PEGA

What really matters

IMPACT REPORT 2021

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CEO LETTER

Alan Trefler
Founder and CEO of Pegasystems

Pega was built on the idea of adaptability.

Build for Change® isn't just a tagline for us — it's in our DNA. Our people, company, solutions, and products are all about change. Sometimes it's about accommodating change, sometimes it's about driving change, and sometimes it's both.

When I look back at the last few years, I am awestruck by how much has shifted and how quickly. The reality of how we work and how enterprises operate has changed for good. We know we are never going back to before, but we don't exactly know what the future will look like. We've discovered both the strength and fragility of so many of our systems across financial services, healthcare, insurance, government, communications, manufacturing, and technology. We've had to focus on structural and systemic change, forcing us to look at issues of sustainability, inclusion, and equity with fresh perspectives and open minds. And we've heard the voices of our people, clients, partners, and communities rallying around the idea of collective change and responsibility.

In times of flux and uncertainty, people seek out ways to be part of a solution and drive positive results. They reach deep into their core and find new ways to contribute. And that's what we've seen at Pega — both at a corporate and individual level.

We've been inspired by the extraordinary efforts of our people around the world to help our clients, partners, communities, and each other adapt and succeed through innovation, passion, commitment, and empathy.

This report reflects the incredible work put forth by our people, and I am honored to share it with you. Our inaugural Impact Report spotlights: 1) how our global teams are focused on more efficient and sustainable business operations, 2) how we are building and supporting diverse teams who can challenge each other to think differently and solve problems in new ways, 3) how we are ensuring our people and communities have the support and resources they need to feel secure and thrive, and 4) the strong governance we have in place to keep our business focused on what matters.

I invite you to see how we are driving change in our business and how our legacy of doing good and creating value extends to our clients, partners, and communities. We're proud of our work and excited about continuing to learn and improve as we go. Our commitment to making a positive impact has never been stronger. We look forward to delivering on that opportunity in 2022 and beyond.

Alan Trefler
Founder and CEO of Pegasystems

2021 Highlights

In a changing world, we remain focused on what really matters

95/100
on the Human Rights Campaign Corporate Equality Index

The Boston Globe Top Places to Work

Awards

- The Boston Globe Top Places to Work
- The Boston Business Journal Top Charitable Contributors of 2021
- Comparably Best Companies for Diversity
- Parity.org Best Companies for Women to Advance List

Impact at a glance

- Stepped up for colleagues and communities in need with our Employee Pledge Fund, by conducting vaccination drives, and raising funds for public health organizations
- Mobilized our workforce through Employee Resource Groups (ERGs): Black@Pega, Pride@Pega, Veterans@Pega, and Women@Pega — plus three new ERGs added in 2021: Asian@Pega, Latinx@Pega, and PwD@Pega (Persons with Disabilities)
- Achieved a B- rating on our inaugural CDP report, placing us ahead of the average rating for U.S.-based companies
- Received a score of 95 out of 100 with our first-ever submission to the Human Rights Campaign Foundation Corporate Equality Index

BUSINESS that matters

Complexity is the enemy of success. Our mission at Pega is to crush complexity so our clients can better focus their time on what really matters to them: the things that move their enterprise forward.

Our low-code platform for AI-powered decisioning and workflow automation lets our clients hyper-personalize their customer interactions and laser-focus on creating a simpler, smarter way to get the job — any job — done. Complex processes become manageable by applying human intuition. Millions of interactions, a thousand steps, a hundred channels, and 15 logins can be streamlined to create a human experience that's fast, seamless, and fulfilling.

When the complexity is shifted to the background, and the focus is on how people think, the results consistently stand out. Our clients can see faster response times, higher retention rates, massive savings, huge revenue growth, and long-lasting customer relationships — because their customers can enjoy a better, more satisfying experience.

Who we are

Tech is our business, people our inspiration

The common element in all our work is the human element. Everything we do begins and ends with people — because our technology exists to serve people. It can only achieve this when people love it, are inspired by it, and enthusiastically adopt it. We always think about the end user — what they want to get done and how they experience the technology. This intentional human design enables us to tackle the right business problems and unlock transformative human experiences.

