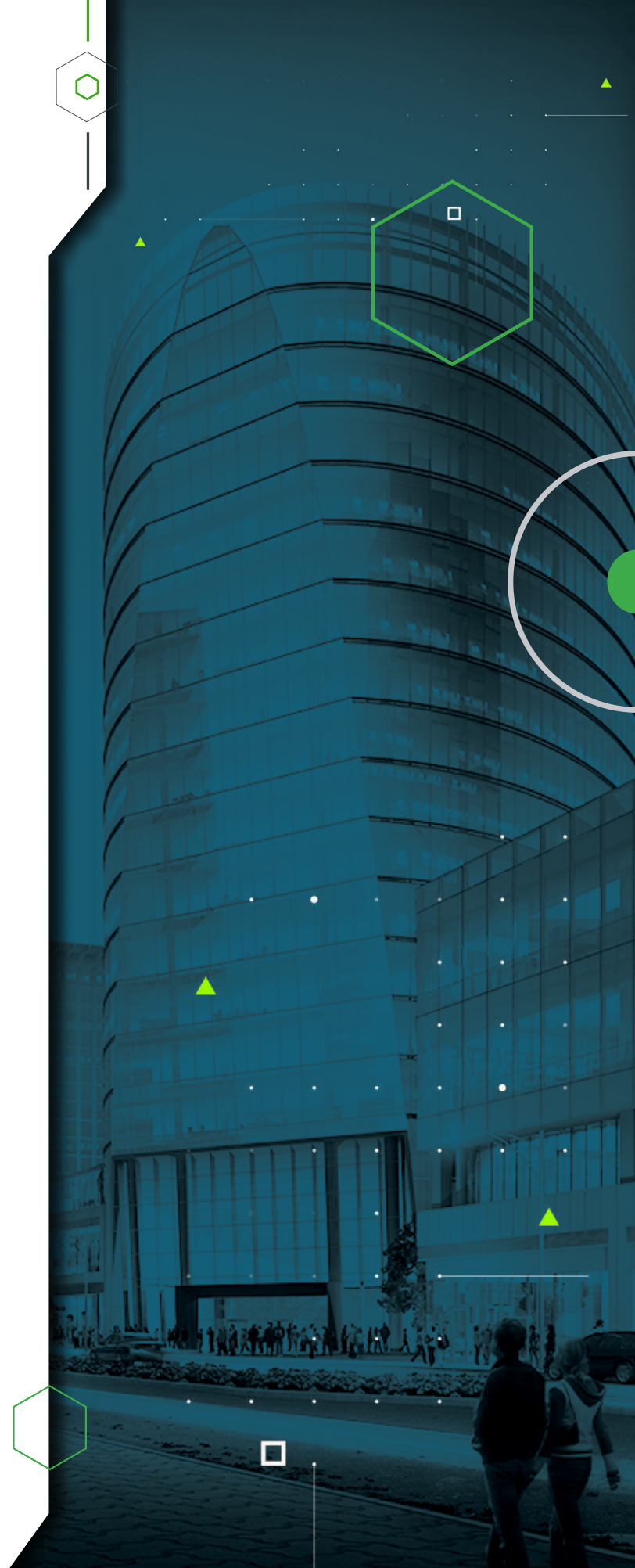
FY23 ptc® HIGHLIGHTS

Committed to SBTi near-term and net-zero reduction targets

Completed FY22 emissions baseline

90/100 on the 2023 Disability Equality Index

Great Place To Work®

Recognized as a Great Place to Work in 16 countries

ptc foundation

$642,232 in charitable contributions through philanthropic grants and employee donation matching

Partnered with Ansys and aPriori on sustainability offerings

ptc LIVEWORX23

LiveWorx featured an environmental sustainability track

ABOUT THIS REPORT

In this report, we share the meaningful progress made during our 2023 fiscal year ended September 30, 2023, unless otherwise noted. The report focuses on the environmental, social, and governance issues we have determined to be most important to PTC and our stakeholders, as well as a review of relevant reporting standards and frameworks, including the relevant Sustainability Accounting Standards Board (SASB) industry standards (Software & IT Services). All our business operations worldwide are in scope unless otherwise stated. Throughout this report, we guide readers to additional sources of information. All monetary units presented, unless otherwise stated, are in US dollars. We value and welcome feedback from all stakeholders. Please send comments or questions about this report to ImpactReport@ptc.com.

ESG FOCUS AREAS

ENVIRONMENTAL

Product Offerings
GHG Emissions

SOCIAL

Employee Compensation and Retention
Diversity, Equity, and Inclusion
Community Engagement

GOVERNANCE

Sustainability and Good Corporate Governance
Ethical Conduct and Compliance
Cybersecurity and Data Privacy
ESG Oversight and Governance

OUR FRAMEWORK AND METHODOLOGY FOR ESG REPORTING

In 2022, we conducted a materiality impact assessment to identify and prioritize our Environmental, Social, and Governance (ESG) focus areas and disclosures. The strategic ESG assessment sought input from multiple stakeholders and reviewed external ESG frameworks and legislation, including the Sustainability Accounting Standards Board (SASB) Software & IT Services Standard, Carbon Disclosure Project (CDP) emissions reporting, the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard, Global Reporting Initiative (GRI) standards, and the Corporate Sustainability Reporting Directive (CSRD). We calculate and track our emissions using a third-party software platform, which is verified by an independent auditor against the GHG Protocol. We report metrics following SASB Standards under their Software & IT Services Industry Standard. Additionally, we submitted our first CDP report in July 2023, which outlined the company's emissions footprint, reduction plan, and climate risk plan discussed in this report.

Refer to the Appendix to view our SASB Index and other relevant disclosures.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements about our emissions reduction and other environmental targets, commitments, plans and initiatives, including the potential execution of a Virtual Power Purchase Agreement (VPPA), the anticipated effects of those plans and initiatives, 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 we may be unable to enter into a VPPA when or as we expect, that any such VPPA may not have the impact we expect, 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 and customers may not adopt our products and solutions when or as we expect.

PTC, Creo, Windchill, ThingWorx, ServiceMax, Servigistics, Vuforia, Onshape, Arena, Codebeamer, LiveWorx, and the PTC logo are trademarks or registered trademarks of PTC Inc. and its subsidiaries in the United States and other countries.

ENVIRONMENTAL SUSTAINABILITY

At PTC, we're proud and motivated to be an impactful contributor to the dematerialization and decarbonization of global manufacturing. While our climate action plan outlines our commitment to reduce our company's footprint, it is our handprint that will have the most significant impact on the environment through our software offerings to manufacturers. Our software solutions enable manufacturers to design, build, and service their products more sustainably while also considering other requirements, including cost, compliance, performance, and appearance.

Environmental sustainability is integral to our product offerings. With our software, manufacturers can drive sustainability improvements with decisions that most often correlate positively to financial priorities.

Designing with less or alternative materials saves cost while also removing embodied carbon and lightweighting the product

Factory bottleneck analysis from connected work cells reduces waste and energy emissions while also improving Overall Equipment Effectiveness (OEE)

Remote service avoids technician truck emissions while also improving asset uptime and reducing maintenance costs

Modular design enables repairability and circularity while also reducing costs of market-demanded product variations

Because of the direct financial benefit of more efficient manufacturing, the sustainability business case for our products holds strong across various markets. We remain excited about the correlation between the long-term growth of our portfolio and the impact it can have on our customers' sustainability initiatives.

CLIMATE ACTION PLAN

Our climate action plan includes an inventory of our corporate emissions (our footprint), our decarbonization plan, and our climate risk plan.

FOOTPRINT

We established fiscal year 2022 as our baseline year. To set this baseline, we accounted for the Scope 1, 2, and 3 emissions across our locations, activities, and in our supply chain during FY22. This baseline serves as the foundation of our decarbonization plan that sets forth planned improvements in focused emissions categories.

We disclosed our FY22 emissions through the Climate Disclosure Project (CDP) in July 2023, using the Greenhouse Gas Protocol Corporate Standards for our accounting framework.

Emissions Baseline and Reduction Target[1]

	2022 (MTCO2e)	Objective by 2030	Objective by 2050
• Scope 1	2,036.86	(50) % of scope 1+2	(100) %
• Scope 2 (market-based)	7,713.55	(50) % of scope 1+2	(100) %
• Scope 3	30,312.13	–	(100) %
• Scope 3 - Category 1: Purchased Goods and Services[2]	20,783.15	(25) %	–
• TOTAL	40,062.54	–	Net Zero

[1]Emissions calculated according to the GHG Accounting Protocol.

[2]In this table, we call out "Category 1: Purchased Goods and Services" as subcategory of Scope 3 since it is a focused 2030 reduction target. We have not included other subcategories in this table, but they are disclosed through CDP.

DECARBONIZATION PLAN

In May, we announced our reduction commitment via the Science Based Targets initiative (SBTi). SBTi is a global body that helps businesses set reduction targets aligned with climate science. The latest climate science findings from the Intergovernmental Panel on Climate Change (IPCC) – described by the UN as "code red for humanity" – show it is still possible to limit global temperature rise to 1.5°C, but we are dangerously close to that threshold. This requires a rapid halving of global emissions before 2030 and achieving net zero before 2050.

We embrace our responsibility to decarbonize at a rate aligned with science-based targets. Moreover, many of our global manufacturing customers are acting similarly, especially those subject to regulations like the European Commission's Corporate Sustainability Reporting Directive (CSRD).

Progressing our commitment toward plan verification, PTC submitted near-term and net-zero targets for validation at the end of fiscal year 2023. We are in the queue for SBTi verification of our plan in early 2024.