Our people-focused approach is driven by our core values at Pega. We are:

- **Innovative:** We deliver innovative software that helps our clients solve problems today and transform tomorrow.
- **Engaging:** We engage with empathy and active listening to enable us to understand the problems that need to be solved.
- **Adaptable:** We are adaptable because we recognize that improvement is a continuous process. This is why our tagline is Build for Change®.
- **Inclusive:** We are committed to inclusivity — to achieve the most we can through collaboration and diverse thinking.
- **Genuine:** We stay genuine, which earns us the trust of our clients and the communities around us.
- **Passionate:** We are passionate about what we do for our clients and committed to the positive outcomes that we help them achieve.

Our solutions

We are deeply committed to positive outcomes for our clients. Our enterprise solutions are focused on three core areas:

- Customer Service: We streamline the service our clients provide to their customers, automating and combining it with the power of AI. This saves time, both in service delivery and in resolving the issues being addressed. It helps customer agents work more productively and leads to greater customer satisfaction and retention.
- One-to-one Customer Engagement: Pega builds human connection in every new interaction. With Pega's single decision hub and always-on AI, our clients personalize customer engagement in real time and can engage each individual one-to-one across channels — to build connections and maximize customer value.
- Intelligent Automation: When you work smarter, you're ready for anything. That's why we transform workflows across onboarding, operations, and exceptions, and apply automation and AI-powered decisioning to optimize outcomes, adapt with ease, and scale infinitely. The time and cost saved frees our clients to focus on what matters most.

Industries we serve

If you've driven a car, used a credit card, called a company for service, opened an account, flown on a plane, submitted a claim, or performed countless other everyday tasks, chances are you've interacted with Pega.

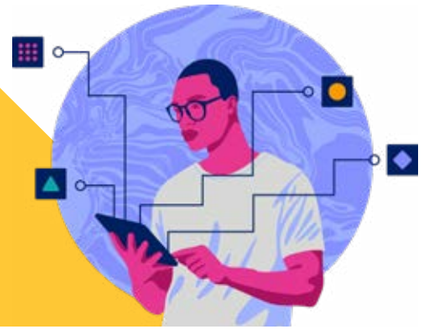
We are proud to work with the world's leading brands in these industries:

- Automotive
- Communications Service Providers
- Energy and Utilities
- Financial Services
- Government
- Healthcare and Life Sciences
- Hospitality
- Insurance
- Manufacturing and High-Tech
- Media and Entertainment
- Retail
- Transportation

We're more than 6,000 people globally, serving the world's leading brands.

Learn more

Putting software development in the hands of more people



Doing good helps us do well.

For Pega, broadening the base of software developers that support us, our partners, and clients is a key theme that permeates our work from end to end. We see the world's need for developers grow by 24% a year. But there's a major obstacle: most application development still requires archaic coding languages that only a small minority understand. Only 2% of people worldwide know how to code, and there aren't enough educational programs available to keep pace with demand.

We have a better way to develop software — one that depends less on writing code and more on logic and creative problem solving. It's a visual and collaborative approach that opens employment opportunities to a wider, more diverse group of people.

See our developer success stories

Of the more than four million computer software engineers in the U.S., 70% are male and little more than a third identify as non-white. That's not a particularly diverse workforce, meaning the software created — the same software that powers everything we do as humans — is at risk of being exclusionary and biased.

Moreover, as we're able to extend involvement in software development beyond IT departments, our clients' management teams gain influence in the technology decisions that affect their businesses. Today, 78% of senior managers and higher think everyone in business should have a say in tech decisions.

At Pega, we believe we need solutions that reflect how a greater fabric of people think, communicate, and work. This includes diversity in terms of race, gender, and culture, but also diversity in terms of experience — to ensure empathy is part of the development process and is reflected in the end product. Not only does this feel like the right thing to do ethically, but we believe the final product will be better for it. When the users of the software reflect those who are involved in its development, you'll get better results.

The Global Certification Magazine's 2021 survey recognized four of Pega's certifications as being in the top 50 "Salary Survey" and five as the "Next Big Thing."

CREATING LIFE-CHANGING CAREER OPPORTUNITIES

Pega is changing the way the world builds software. This can create incredible opportunities for a wider variety of individuals to change their lives and trajectories.

We partner with organizations that serve various groups seeking jobs and new skillsets in tech, including Legerity, which helps refugees, and TechVets and WithYouWithMe, which work with military veterans. Pega's technology enables these individuals to attain new skills and potentially find careers within the Pega ecosystem.

Through the Pega University Academic Program, we're training professors to teach the Pega curriculum to college students, offering a dynamic university-level curriculum on cutting-edge Pega software. Students gain skills that can create opportunities with Pega clients and partners, and there's no cost to universities to offer our courses.

Pega Academy is a resource available to anyone looking to pursue a career in application development. To increase accessibility, many online courses are free. Pega Academy offers a full range of enablement from just-in-time needs to specialized skills to industry-leading certifications.

Pioneering low code

Alan Trefler founded Pega in 1983 with the vision of creating software that's easy to use and accessible to businesspeople and IT alike. The model-driven software he pioneered is today known as "low code." You can hear more about the history of Pegasystems directly from CEO and Founder Alan Trefler here.

Read our eBook on embracing low-code development

Our enterprise-grade, low-code platform empowers creative thinkers to concentrate on generating ideas and spend less time translating them to applications. Advances in AI make this approach even more powerful, with software that writes itself. Pega's intelligent, low-code platform gives time back to workers so they can focus on what really matters.

It also makes careers in enterprise application development available to more people than ever before, spanning different life and work experiences and ethnic and social backgrounds. We're training and certifying talented people with diverse backgrounds, including military veterans seeking a new civilian career, single parents returning to the workforce, and recent immigrants.

Innovation that matters

We create opportunities to solve the most complex problems with innovative solutions.

PEGA COMMUNITY HACKATHON

The Pega Community Hackathon in 2021 challenged participants to develop outcomes that would maximize social, economic, and environmental impact. Participants were asked to build Pega applications that could:

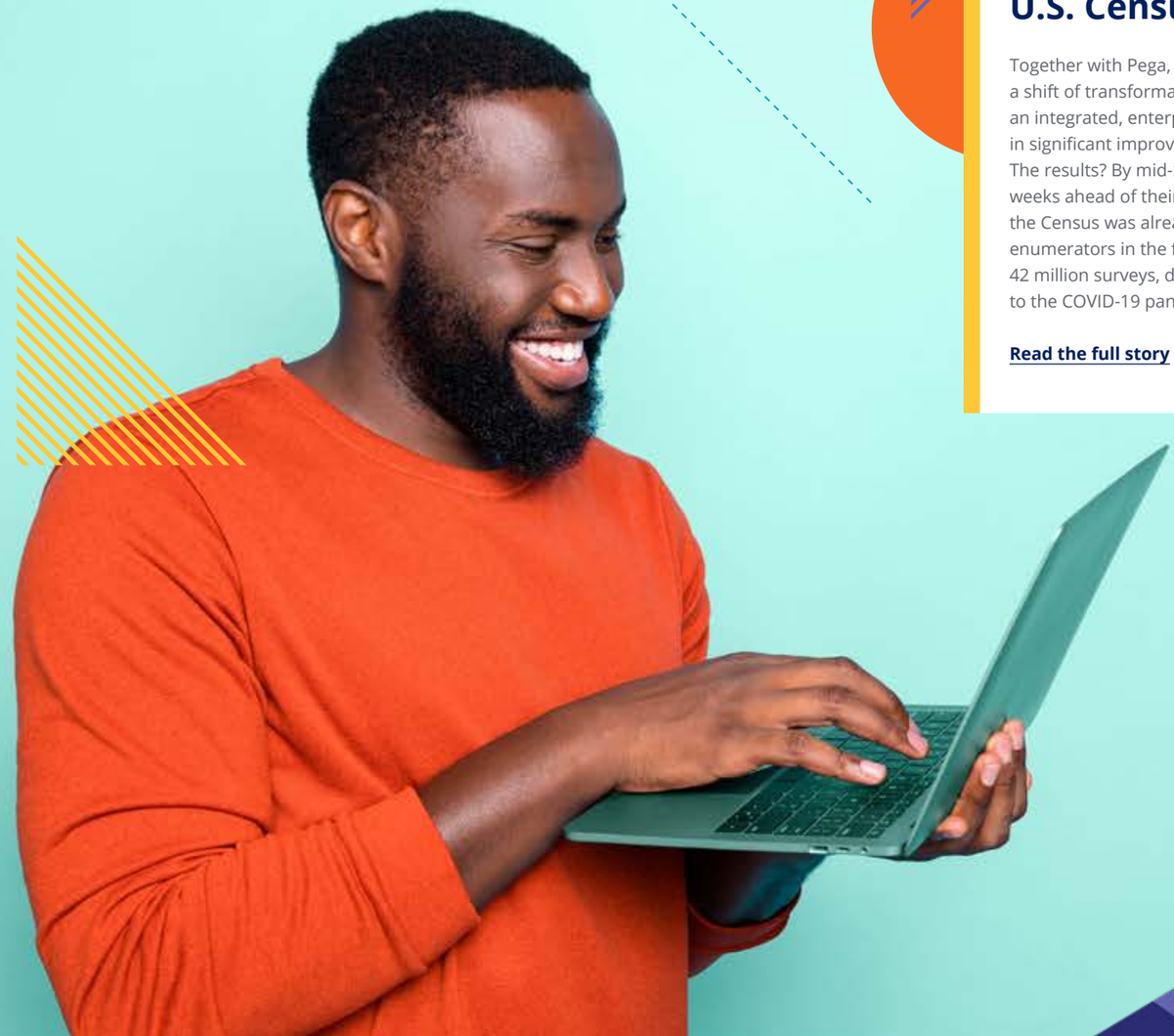
- Bridge the gap between distributed people and systems
- Accelerate assistance and service to those in need
- Adapt quickly to new challenges and circumstances