Currently, our near-term 2030 commitment is to reduce combined Scope 1 and Scope 2 emissions by 50% and reduce Scope 3 - Category 1 (Purchased Goods and Services) 25% compared to our FY22 baseline. Our net-zero commitment is to reach net zero across all scope emissions by 2050, with absolute reductions of over 90% across Scopes 1-3, with accredited carbon removal offsets for the remaining 10% (or less) as needed.

While we await SBTi approval of our near-term and net-zero targets, we have already started to implement programs to reduce our emissions.

Our top Scope 1 and Scope 2 emissions contributions are from our leased offices. To drive efficiency and reduce Scope 3 employee commuting impacts, our real estate team prioritizes energy efficiency and accessibility to public transportation. (See full list of LEED-certified offices and relocations in the Appendix.) To encourage employees to take advantage of accessible mass transit, we increased the subsidy for public transportation commuters in the US from 50% to 100% of an employee's monthly cost (up to a limit of $280).

For rapid Scope 2 decarbonization, we are exploring a Virtual Power Purchase Agreement (VPPA) to trigger the addition of more clean energy in the grid. Our participation in a VPPA would help finance additional clean solar capacity. If PTC were to contract for 10 megawatts of capacity, we expect this would produce more electricity than PTC uses globally.

Our near-term Scope 3 reduction priority is focused on our direct suppliers. We updated our Supplier Sustainability Policy to include environmental considerations, which enables us to require suppliers to accurately measure and report their GHG emissions and consumption of natural resources to us and to audit suppliers' compliance with such requirement. Additionally, we measured supplier-specific emissions factors (where available) for our top suppliers and researched their reduction commitments. Our formalized supplier expectations and supplier selection process allow us to collaborate more effectively with our suppliers and to pursue greater transparency and aligned reduction commitments. As an example, data centers are a large supplier spend for PTC. We are in the process of consolidating substantially all our data center operations with providers committed to mid-decade 100% renewable energy and advancing circular outcomes.

Looking ahead toward our net-zero commitment, PTC funded a 6,000-tree Miyakawa forest project near our Pune, India office. Local employees participated in the planting (more details in Community Engagement), and it is expected to grow to sequester about 150 metric tons of carbon dioxide equivalent per year. Afforestation not only offers carbon sequestration, but it's also an essential activity to recover natural capital and biodiversity. We are assessing ongoing afforestation programs and opportunities as part of our net-zero reduction target.

In addition to nature-based carbon sequestration, we are investing to accelerate technological carbon sequestration. For example, the PTC Foundation invested in Carbon180, whose mission is to bring carbon removal solutions, like direct air capture, to gigaton scale.

CLIMATE RISK PLAN

In 2023, we developed a climate risk plan using guidelines from the Task Force on Climate-Related Financial Disclosures (TCFD) to help determine and understand potential physical and transition effects of climate change. We analyzed the opportunities, risks, and strategies associated with two of TCFD's scenarios (the less than 2°C scenario, referred to as SSP1-2.6 in the TCFD, and the 4°C scenario, SSP3-7.0) looking at the short-term, mid-term, and long-term impacts of each scenario.

We selected these two scenarios as guideposts between our optimistic and pessimistic predictions of climate transition pathways.

The analysis highlighted opportunities where our software solutions could assist manufacturers with reducing their environmental footprints. Our software solutions provide capabilities relevant to manufacturers' transitions and expected regulations. We cover these in greater detail in our Handprint section.

Our scenario analysis also surfaced operational threats that would require mitigation, vigilance, or both. For example, supply chain disruptions from extreme weather events and migratory uncertainty would require mitigation with our supplier sourcing. To add resilience, we can manage climate risk transparency with our key suppliers to decide how flexible we can be when sourcing critical products and services. With our supplier engagement program, suppliers are providing this transparency by increasingly disclosing their own climate risks and mitigations.

An example of a longer-term 4°C scenario risk requiring vigilance is electrical and communication infrastructure disruption. Extreme weather can cause widespread, extended, and frequent outages. Droughts may lead to water shortages that remove cooling capabilities for data centers and even power plants, further complicating outages. For our SaaS offerings, such a scenario could impact our commitment to maintain uptime among our servers and user interfaces. We will continue to analyze this risk over time to determine if/when it warrants consideration of hybrid SaaS/ offline capabilities. We understand and practice technical approaches for this scenario. For example, we offer synchronizing online/offline capabilities already for some of our field service applications in environments where connectivity is intermittent. In our assessment, this risk doesn't require active mitigation right now, but we will reassess it at least annually to remain vigilant.

For more information on our climate risk plan, see the Appendix.

HOW OUR SOFTWARE HELPS MANUFACTURERS WITH THEIR SUSTAINABILITY INITIATIVES

Manufacturers have increasing market and regulatory pressures for product footprint transparency and reduction. Our software portfolio helps to address these challenges by enabling our customers to design, manufacture, and service their products more sustainably.

HANDPRINT

1   **2**   **3**   **4,5**   **6**

RECYCLE   **REMANUFACTURE**   **REUSE**
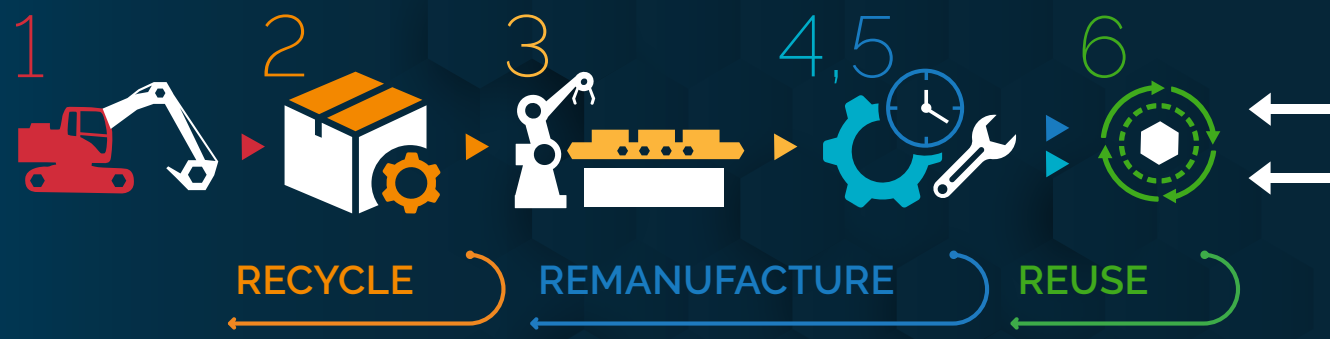
1 DESIGN: Support design and engineering for dematerialization

2 DESIGN: Provide tools to select more sustainable suppliers

3 MANUFACTURING: Reduce factory energy use and material waste

4 SERVICE: Optimize field technician dispatch to meet service levels with a lower cost and footprint (remote, assisted, then on-site)

5 SERVICE: Optimize service parts inventory to meet service levels while reducing stocked parts and expedited shipping

6 DESIGN: Enable modular product designs that promote repair first, reuse second, remanufacture third, and recycle fourth

◉ DESIGN

PTC has a strong market position in engineering departments with CAD, PLM, and ALM software. Decisions made in this phase of product development (design and engineering) are estimated to determine over 80% of all product-related environmental impacts.

Material and component supplier selections are typically a top two footprint contributor (accounted in Scope 3's Purchased Goods and Services). When materials and components arrive at a factory receiving dock, their embodied carbon from mine extraction, transportation, processing, and low-tier manufacturing is often over 90% of a product's overall carbon footprint. Other footprint areas that design engineers assess include hazardous material content, density, durability, and recyclability. Design decisions are critical to seek more sustainable materials/suppliers and use less material while still meeting performance, appearance, cost, compliance, and other requirements.

Manufacturing engineering and service engineering are also critical customer environmental footprint areas where PTC software can support and are described in our Manufacturing and Service sections.

OUR IMPACT

CLOUD-NATIVE COLLABORATION TOOLS ACCELERATE FARMBOT'S DESIGN PROCESS

PTC is helping accelerate green tech innovations with Onshape, our cloud-native CAD solution. Working toward scaling local organic produce, FarmBot created the first open-source CNC

> " Onshape's cloud-native collaboration tools enable FarmBot's core design team and 300-plus open-source contributors to progress the machines' features and scale with 50% to 100% increase in productivity. "

FarmBot

farming machine. This machine automates precision seeding, weeding, and watering for small gardens. Onshape's cloud-native collaboration tools enable FarmBot's core design team and 300-plus open-source contributors to progress the machines' features and scale with 50% to 100% increase in productivity. Read the full FarmBot case study.

OUR IMPACT

CUMMINS USES GENERATIVE DESIGN TO OPTIMIZE NEW PRODUCT DESIGNS TO PRIORITIZE SUSTAINABILITY

Making today's internal combustion engine-based transport more efficient while integrating electrified alternatives is a complex but essential transition to achieving Cummins' PLANET 2050 and Destination Zero goals. As an energy systems provider ranked in the top 6% of Newsweek's list of America's Most Responsible Companies, Cummins is leveraging PTC's Creo CAD capabilities with generative design to optimize material use while attaining other lifecycle deliverables such as reliability, durability, and performance, in addition to minimizing the carbon footprint from manufacturing.

Compared to conventionally-designed parts, applying these optimization techniques typically reduces the material required by 10% to 15%. This not only reduces the embodied carbon of the products designed, but also, importantly, reduces the weight of the system, which reduces the energy consumed during vehicle operation.

Additionally, Cummins leverages other PTC software like Windchill PLM and ALM to encourage optimization very early in the product design process. Read more about how Cummins is designing for sustainability.

> We're taking very seriously the amount of material we put into our new designs and the amount of water and energy that is required to manufacture them. Given that most CO_2 footprint is determined within an item's design phase, if you don't utilize generative, or if you select a suboptimal material from a lifecycle CO_2 perspective including one that can't be recycled, reused, or remanufactured, that ship sails very early in the design process.

DAVID GENTER
Director
Design Engineering at Cummins

⦿ MANUFACTURING

In discrete manufacturing, factories usually do more assembly than material processing or high-energy fabrication. The emissions in factories are typically a minority of a total product footprint. However, they represent a significant portion, or even the majority, of the operational Scope 1 and Scope 2 emissions that manufacturers can reduce.

PTC offers solutions in manufacturing, engineering, and digital performance management that enable companies to drive down production line energy use and emissions. Modular design reduces tooling needs. Efficient product line design with configuration-specific instructions enables companies to improve worker throughput and quality. IoT connected machines paired with work cell step recording provide continuous analysis for identifying bottlenecks, enabling companies to drive down material waste and energy used per unit manufactured.

OUR IMPACT

VESTAS' DIGITAL THREAD KEEPS ENGINEERING AND MANUFACTURING SYNCHRONIZED

Wind power is a critical contributor toward the world's energy transition. Vestas, a leading global wind turbine manufacturer, was recognized as the most sustainable company in the world by Corporate Knights in 2022. Vestas has installed more wind power than anyone else, including over 154 GW of wind turbines in 87 countries. For context, roughly 154 GW could power 35 million American homes.

Utility-scale turbine manufacturing has some unique challenges. First, the ambition is that every turbine be unique due to its geographic location as well as relative location to other turbines in its wind farm. This requires not only different positioning, but also different product configurations. Second, the final assembly "factory" is its operational location as these turbines are too big to assemble in a factory. To overcome these obstacles, Vestas is leveraging PTC's digital thread capabilities in Creo, Windchill, and ThingWorx to keep engineering and manufacturing synchronized and help drive step-function improvement in product and process quality. Watch the video here.

Vestas®

SERVICE

Our customers' service-intensive products like cars, medical imaging devices, elevators, bulldozers, and manufacturing machines have high product footprints during customer use (accounted in Scope 3 "Use of Sold Products" and "End of Life Treatment of Sold Products"). These products require parts and service to continue being energy efficient, highly available, and long lasting. Circularity is also a rising priority to improve part reuse and avoid landfill.

Service engineering, enabled by PTC software, positions physical products to be serviced in more sustainable and efficient ways. Circularity potential improves with modular design (reuse, remanufacturing, efficient tooling/sparing) and material selection (durability and recycling potential). Service execution improves with software embedded in the product (dematerialization and remote service), IoT sensor designs (proactive service and returns tracking), and Service Bill of Material derivatives (spare parts identification and procedural guidance).

Once a product is well engineered for service, companies must follow through and execute service needs efficiently. For both sustainability and financial reasons, ordering service parts, dispatching technicians, and landfilling end-of-life products and components should be avoided where possible. With our software, customers are able to act in more sustainable ways, designing for reuse, solving issues remotely to reduce truck dispatches, and optimizing service parts management.

OUR IMPACT

3D SYSTEMS TAKES AN ASSET-CENTRIC FIELD SERVICE APPROACH

Additive manufacturing is central toward dematerializing products. 3D Systems, a leading additive manufacturing solutions company, delivers sophisticated machines to manufacturers that are mission critical on production lines. Machine uptime is paramount and reactive service is insufficient. To better respond to their customers' needs, 3D Systems turned to PTC's ServiceMax solution to track their installed base, run their work order management, and connect their service team with their products' IoT capabilities. This proactive and asset-centric field service approach yielded a 62% reduction in parts usage, a 39% decrease in repeat visits, and a 48-point improvement in their Net Promoter Score from 22 to 70. Read the 3D Systems case study.

METSO OPTIMIZES ITS SERVICE PARTS NETWORK

Renewable energy infrastructure will require a near-term boost in mining minerals and metals. Metso, a leading manufacturer of mining equipment, has 80 service centers with employees in more than 50 countries to keep their equipment operating at mine sites. Downtime is expensive, and so are service parts for these large machines. Proactively positioning service parts stock is essential to meet service targets, but overstocking is prohibitively expensive. Scrapping excess parts and expediting heavy part deliveries have big environmental impacts.

To reduce inventory and drive more sustainable practices, Metso deployed PTC Servigistics to optimize its service parts network. Servigistics orders parts as a last resort and expedites shipping only when parts are not available on-shelf. The Servigistics deployment increased on-shelf part availability by 3.4%, improved inventory turns by 18%, and reduced service parts inventory by €41.6 million. Read the Metso case study.

Metso

OUR PEOPLE AND PURPOSE

At PTC, our passion is fueled by the opportunity to innovate, to challenge the status quo, and to develop solutions for tomorrow. Driven by possibilities, united by a common goal of empowering our customers, our communities, and each other, our impact extends far beyond the functionality of our solutions.

ptc
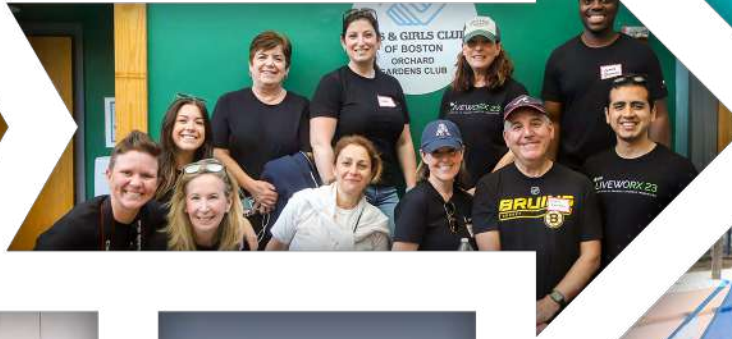
DIGITAL TRANSFORMS PHYSICAL

LIFE@PTC

WE ARE BUILDING ON OUR FOUNDATION OF DIVERSITY, EQUITY, AND INCLUSION (DEI) AND SOCIAL IMPACT WORK. WE CONTINUE TO:

Hold ourselves accountable by establishing systems to track our employee demographics and monitor our talent pipeline

Foster a culture of belonging that supports diversity and inclusion–especially through our Employee Resource Groups (ERGs), Global Ambassador Groups, and talent programs — so our **employees** can achieve their greatest potential

Better the **communities** where our employees live and work globally through action, partnerships, and product donations

OUR VALUES

OUR EMPLOYEES EMBODY OUR FIVE CORE VALUES AND BRING THEM TO LIFE THROUGH OUR INCLUSIVE CULTURE, THE WORK WE DO, THE COLLABORATIONS WE PURSUE, AND THE INNOVATIONS WE CREATE.

CUSTOMER FIRST

BRAINS, PASSION & FUN

PTC FOR ALL

EXCELLENCE & INNOVATION

BOLDNESS & AGILITY

CUSTOMER FIRST

We're committed to our customers' success, and we work every day to exceed their expectations. Their needs are at the heart of everything we do and create.

BRAINS, PASSION & FUN

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

PTC FOR ALL

It's the communities, customers, partners, and employees who create the amazing ecosystem of PTC. We believe in the power of diverse ideas. We value and respect all identities, cultures, and perspectives.

EXCELLENCE & INNOVATION

We strive to rise above "good" to be the best. We inspect and approach decision making with data. We hold ourselves to high quality standards in our pursuit of excellence.

BOLDNESS & AGILITY

Our team spirit is bold, ambitious, and decisive — and it is the essence of our success. We believe in taking calculated risks, learning from experience, and recovering quickly.

⊙ OUR WORKFORCE

PTC invites employees to share more of who they are with us so we can better understand the composition of our workforce. Representation data is analyzed in aggregate to help create and enhance programming, policies, and hiring practices that align with our PTC for All value. We are also using the data to inform and establish DEI metrics to hold ourselves accountable.

FY23 EMPLOYEE WORKFORCE*

7,231 FULL-TIME EMPLOYEES

OVERALL WORKFORCE, BY FUNCTION

- Sales and Services: 49%
- Product: 38%
- G&A: 13%

OVERALL WORKFORCE, BY REGION

- United States: 35.1%
- Americas (excluding US): 1.9%
- EMEA: 23.4%
- APAC: 10.6%
- India: 29%