Some innovations developed by Hackathon participants included:

- A sleek application called Sproute, designed by a team from srcLogic, helps boost opportunities for employee growth, team morale, and corporate culture through next-best-action guidance
- An application designed by the CriSOS team from Tata Consultancy Services that created a next-generation crisis management solution powered by Pega Infinity™
- A crowdfunding application by the team from Aaseya that brings borrowers and investors together to solve funding issues for small businesses impacted by the pandemic

Partnership offers digital mentorship to African youth

Filling the digital talent gap in emerging countries requires supportive programs that provide education, skills, and pathways to new employment opportunities. In 2021, in collaboration with the French company Lyance, Pega launched a partnership with the French nonprofit 10.000 Codeurs, which specializes in empowering African youth through digital enablement. The goal is to train 10,000 young Africans by 2025, and connect them with organizations around the world that are seeking to hire local digital talent. Together, we are providing training and Pega certification to young people in the French-speaking country of Cameroon to help create a pathway to employment and address the need for more French-language programmers. We plan similar activities in 2022 and beyond, including expanding to other French- and English-speaking countries in Africa — along with additional training initiatives.



Modernizing the U.S. Census

Together with Pega, the U.S. Census Bureau made a shift of transformational magnitude — launching an integrated, enterprise solution that ushered in significant improvements for the 2020 Census. The results? By mid-September 2020, a full six weeks ahead of their original October 31 deadline, the Census was already 90% complete. 220,000 enumerators in the field had completed more than 42 million surveys, despite months of delay due to the COVID-19 pandemic.

Read the full story

Sharing stories of impact at PegaWorld iNspire

We inspire people to action. That's why we bring together some of the biggest brands on the planet and invite changemakers to talk about the transformative power of tech at our annual conference, PegaWorld® iNspire. For instance, in 2021, Erin Petty, Portfolio Director of Global Product Development at Pfizer, spoke about how the company is undergoing a bold digital transformation to bring medicines to the world more quickly and make operations faster and easier. By using the Pega low-code platform, she and fellow workers at Pfizer modernized an aging portfolio management tool for drug development — with a 650% increase in system performance.