OVERALL WORKFORCE, BY GENDER

- Women: 30.3%
- Men: 69.4%
- Nonbinary: 0%
- Undisclosed: 0.3%

US WORKFORCE, BY RACE/ETHNICITY

- White: 66.4%
- Asian: 17%
- Hispanic or Latin/e/x: 3.6%
- Black or African American: 3.6%
- Two or More Races: 2.8%
- Other: 6.6%
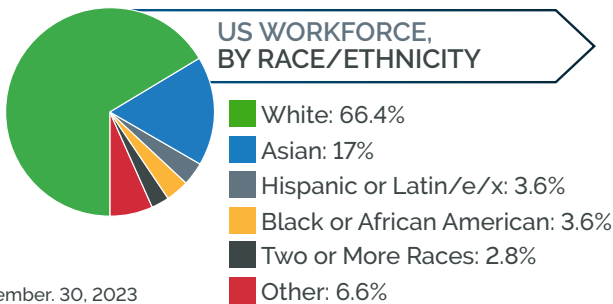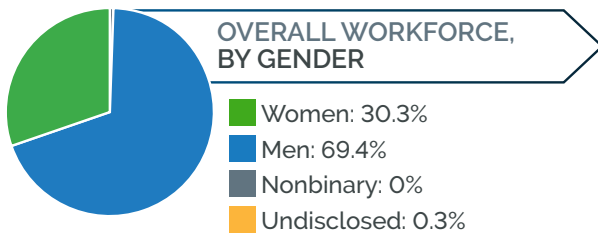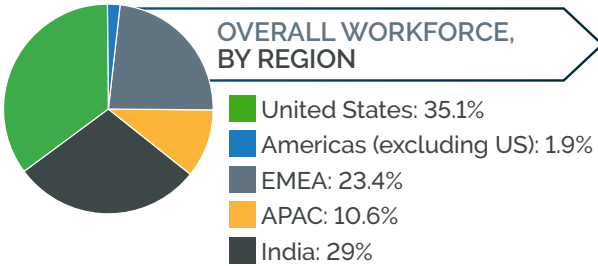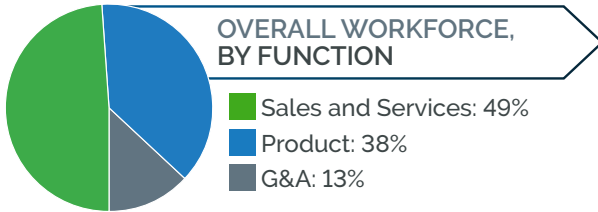
*Data as of Sepember. 30, 2023

WE ARE innovators. WE ARE creators. WE ARE PTC.

TALENT AND PIPELINE DEVELOPMENT

As we focus on enhancing the employee experience, we are increasing our efforts to invest in our people and create meaningful opportunities to learn, grow, develop, and advance their careers. To support our goal of creating a diverse and innovative workforce, we have many learning and development opportunities to ensure we embrace inclusive practices across all areas of recruiting, hiring, and retaining employees:

EXECUTIVE LEADERSHIP DEVELOPMENT PROGRAM

In January 2023, we refreshed and re-launched this program by creating a unified experience where leaders focused on PTC's leadership behaviors, while building capabilities and strategies for driving sustained transformational impact. Of the **19 participants, 21%** were female.

MANAGING AND LEADING AT PTC

These programs provide targeted and engaging professional development opportunities to over **450** people managers and leaders globally with a tailored course curriculum, leader dialogue series, professional coaching, and self-awareness development.

ROTATIONAL LEADERSHIP DEVELOPMENT PROGRAM

This highly selective two-year program for recent college graduates helps us build our pipeline of diverse talent through hands-on experience in roles across the business. We have a diverse class of **23 individuals**, including **57% women** and **17% underrepresented groups**. Of those who have completed the program, **100%** have found permanent positions at PTC.

INTERNSHIP PROGRAM

PTC welcomed **250** interns around the world this year, including **44% Asian**, **33% women**, and **8% underrepresented groups**.

QUARTERLY CAREER CONVERSATION

We link PTC strategy to our function, department, and individual goals by encouraging goal setting and quarterly 1:1 performance conversations.

FIELD TECHNOLOGY LEADERSHIP DEVELOPMENT PROGRAM

This program enhances our international tech community by building technical expertise and awareness of innovative technologies within PTC and beyond. **Nearly one-third** of the pre- and post-sales field technical roles have gone through this program, and many continue on as mentors in following years.

INNOVATE@PTC

We believe that every person can be an innovator. Innovate@PTC empowers employees—typically within R&D and Product Management fields—to see their ideas impact our company and communities in a visible, tangible way, in whatever segment they feel most passionate about. Employees commit to one day per month for an "Innovation Day" to explore innovative ideas and learn new skills.

FEMALE LEADERSHIP AND DEVELOPMENT

PTC Asia (Shanghai and Suzhou offices) reignited the regional Women ERG chapter by becoming a member of the Women Alliance Group. To kick off the membership, PTC employees organized a "Women Rising" learning and development summit, which welcomed **90 PTC ERG members** and 1,400 attendees from 20 other corporations. These workshops focused on networking to advance DEI in China, especially around advancing gender equality.

EMPLOYEE EXPERIENCE

Our **Employee Resource Groups (ERGs)** are major contributors in building a more inclusive environment. They serve as talent incubators by providing employees with valuable leadership, mentorship, and networking opportunities.

- Every ERG has a dedicated executive sponsor
- Our CEO served as a rotating sponsor each quarter
- **18** ERG Chairs
- **38** ERG Committee Leaders
- **40%** of our global employee population are engaged in our ERG communities

Our ERGs follow the "4Cs Assessment Model," first pioneered by Dr. Robert Rodriguez, DEI Thought Leader, to better understand and guide the health, impact, and effectiveness of our ERG programs:

CAREER
How are we impacting career progression and professional development for employees?

CULTURE
How are we looking at cultural and social justice moments that are important to our ecosystem and creating a space to explore these moments?

COMMUNITY
Where do we see opportunities to volunteer and support important areas, from closing the skills gap in manufacturing to fostering STEM education?

COMMERCE
How can we use the perspectives, opinions, and experience of our ERG membership to help drive business outcomes?

> The SMART ERG promotes inclusivity for individuals with visible and invisible disabilities, as well as neurodiversity. My experience with this ERG has increased the empathy I have toward others and enriched my personal and professional interactions. It's inspiring to be involved and witness the positive influence of SMART's initiatives on individuals and the organization. By fostering a culture of inclusivity, PTC not only enhances its workplace but also improves its products and supports customers in achieving their own inclusion objectives.

STEVE DERTIEN
Chief Technology Officer
and SMART ERG Executive Sponsor

ERGS AT PTC

ASIAN EMPLOYEES (AE@PTC)

Providing career development for employees of Asian descent while highlighting the diversity and richness of Asian American and Pacific Islander (AAPI) culture.

BLACK EMPLOYEES (BE@PTC)

Fostering a sense of belonging among Black employees by providing resources for cultural awareness as well as supporting STEM, early career, and mentoring opportunities.

EARLY CAREER (EC@PTC)

Fostering community, breaking down silos, and exposing members to resources for professional development.

ENERGIZE

Building a global community around health and wellness.

FAMILY

Empowering PTC families to be successful both at home and at work and to positively impact PTC's business through the support of life and career harmony.

HOLA

Empowering Hispanic and Latin/e/x employees to thrive in an inclusive environment by providing resources for career advancement and raising cultural awareness.
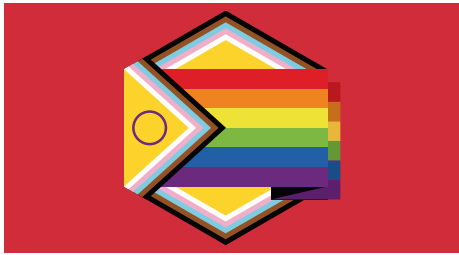
PRISM
Creating a welcoming, safe, and supportive work environment for members and allies of the LGBTQIA+ community.

SMART
Promoting inclusivity for individuals with visible and invisible disabilities, including neurodivergence, while ensuring the success of all employees, regardless of ability.

VETERANS
Amplifying the Veteran voice and experience to enhance the future of PTC.
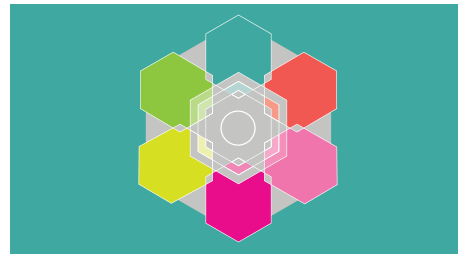
VIRTUAL
Providing a community with resources for virtual employees to enhance their experience at PTC.
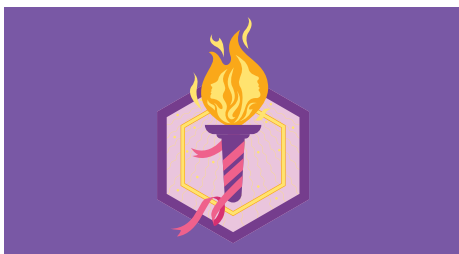
WOMEN (WOPTC)
Creating a global community where women can support, network, and grow personally and professionally.

OUR IMPACT

BE SYMPOSIUM

During Black History Month, BE@PTC focused on creating a stronger sense of community and belonging where we can all thrive through a three-day symposium for both Black employees and allies. This event featured special programming and guest speakers around culture and identity, defining allyship and best practices, networking with the executive leadership team, anti-racism and self-advocacy trainings, and more. The event welcomed **51** participants.

WOPTC MENTORSHIP PROGRAM

In 2023, this program facilitated 1:1 mentor relationships that were matched based on mentee selections (level, function, skills, and region). Participating employees were guided with resources and tools to have meaningful conversations that supported the mentees' growth and development. A total of **170** mentees and **91** mentors participated.

GLOBAL AMBASSADOR GROUPS

PTC employees around the world are involved in a diverse range of ambassador groups that are championed by self-governed and passionate employee volunteers who help to amplify engagement at the local grassroots level and promote initiatives globally. Their efforts foster a culture of driving positive change, continuous learning, and embedding purpose into the fabric of our company culture.

CYBERSECURITY & PRIVACY

A global network of employees in a variety of technical and non-technical roles who have an interest in enhancing our cybersecurity and privacy posture. Ambassadors form a bi-directional link between PTC's cybersecurity leadership and the global employee population to transfer knowledge, get questions answered, and drive positive change through events like Cybersecurity Awareness Month each October.

DEI

A collective of passionate employees from offices around the globe who are strategists, promoters, and innovators. They bring a local lens to our global DEI strategy while helping to increase diversity, build an inclusive culture, and create equitable experiences in their respective countries.

BRAND AMBASSADORS

Employees dedicated to showcasing the #LifeAtPTC experience through authentic storytelling, compelling content, and opportunities for engagement across internal and external communications channels. Their in-person and virtual contributions aim to connect our company to top talent globally while encouraging fellow employees to demonstrate their expertise and share experiences on social media and beyond.

GREEN

A global community of employees passionate about environmental sustainability. This group aims to be a dedicated learning resource on environmental action, partners to our business to drive sustainable change, and motivate employees to embrace green choices every day.

WELLNESS

Employees who have a passion for individual health and wellness with a focus on encouraging and motivating employees through wellness initiatives. This group seeks to develop and foster a culture of health and wellness and provide employees with opportunities to strengthen personal health in multiple areas, including physical, mental, emotional, and financial.

TOTAL REWARDS & EMPLOYEE WELL-BEING

Through a flexible approach to benefits, PTC provides the tools, programs, and support our employees need to thrive at work and beyond.

EXTEND YOUR WEEKEND

Employees enjoy an extra half-day off during locally relevant summer weekends to refresh, recharge, and spend time with loved ones.

FLEX@PTC HYBRID WORKPLACE POLICY

Our guiding principles around measuring our success by our customer impact and employee experience, and the importance to our culture of balancing in-person time and remote flexibility.

TOTAL REWARDS

PTC is committed to our equitable policies and practices. In addition to base salary, we provide eligible employees with incentive and equity compensation opportunities and offer discounted stock purchases through an Employee Stock Purchase Program.

GLOBAL COMPREHENSIVE, COMPETITIVE BENEFITS

PTC provides core health and financial support, including healthcare, life and disability insurance, employee assistance plans, retirement savings plans, and generous paid family leave programs and vacation time off.

COMMUTER SUBSIDY PROGRAM (US)

PTC increased the subsidy for mass transit from 50% to 100% of an employee's monthly cost (up to a limit of $280) and discontinued the use of shuttle bus services that were underutilized by employees. This combination of actions resulted in greener policies and net cost savings for PTC and employees.

EMPLOYEE RECOGNITION

CHANGE MAKERS

The **Change Makers** program is PTC's top recognition program celebrating PTC employees who go above and beyond, bring our values to life, exemplify the Power to Create, and make a positive impact through bold and innovative work. Nominated by peers, winners are selected by a global, cross-functional committee of senior leaders. **15 Change Makers** were recognized in FY23. These employees make up a diverse group of employees across five countries, including Canada, France, India, Romania, and the US, and represent seven disciplines.

APPLAUSE

The **Applause** recognition platform allows for peer-to-peer celebration of employees' day-to-day accomplishments. During FY23, we had **20,222** Applause recognition moments throughout the company, including monetary (points, cash) and non-monetary (high five, thank you). These recognition moments are shared on internal social channels, allowing our global population to see and celebrate the good work happening across the company.

WORKPLACE HEALTH & SAFETY

Health and safety are integral aspects of our operations. Our global Health and Safety Policy applies to all PTC employees, interns, and contractors. We are committed to meeting or exceeding all applicable health and safety regulations where we operate with proper safeguards. We investigate and take appropriate actions if a health or safety incident occurs. We have an emergency response plan that is equipped to activate when triggered. We monitor and assess our health and safety programs and protocols on an ongoing basis to safeguard the well-being of our people.

WE ARE change MAKERS

COMMUNITY ENGAGEMENT

PTC FOR GOOD

At PTC, we are committed to supporting the growth of strong, resilient communities where our employees, customers, and partners live and work. To realize this, we launched "PTC for Good" – our holistic and strategic approach to Social Impact initiatives. PTC for Good encompasses all the ways we are embedding positive change across our entire PTC ecosystem, including the PTC Foundation, to maximize our ability to be a force **for good** in the world.

WE FOCUS ON THREE CORE CAUSE PILLARS:

1 STEM AND EDUCATION
Investing in and inspiring future generations of engineers and innovators is important to PTC, which is why we invest in nonprofits and educational institutions within the space.

2 COMMUNITY SUPPORT
We support organizations that impact the local communities where our employees live and work.

3 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.
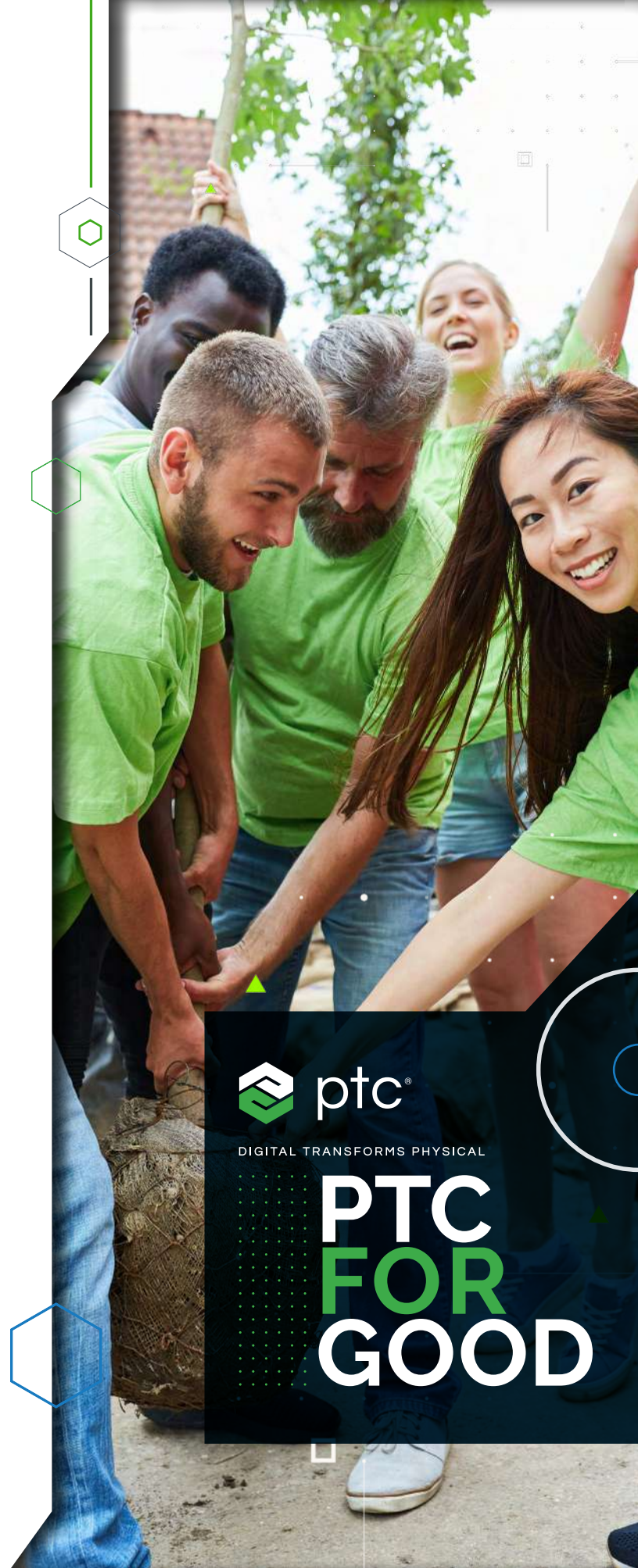
DIGITAL TRANSFORMS PHYSICAL

PTC FOR GOOD

PTC FOUNDATION

The mission of the PTC Foundation is 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 at a global level.

$590,000 — Philanthropic grantmaking through the PTC Foundation and PTC Inc. to 31 organizations*

$52,232 — Charitable contributions through the employee donation match program

Empowering Our Employees to Give Back

2 — Paid days per fiscal year to volunteer with a nonprofit organization

$250 — Employee match for eligible donations to nonprofit organizations

Read our blog for details on the organizations supported.

OUR IMPACT
MIYAWAKI FOREST PROJECT IN INDIA

PTC partnered with the Green Yatra Trust for a tree plantation drive with employees in India to replant a forest with **6,000 trees** using the Miyawaki Method, a Japanese method of plantation. It is an afforestation technique that uses native species to create dense, multi-layered forests. Plantation through this method grows 10 times faster and 30 times denser, results in 30 times faster absorption of carbon, increases biodiversity, and is 100% organic. Through this technique, a 100-year-old forest can be created in just 10 years. This project not only provided a full day of service and volunteering but also maintenance opportunities for years to come.

WEEK OF CARING

Established in 2010, PTC's Week of Caring encourages PTC's global employees to make a difference in the lives of others through service and to create a sense of community within PTC. We believe that investing in the communities in which we work and live is an important social responsibility. In December 2022, we celebrated 12 years of spreading acts of kindness all around the world – virtually and in our offices.

OUR IMPACT

SERVING THE COMMUNITY NEAR OUR ROMANIA OFFICE

For the past six years, our Romania office of 300 people has been involved in helping seniors, residents of Ukraine, children with autism, and lower-income families in their community. During Week of Caring 2022, they focused on four initiatives.

$2,000 — Hosted a charity auction and the proceeds ($2,000) purchased food and Christmas gifts for 20 elderly residents.

30 — Partnered with a local NGO, ETI PC, to provide 30 children with Christmas gifts.

16 — Fulfilled the wishes from "Letters to Santa" written by 16 children with autism.

Collected humanitarian supplies for Ukraine nonprofit, Caradja Cantacuzino.