CONTINUING TO HELP CLIENTS RESPOND TO COVID-19

In the second year of the pandemic, we continued to offer our suite of COVID-19 crisis response offerings to help our clients address the unique challenges they are facing and adapt for future needs. We've created a portfolio of 18 industry crisis response solutions. More than quick fixes, these solutions are designed to deliver high-impact results right now, plus support sustained digital transformation initiatives that will help clients build stronger businesses for the long term. And we are helping our clients in record time.

Our COVID-19 Employee Safety and Business Continuity Tracker application was developed in 2020 with a major healthcare company, to track and manage the health, safety, and availability of an organization's workforce. This emergency response application remains available at no cost to Pega Platform™ clients in any industry.

CASE STUDY

Helping the Bavarian government provide rapid financial support in a time of crisis

Faced with a significant challenge as a result of the COVID-19 pandemic, the Bavarian Ministry of Economic Affairs had to find a way to efficiently manage incoming applications for financial relief from small- to medium-sized businesses. Using the Pega Platform's highly configurable low-code capabilities, the Bavarian government created a fully digitized financial aid application process in just five days. The new application revolutionized the way the Bavarian government managed claims for COVID-19 financial aid.

Read full case study

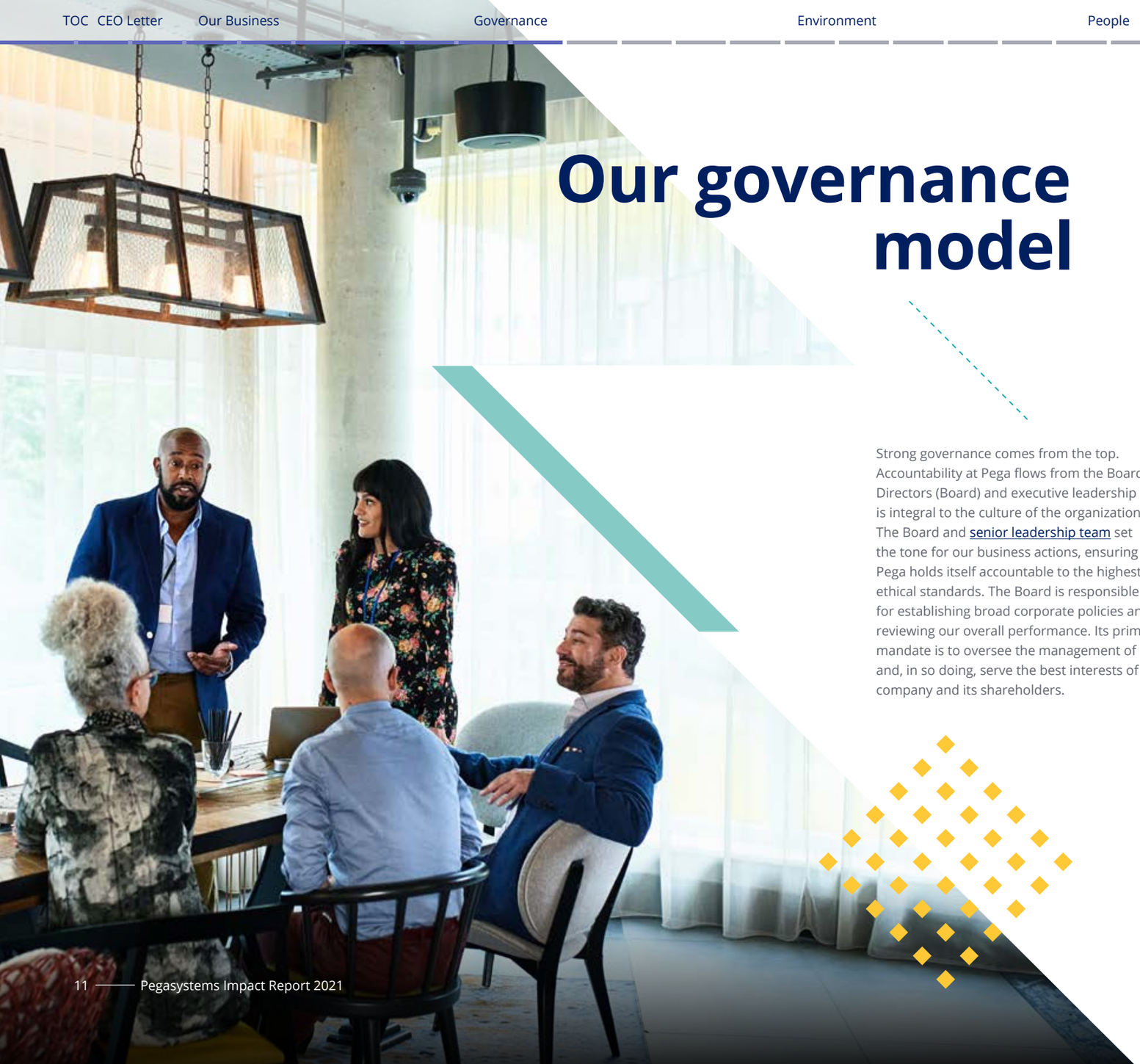
Offering virtual support to developers

To support developer needs during a time when most are working remotely, we have converted all Pega Academy classroom training to a virtual classroom model and continue to provide all certification exams online.

GOOD GOVERNANCE

matters

Saying we believe in responsible environmental, social, and governance practices is easy. Making it count means holding ourselves accountable. It takes commitment and oversight at the highest levels, and diligence at every turn.



Our governance model

Strong governance comes from the top. Accountability at Pega flows from the Board of Directors (Board) and executive leadership and is integral to the culture of the organization. The Board and senior leadership team set the tone for our business actions, ensuring Pega holds itself accountable to the highest ethical standards. The Board is responsible for establishing broad corporate policies and reviewing our overall performance. Its primary mandate is to oversee the management of Pega and, in so doing, serve the best interests of the company and its shareholders.

Our ongoing commitment to ESG

We continue to focus on improving the social, economic, and environmental impacts of our business, building off the success of our Environmental, Social, and Governance (ESG) committee.

- **Environmental:** We are committed to reducing the environmental impact of our operations on air, land, and water.
- **Social:** We strive to be a responsible corporate citizen and active contributor in communities where our employees, partners, and clients live and work.
- **Governance:** We believe that corporate governance is important to ensure that Pegasystems is managed for the long-term benefit of all our stakeholders.

ESG OVERSIGHT

The Board is regularly briefed on ESG matters and receives updates from management on ESG topics as they arise. In 2019, the company formed an ESG Committee to focus on the implementation of ESG programs. The Committee is comprised of senior leaders across various functions and geographies with expertise in a range of disciplines. It meets weekly to develop, drive, and oversee our ESG efforts.

The Chief Operating Officer and Chief Financial Officer, Chief People Officer, and General Counsel constitute the ESG leadership for the organization. This group, through the ESG Committee, lays the strategic roadmap for our various ESG initiatives. Pega is committed to advancing our ESG governance. Our Global Facilities and Real Estate team is responsible for the environmental aspects of the ESG program and monitors activities that impact climate-related issues globally.

ESG TRANSPARENCY

We're committed to increasing transparency around our ESG practices, data, and impacts. Developing this inaugural Impact report is a crucial step toward that goal. In 2022, we plan to engage with our stakeholders on ESG and, to that effect, have begun an ESG materiality process to gain better insights into our ESG issues, challenges, and opportunities.

Running a business that's fair, ethical, and transparent

We empower our people to make ethical decisions and expect them not to compromise their personal integrity or the integrity of our company. This begins with our corporate responsibility to comply with applicable laws and regulations everywhere we operate, and extends to our policies and codes of conduct.

Our guiding policies

- Our **Code of Conduct** clearly articulates our standards of behavior for personnel.
- Our **Supplier Code of Conduct** outlines how we expect our suppliers to conduct themselves ethically and with integrity.
- Our **Corporate Governance Guidelines** provide the framework for our governance practices.

It's incumbent on us all to uphold these standards. We expect people to speak up when they see or experience behavior not aligned with our values and guiding policies. Pega has many channels, including a Compliance Hotline, for employees to report any violations or suspected violations. Users of the hotline can choose to be anonymous where the law allows.