CORPORATE INITIATIVES & PARTNERS

Championing our commitment to **PTC for All** means we build community through the partners we engage with, the conferences we sponsor, and the experiences we share. In FY23 we deepened and diversified relationships with several impactful DEI-focused organizations and community partnerships to empower our employees, uplift our communities, and ultimately inspire positive global change.

FOREST FIRE PREVENTION PROJECT IN ISRAEL

Keren Kayemet LeYisrael, a forestry organization in Israel, coordinates an ongoing, multifaceted program to prevent forest fires year-round by pruning lower tree branches and removing thicket brush. PTC Israel has participated in the Forest Fire Prevention Project since 2013. This year, for PTC Earth Week 2023, we sent 30 volunteers to work on forest fire prevention with the firefighting services in Mount Carmel National Park.

ELLES BOUGENT IN FRANCE

Our offices in France have an ongoing relationship with Elles Bougent, a national French association that aims to promote the role of women in STEM careers and to inspire young girls to pursue a career in tech and the sciences. Separate from this relationship, our offices in France also host an annual **"DUOday"** event where they open their doors to people with disabilities for a day of job shadowing, learning about PTC, and promoting inclusion in the workplace. Finally, our offices in France partner with a network of daycare providers to help our employees with children under age three.

CITY YEAR GREATER BOSTON

The PTC Foundation supports City Year Greater Boston as a STEM and Teacher Pathways program sponsor. As part of this program, in May 2023, PTC invited employees to participate in a volunteer activity at the Orchard Gardens K-8 School and Orchard Gardens Boys & Girls Club. The team of 16 volunteers painted murals, walls, and schoolyard graphics. Our beautification efforts will be seen by over 700 students, more than 100 faculty and staff, and countless parents and visitors to those locations.

MASSACHUSETTS TECHNOLOGY LEADERSHIP COUNCIL

In Massachusetts, only 5% of tech workers are Black, and only 7% are Hispanic or Latin/e/x. PTC is committed to helping to build a more inclusive and diverse technology ecosystem in Massachusetts to drive innovation and inclusivity within the industry. As a founding member of the Massachusetts Technology Leadership Council, we were one of the first companies in 2020 to commit to its Tech Compact for Social Justice, which supports the inclusion of Black, Latin/e/x, and Indigenous people in the tech community. We also serve as one of the program's underwriters. By committing to the program, we pledge to do our part to accelerate progress in the sector within the state.

MASSACHUSETTS HIGH TECH COUNCIL

We are also proud to be part of the MHTC, which advocates for conditions that support investment, job growth, and improved quality of life in Massachusetts. Since 2020, PTC has served as the annual sponsor of the MHTC's Women in Leadership initiative, which is working to drive recruitment, retainment, and promotion of women into leadership positions.

PTC EDUCATION

EMPOWERING THE NEXT GENERATION OF ENGINEERS

For over 23 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.

1.07 million students and educators leveraged professional-grade software in their STEM programs

6.96 million total hours of usage time of Onshape product

141 schools received donations of our Onshape Education Enterprise software subscription

$49,000 in financial grants to student competition teams

We recognized exemplary educators through the third annual Onshape Educator Awards. This program began during the pandemic as a way of acknowledging the achievements of K–12 teachers, college professors, mentors, and instructors in motivating their students. You can read about all of the 2023 recipients here.

We facilitated multiple university research collaborations and academic publications.

OUR IMPACT

FIRST ROBOTICS GETS BOOST FROM ONSHAPE AND PTC MENTORS

FIRST Robotics is an immersive, mentor-based program that actively involves students in science, engineering, and technology through robot competition. In the 2022-23 competition season, PTC donated $100,000 to FIRST, including $35,000 to sponsor 43 teams through grants. PTC also provides free access to Onshape, our robust cloud-native engineering design software, to any student or mentor involved in the program. This initiative ensures that all participants can leverage the power of Onshape without financial barriers. Additionally, PTC employees actively contribute their time through PTC-sponsored volunteer hours, offering valuable mentorship to this vibrant STEM community.

Within Onshape, PTC continues to prioritize student support by hosting parts libraries and providing resources that empower teams in their engineering design endeavors. These resources play a pivotal role in equipping participants with the necessary tools and knowledge to excel in their robotic creations, fostering innovation and problem-solving skills.

In recent years, the adoption of Onshape by teams has witnessed significant growth, and we attribute this expansion to several key factors, including Onshape's commitment to equitable access, which creates a level playing field, eliminating
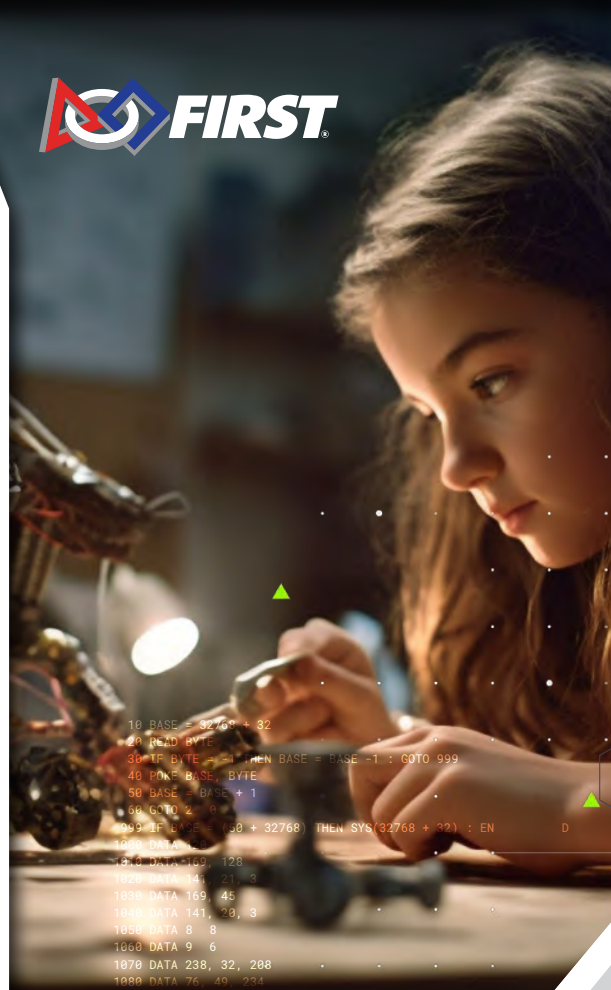
cost barriers often associated with other design software. This accessibility empowers a diverse range of students to fully engage in the design process and explore exciting opportunities in STEM careers. By providing an inclusive platform, Onshape encourages students to unleash their creativity and develop essential skills for the future.

Overall, the combined efforts of FIRST Robotics and PTC's support through grants, Onshape access, and volunteer mentorship have made a profound impact on the STEM community. By fostering innovation, teamwork, and equitable opportunities, this collaboration inspires and empowers students to pursue their passions in science, engineering, and technology, shaping the next generation of STEM leaders.

OUR IMPACT

HELPING UKRAINIAN STUDENTS CONTINUE EDUCATION AMID WAR CONFLICT

As the ongoing war in Ukraine displaced children and families this year, formal learning slowed or came to a halt for many students. PTC provided financial assistance through a philanthropic grant, as well as equipment, software, and curriculum to Angstrem, a technical school affiliated with Kharkiv University located in eastern Ukraine. Angstrem is one of very few schools that continue to operate despite the war and the fact that many students and teachers are remotely dispersed.

PTC employees worked closely with educators from the school to develop a course in Mathcad, our engineering math software, as well as a 3D modeling course in Onshape, our web-based CAD platform that can be easily accessed on any device. Designed for students from ages 12 to 14, the 10 Onshape lessons helped students to master basic skills while they created 3D virtual models for their biology, physics, history, and geography classes. In addition to providing a fun and engaging learning experience for more than 1,600 Ukrainian children, the software activities became an important anchor for collaboration and social connection amid the war.

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.

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 for 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.

BOARD DIVERSITY

Our Board of Directors has 10 well-qualified and experienced directors, three of whom are women and three of whom are ethnically diverse men. The Board has a diverse set of backgrounds, experience, ages, and tenure, with five of the directors joining over the past three years and the other five having longer tenures. This well-structured and diverse Board was built through the Board's continuing commitment to Board refreshment and diversity at the Board level.

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.

OVERSIGHT OF ESG MATTERS AND INITIATIVES

As part of its oversight of management's enterprise risk management, our Board of Directors has oversight over ESG matters and initiatives. Each of the standing Board committees oversees ESG 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 ESG program, including risks and opportunities related to climate change and community engagement initiatives, as well as oversight of ESG risks and initiatives not addressed by other committees of the Board.

The **Compensation and People Committee** oversees our key people management strategies and programs, including those with respect to diversity, equity, and inclusion, corporate culture, pay equity, employee training and development, employee engagement, and 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.

ESG GOVERNANCE

In 2022, we evolved our approach to sustainability governance by creating an ESG Council, a cross-functional team of executives responsible for the strategic direction of our ESG program. Our ESG Council provides periodic reports to the Corporate Governance Committee on the status of our ESG strategy, initiatives, and programs. From an organizational standpoint, the ESG Council reports directly to the CEO in his capacity as an executive officer, one level below the reporting line from the CEO to the Corporate Governance Committee and Board of Directors.

The ESG Council consists of our Chief Financial Officer, Chief Strategy and Marketing Officer, Chief People Officer, General Counsel, Chief Technology Officer, and Chief Product Officer. Below the ESG Council, there are Operating Leads for each of the Environmental, Social, and Governance pillars of the ESG program.