Keeping risk in check

In 2021, the world experienced new and emerging risks that laid bare certain vulnerabilities in how we operate our businesses and engage with one another and the environment. Pega was no exception. As we grow, the scope of risk we manage keeps pace. With a healthy respect for risk and informed decision-making, we position ourselves to respond capably to our most salient risks, which are described in more detail in our 10-K.

Climate risk

To better understand our climate risks, we responded to CDP's Climate Change Disclosure for the first time in 2021 and scored a B- rating, placing us ahead of the average rating for U.S.-based companies. This process allowed us the opportunity to identify and assess operational climate risks and to understand where we stood relative to others.

To read more about our approach to climate, see The Environment Matters section of this report or our CDP Report.

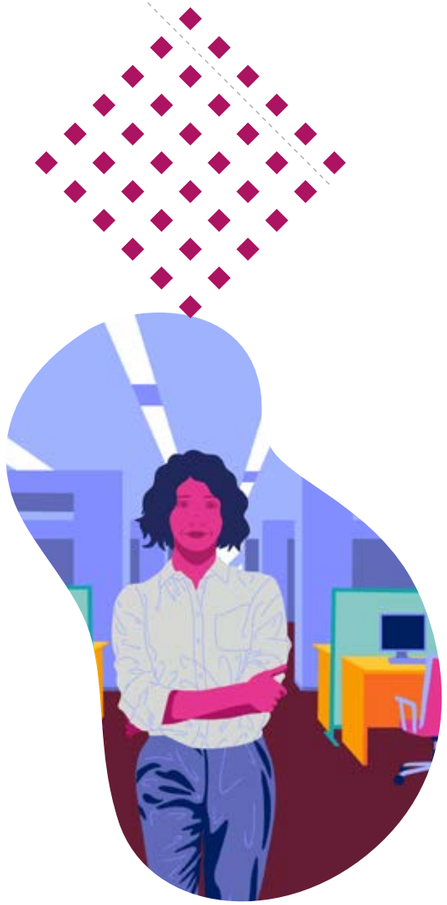
Risk oversight

The Audit Committee of our Board is responsible for compliance and risk oversight, working closely with senior leadership to ensure we monitor our exposure to risk. Senior management informs, supports, and updates the Audit Committee on compliance with our risk management systems and is responsible for developing and implementing plans to limit or mitigate identified risk exposure.

Engaging our stakeholders

Engaging with our stakeholders helps us stay connected to what really matters — the world and people around us.

To maintain trust and act in the long-term interest of our stakeholders, we aim to strike a balance between meeting the expectations of our investors and clients and doing our part to address the challenges facing the planet, our people, and our communities. Clients, investors, employees, partners, suppliers, and communities make up our key stakeholders at Pega. All have an interest in our performance on ESG issues. And they have a say in how we prioritize these issues and the actions we take to address them.



Our ESG Committee is focused on improving the social, economic, and environmental impacts of our business. The Committee engages with the Board, employees, and external stakeholders, including NGOs in our communities. In Q4 of 2021, the Committee began conducting a materiality assessment, which is anticipated to be completed in 2022. This process will help inform our broader sustainability program in the future, directed by stakeholder priority issues.

Industry collaborations and partnerships with external organizations are a critical part of our stakeholder engagement. These include:

- **CDP (formerly Carbon Disclosure Project):** A global disclosure system for environmental efforts, allowing us to benchmark and map areas of improvement
- **Human Rights Campaign Foundation's Corporate Equality Index:** A benchmarking tool for LGBTQIA+ employee policies and benefits
- **Sustainability Roundtable:** A membership-based, strategic advisory offering ESG program assistance
- **Tech Compact for Social Justice:** A member of Mass TLC's efforts to develop a more inclusive tech ecosystem
- **Wall Street Journal CEO Council:** A forum to engage with business leaders on business and global issues
- **World Economic Forum:** A global platform to engage on topics like digital transformation and the democratization of software

Building responsibility into our technology

With nearly 40 years of experience working with the world's leading brands, Pega understands that security, accessibility, and ethical considerations are integral to our products. Rather than treating these issues as secondary, we put them on the same level as functionality and address them accordingly. We see this as fundamental to establishing the trust in which long-term partnerships with our clients are based.