BOARD OF DIRECTORS

| AUDIT COMMITTEE | CYBER-SECURITY COMMITTEE | CORPORATE GOVERNANCE COMMITTEE | COMPENSATION AND PEOPLE COMMITTEE |

CHIEF EXECUTIVE OFFICER

ESG COUNCIL

ESG OPERATING LEADS

ETHICAL CONDUCT AND COMPLIANCE

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

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.

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

Non-Discrimination

Health and Safety

*This is not a complete list of the topics covered. See full Code of Business Conduct and Ethics.

1000 DATA 120
1010 DATA 169, 128
1020 DATA 141, 21, 3
1030 DATA 169, 45
1040 DATA 141, 20, 3
1050 DATA 8 8
1060 DATA 9 6
1070 DATA 238, 32, 208
1080 DATA 76, 49, 234
1090 DATA -1

CODE OF BUSINESS CONDUCT AND ETHICS

Our Code of Business Conduct and Ethics (the "Code") applies to all PTC employees, executives, consultants, and our Board of Directors. We also expect our business partners and suppliers to abide by all of the principles in our Code. Failure to comply with the Code may result in disciplinary 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 Company 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.

100% 2023
of employees completed the annual Code of Business and Ethics certification

SUPPLIER INTEGRITY

Our Supplier Sustainability Policy requires 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 renewable 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. Many of our suppliers already do so and we can require those that do not to accurately measure and report their GHG emissions and consumption of natural resources to us. For more information on how we are pursuing more sustainable suppliers based on their environmental impact, visit the Environmental Sustainability section.

We reserve 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 suspension or termination of their relationship with us.

CYBERSECURITY AND DATA PRIVACY

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.

99%
of employees completed cybersecurity training
2023

PTC Product Security Certifications and Compliance

• Cloud Services	ISO 27001:2013 Certification; SOC 2 Type 2 Attestation; TISAX AL3; FedRAMP; DISA Authorization
• Onshape SaaS	SOC 2 Type 2 Attestation
• Arena SaaS	SOC 2 Type 2 Attestation
• Vuforia Chalk, Engine, and Expert Capture	SOC 2 Type 2 Attestation
• Technical Support	ISO 9001:2015
• ServiceMax	ISO 27001 Certification; SOC 2 Type 2 Attestation
• Codebeamer	ISO 9001; ISO 27001; TISAX AL3

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.

Our PTC Cybersecurity white paper, Privacy Policy, and additional information about how we protect data entrusted to us can be viewed on our Trust Center.

PUBLIC POLICY AND POLITICAL CONTRIBUTIONS

We are committed to participating constructively and responsibly in the political process and to providing clarifying analysis and information regarding the issues that affect our business and our stakeholders. Our advocacy often involves education, participation, and thought leadership within industry, business, and policy forums.

We do not make corporate political contributions and do not have a political action committee.

GOVERNANCE POLICIES AND RESOURCES

CODE OF BUSINESS CONDUCT AND ETHICS	OUR BOARD OF DIRECTORS
BOARD COMMITTEE CHARTERS	GOVERNANCE DOCUMENTS
TRUST CENTER	MODERN SLAVERY STATEMENT

APPENDIX

SUSTAINABILITY ACCOUNTING STANDARDS BOARD INDEX

This document has been prepared in alignment with the SASB Software & IT Services Industry Standard. This updates the SASB table included in our 2022 Proxy Statement. 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, 2023, excluding emissions data from our FY22 baseline.

ENVIRONMENTAL FOOTPRINT OF HARDWARE AND INFRASTRUCTURE

TC-SI-130A.1	Total energy consumed; PTC operations only	90,317.7 GJ
TC-SI-130A.2W	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	The following regions in which we have offices have potential to be subject to high water stress in a 2-degree or 4-degree warming scenario: India (Bangalore, Gurgaon, Pune Marisoft, Pune Weikfield), Israel (Haifa, Herzliya), Romania (Bucharest), San Diego, China (Shanghai), and Germany (Munich).
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 Data Privacy Policy covering PTC's collection and processing of personal data generally, product-specific Privacy Policies for our Onshape and Arena SaaS products, and a separate Employee Privacy Notice. See our Trust Center on PTC.com.
TC-SI-220A.2	Number of users whose information is used for secondary purposes	None (0)
TC-SI-220A.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	$0 USD
TC-SI-220A.4	Number of law enforcement requests for user information	0 requests
	Number of users whose information was requested	0 requests
	Percentage of requests resulting in disclosure	0%
TC-SI-220A.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Due to the nature of data processed by PTC, there are no countries where we do business where the government requires monitoring, blocking, or content filtering.

| 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. See our Cybersecurity white paper for more information. |

RECRUITING & MANAGING A GLOBAL, DIVERSE, & SKILLED WORKFORCE

TC-SI-330A.1	Percentage of employees located outside the United States	64.9%
	United States	35.1%
	Americas (excluding United States)	1.9%
	Europe, Middle East, Africa	23.4%
	Asia-Pacific Countries (APAC)	10.6%
	India	29.0%
TC-SI-130A.2	Employee engagement as a percentage	81.0%
TC-SI-330A.3	Percentage of racial/ethnic group representation in the US for (1) management, (2) technical employees, and (3) all other employees	**(1) MANAGEMENT[1]** White: 75.7% Asian: 14.4% Hispanic or Latin/e/x: 2.0% Black or African American: 1.6% Two or More Races: 1.3% Other: 5.0% **(2) TECHNICAL EMPLOYEES[2]** White: 58.2% Asian: 25.6% Hispanic or Latin/e/x: 2.6% Black or African American: 4.0% Two or More Races: 3.1% Other: 6.7% **(3) ALL OTHER EMPLOYEES** White: 71.0% Asian: 10.0% Hispanic or Latin/e/x: 5.4% Black or African American: 4.1% Two or More Races: 2.8% Other: 6.8%

TC-SI-330A.3	US employees	White: 66.4% Asian: 17.0% Hispanic or Latin/e/x: 3.6% Black or African American: 3.6% Two or More Races: 2.8% Other: 6.6%
	Percentage of gender representation for (1) management, (2) technical employees, and (3) all other employees	**(1) MANAGEMENT** Women: 17.3% Men: 82.6% Nonbinary: 0.1% Undisclosed: 0.0% **(2) TECHNICAL EMPLOYEES** Women: 22.7% Men: 76.9% Nonbinary: 0.0% Undisclosed: 0.4% **(3) ALL OTHER EMPLOYEES** Women: 48.4% Men: 51.5% Nonbinary: 0.0% Undisclosed: 0.1%
	All employees	Women: 30.3% Men: 69.4% Nonbinary: 0.0% Undisclosed: 0.3%

[1] Management is defined as employees at the Director level and above.

[2] Technical employees are defined by employees that fall into 15-000 and 17-000 roles, as defined by the US Bureau of Labor.

INTELLECTUAL PROPERTY PROTECTION & COMPETITIVE BEHAVIOR

TC-SI-520A.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	$0 USD

MANAGING SYSTEMIC RISKS FROM TECHNOLOGY DISRUPTIONS

TC-SI-550A.2	Description of business continuity risks related to disruptions of operations	PTC has established Business Continuity and Disaster Recovery Plans with a risk-based approach and is on a roadmap to align with the ISO 22301 standard. PTC has invested in an enterprise-wide program designed to protect employees, assets, information, and information systems from the impacts of a variety of risks typically classified as natural (e.g., weather-related, earthquakes), man-made (e.g., hackers, virus, theft, sabotage, workplace violence, financial attack, disinformation campaign), and technological (e.g., hardware failure, network failure, power outages). PTC's Business Continuity Management System being implemented leverages ISO 22301:2019 Business Continuity Management Standard industry practices. The program is governed by a cross-functional team of business leaders with executive leadership oversight.

CLIMATE RISK PLAN

	Low emissions pathway	High emissions pathway
• Scenario analysis for physical risks	IPCC SSP1-2.6: less than 2°C scenario	IPCC SSP3-7.0: +4°C scenario

	IMPACT	CATEGORY	DESCRIPTION	RISK EFFECT	RISK TREATMENT
PHYSICAL RISKS					
HEAT STRESS	Insignificant	Operational	Potential impact of extreme heat conditions on assets and operations given a 2°C or 4°C warming scenario.	Extreme heat conditions have the potential to increase operational costs due to the cooling load, requiring an augmented energy consumption to ensure processes and operations run efficiently.	We have a broad geographic footprint and resilient data center partners. We are implementing energy efficiency initiatives globally and transitioning to renewable solutions.
WATER STRESS	Insignificant	Operational	Estimates impact of water stress (long term drought) on assets and operations given a 2°C or 4°C warming scenario.	Water stress and drought may increase the cost of water or create a need to source from new/different water sources, increasing operation costs. Water scarcity scenarios have potential to impact business operations by disrupting data center functionality (cooling and power generation).	We are not a water-intensive business but practice water efficiency, including water reclamation in our HQ office. We are transitioning toward renewable power within the grids serving our offices. Our data center partners have power redundancy for water-stress outages.
SEA LEVEL RISE AND FLOODING	Insignificant	Financial	Impact of estimated sea level rise and flooding on PTC assets and operations give a 2°C or 4°C warming scenario.	May face flooding that could affect business operations in coastal areas, could have financial costs.	We have globally dispersed operations which helps limit long-term disruptions. We lease our buildings to mitigate financial risk. Our leased buildings are above elevations in our 2050 sea level scenarios.

	IMPACT	CATEGORY	DESCRIPTION	RISK EFFECT	RISK TREATMENT
STORM RISK	Insignificant	Financial	Impact of estimated storm risk (e.g., hurricanes, cyclones, etc.) on PTC assets and operations given a 2°C or 4°C warming scenario.	Potential operational and financial implications due to potential network disruptions and/or office shutdowns.	We have globally dispersed operations and data center practices to minimize long-term risk due to storm effects. Our supplier engagement assesses key supplier climate plans.
FOSSIL FUEL PRICE FLUCTUATION	Insignificant	Financial	Fossil fuel price swings due to potential physical climate events could impact future operating costs.	Increased carbon costs have potential financial and operating cost implications. Customers face increased operating cost risks if they are not electrifying.	We reduce our exposure to price fluctuations as we progress toward our net-zero commitment.
RISING COST OF RAW MATERIALS	Insignificant	Operational	Climate change-caused inflation. Rising costs of raw materials or increasing price of low carbon materials due to supply and demand.	May face increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment). Potential increased customer pressure due to the rising manufacturing and production costs.	PTC produces digital software products, not material products. We have little material demands in our operations.
CHANGING CONSUMER BEHAVIOR	Insignificant	Strategic	Changing customer preferences and behavior due to climate change concerns.	Potential backlash for not acting sustainably. Potential reduction in demand for high emission and/or environmentally harmful goods and services.	Reducing emissions as part of our science-based targets and transparently reporting emissions to the CDP will limit risk exposure.

TRANSITIONAL RISKS

TRANSITIONAL OPPORTUNITIES

	IMPACT	CATEGORY	DESCRIPTION	OPPORTUNITY EFFECT	OPPORTUNITY TREATMENT
CARBON PRICE & POLICY	Insignificant	Legal & Compliance	Increased carbon price and external carbon price policies.	Carbon taxes give cost advantage to manufacturers who offer more sustainable products.	PTC's software enables manufacturers to reduce their product footprints.
CARBON AND CLIMATE DISCLOSURE MANDATES	Insignificant	Legal & Compliance	New corporate sustainability reporting frameworks, some compliance and some voluntary (e.g., CSRD, SBTi, CDP). Could face legal penalties such as fines and sanctions for non-compliance.	Requirements to rapidly decarbonize may increase operational costs to aid in compliance with sustainability reporting frameworks. Failure to comply could result in decreased customer retention as scope 3 emissions reduction goals become more prevalent.	Facilitating compliance, PTC's software enables manufacturers to trace sustainability requirements and verifications to their product designs.
TECHNOLOGY SHIFT	Insignificant	Strategic	Transitioning to a low carbon economy will lead to substituting existing carbon-intensive products and services for low carbon ones, such as electric vehicles and renewable energy. There will be investments in new (and potentially risky) climate technologies.	Potential financial implications through customer disruption (companies who cannot or will not adapt). May face potential increase in sales of products that aid sustainability through footprint transparency and emission reduction capabilities.	Product footprint transparency and reduction requires manufacturers to digitally mature faster. This accelerates market adoption of PTC software.

CARBON FOOTPRINT

Emissions data represents our baseline year, FY22, October 1, 2021 to September 30, 2022, and was reported to CDP.

• Total Greenhouse gas (GHG) emissions [metric tons CO2e] (market-based)	40,062.54
• GHG emissions intensity [gross metric tons CO2e for S1 and S2/million US$ revenue]	0.000005
• Scope 1: Direct emissions from owned/controlled operations [metric tons CO2e]	2,036.86
• Scope 2 Market-based [metric tons CO2e]	7,713.55
• Scope 2 Location-based [metric tons CO2e]	7,034.78
• Scope 3: Upstream [metric tons CO2e]	30,312.13

CATEGORY

1. Purchased goods and services	20,783.15
2. Capital goods	159.95
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	653.35
4. Transportation and distribution	984.41
5. Waste generated in operations	12.07
6. Business travel	2,968.39
7. Employee commuting	4,562.22
8. Upstream Leased assets[1]	188.59

[1]Managed Service Offices

CARBON FOOTPRINT

<table>
<tr><td>• Scope 3: Downstream [metric tons CO2e][2]</td><td>0</td></tr>
<tr><td>9. Transportation and distribution</td><td>0</td></tr>
<tr><td>10. Processing of sold products</td><td>0</td></tr>
<tr><td>11. Use of sold products</td><td>0</td></tr>
<tr><td>12. End-of-life treatment of sold products</td><td>0</td></tr>
<tr><td>13. Downstream leased assets</td><td>0</td></tr>
<tr><td>14. Franchises</td><td>0</td></tr>
<tr><td>15. Investments</td><td>0</td></tr>
<tr><td>• Energy use [MWh]</td><td>25,088.25</td></tr>
<tr><td>• Direct energy use (scope 1)</td><td>9,017.42</td></tr>
<tr><td>• Indirect energy use (scope 2)</td><td>16,070.83</td></tr>
<tr><td>• Carbon Dioxide [metric tons CO2e]</td><td>1,700.04</td></tr>
<tr><td>• Methane [metric tons CO2e]</td><td>3.02</td></tr>
<tr><td>• Nitrous Oxide [metric tons CO2e]</td><td>2.6</td></tr>
<tr><td>• Hydrofluorocarbons [metric tons CO2e]</td><td>331.2</td></tr>
<tr><td>• Number of facilities with LEED certifications[3]</td><td>1</td></tr>
<tr><td>• Environmental violations and fines</td><td>0/$0</td></tr>
</table>

(left margin label: **CATEGORY**)

[2]Determined to not be material for our software products.

[3]PTC Headquarters in Boston office space is LEED-certified. Other locations have base building certification as outlined in "LEED-Certified Buildings and Relocations" table.

Our Leased, LEED-Certified Buildings and Relocations to Mass Transit-Accessible Urban Centers[1, 2]

Building	Certifications	Building	Certifications
Atlanta, US	LEED Certified, Energy Star Certified	Tokyo, Japan	DBJ Green Building Certification (Special to Japan)
Boston, US (Headquarters)	LEED Platinum, Energy Star Certified	Barcelona, Spain	Double LEED, WELL Platinum (in process)
Houston, US	Energy Star Certified	Budapest, Hungary	LEED Platinum
Nagoya, Japan	DBJ Green Building Certification (Special to Japan)	Hamburg, Germany	LEED Gold
Bangkok, Thailand	LEED Gold	Munich, Germany	LEED Certification (in process)
Chennai, India	LEED Gold	Paris, France	Certified BREEAM (International Construction Standard)
Mumbai, India	LEED Gold		
Guangzhou, China	LEED Gold		
Seoul, South Korea	LEED Gold	Stockholm, Sweden	LEED Gold
Singapore	Certified Green		

[1] Blue 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). As noted on previous page, the office space of PTC Headquarters in Boston is LEED Gold certified; the building is LEED Platinum certified.

EMPLOYEES

TOTAL EMPLOYEES	7,231
Race and Ethnicity (US only)	White: 66.4% Asian: 17.0% Hispanic or Latin/e/x: 3.6% Black or African American: 3.6% Two or More Races: 2.8% Other: 6.6%
Racial/Ethnic Group Representation for Management Percentage (US Only)	White: 75.7% Asian: 14.4% Hispanic or Latin/e/x: 2.0% Black or African American: 1.6% Two or More Races: 1.3% Other: 5.0%
Racial/Ethnic Group Representation for Technical Staff Percentage (US Only)	White: 58.2% Asian: 25.6% Hispanic or Latin/e/x: 2.6% Black or African American: 4.0% Two or More Races: 3.1% Other: 6.7%
Racial/Ethnic Group Representation for All Other Employees Percentage (US Only)	White: 71.0% Asian: 10.0% Hispanic or Latin/e/x: 5.4% Black or African American: 4.1% Two or More Races: 2.8% Other: 6.8%
Total employees by Gender	Women: 30.3% Men: 69.4% Nonbinary: 0.0% Undisclosed: 0.3%

EMPLOYEES

Gender Representation for Management Percentage[1]	Women: 17.3% Men: 82.6% Nonbinary: 0.1% Undisclosed: 0.0%
Gender Representation for Technical Staff Percentage[2]	Women: 22.7% Men: 76.9% Nonbinary: 0.0% Undisclosed: 0.4%
Gender Representation for All Other Employees Percentage[3]	Women: 48.4% Men: 51.5% Nonbinary: 0.0% Undisclosed: 0.1%
Foreign National Employees Percentage, % of employees on visa (only in the US)	5.2%
Employees Located Offshore Percentage	64.9%
Employee Engagement (Score from 1-100)	81
Total number of employees that were entitled to parental leave, by gender	All regular employees, regardless of gender
ERG leadership support	ERGs are supported by Director+ leadership. This includes several members of the ELT who serve as advisors and executive sponsors.

[1]Management includes Director level and above.

[2]Technical staff includes employees categorized in the 15-0000 group (Computer and Mathematical Occupations) or 17-0000 group (Architecture and Engineering Occupations) of the US Bureau of Labor Statistics' 2018 Standard Occupational Classification System. Gender categories include women, men, nonbinary, and undisclosed.

[3]These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others

SOCIAL IMPACT

• Total monetary philanthropic grantmaking through PTC	$260,000
• Total monetary philanthropic grantmaking through the PTC Foundation	$330,000
• Total monetary company match of employee giving through donation match program	$52,232
• Usage hours of in-kind donation of Onshape product	6.96 million hours
• Number of students and educators using in-kind donation of products	1.07 million

ptc ®

DIGITAL TRANSFORMS PHYSICAL

Learn More About PTC

ptc.com