Data privacy and security

As concerns about vulnerabilities and cybersecurity issues in the tech world increase, so does our attention to addressing them. Information has become one of the most valuable assets of modern businesses, and protecting it in an ever-changing threat landscape requires a multi-tiered approach. Our data security, privacy, and compliance programs adhere to industry-leading practices. We regularly validate Pega Cloud® against globally recognized security and privacy standards and have selected ISO 27001/27002 as our corporate trust anchor. To manage cyber risk, we have aligned with the ISO 31000 risk management framework. The full list of our certifications and attestations may be found on the Pegasystems Trust Center.

We publish a comprehensive list of the subprocessors we use to provide our Pega Cloud services, so our clients are aware of how we manage their data.

Accessibility

Accessibility is another aspect of our software that we cover as broadly as possible throughout development. We begin with the design process. Inclusive design is important for many reasons. In the U.S. alone, one in four adults live with a disability — some 64 million people. At Pega, we strive to make sure our software creates an equitable experience for users of all abilities, including but not limited to individuals who may be blind, deaf, or deaf-blind, and those who have low vision, color deficiencies, or mobility and cognitive disabilities. We design and develop our software with accessibility in mind and test with a variety of assistive technologies. We also test with native users of assistive technology and conduct usability testing as needed.

We invite you to read our Accessibility Statement to learn more about how we prioritize accessibility.

Ethical artificial intelligence

Artificial intelligence (AI), a key component in many Pega applications, also demands responsible control. At its best, AI is a powerful tool for deriving tailored insights on individual customers that help determine what they need and when. It's a way to operationalize empathy at scale and build longer-lasting, more sustainable relationships.

If AI goes awry, it can have the opposite effect. For instance, AI that introduces bias related to factors like age, ethnicity, or gender can unintentionally creep into analytics and skew outcomes. Regulatory violations, discriminatory customer engagements, and even a loss of public trust can result.

Minimizing risk while maximizing reward takes judgment and sensitivity at the point of design. We have put this into practice by developing our Ethical Bias Check solution, which helps our clients proactively detect bias and adjust the offending algorithm or business rule accordingly. This tool creates and runs bias tests efficiently by screening an engagement strategy at once, across multiple channels, helping clients fine-tune their strategy for performance and fairness.

Pega T-Switch™ enables organizations to set appropriate thresholds for AI transparency or opaqueness. For example, banks under strict regulations for fair lending practices require highly transparent AI models. Conversely, an opaque deep-learning model can be very powerful where optimal financial results outweigh other concerns, and when AI isn't required to follow prescribed rules or explain its decisions — for example, in many marketing applications. In addition, Pega's decision-management environment allows trackability and accountability for any number of algorithms, model versions, rules, and strategies.

Consumers and regulators want technology they can trust. This is possible through responsible AI — AI that engages customers with empathy, fairness, and transparency.

CASE STUDY

Electronics manufacturer sources responsibly and ethically with Pega

Faced with the challenge of maintaining quality while socially and environmentally sourcing millions of parts from over 20,000 suppliers, this Global 200 Electronics manufacturer looked to simplify a complex and cumbersome sourcing process to ensure the products they build contain only responsibly-sourced parts. Using Pega's low-code approach and layered architecture, the manufacturer quickly created processes to accommodate different customer industry needs, geographies, and commodities. The new processes streamlined sourcing analysis while delivering proof of compliance with legal and regulatory requirements across a diverse supply base.

Read full case study

Building empathy into AI

We think AI and empathy can coexist, resulting in more positive outcomes for our clients in how they interact with their customers. Our whitepaper, Responsible AI: Great power requires greater accountability, explains why consumers distrust AI and prefer human interactions. And it shows how combining AI with human ethics can improve engagement.

THE ENVIRONMENT matters

We take our environmental impact seriously at Pega.

COVID-19 has given us the opportunity to see what a distributed work environment looks like and how this model affects our footprint. We made great strides measuring, evaluating, and implementing new strategies to reduce our impact in a variety of areas. We learned how we can further reduce consumption and keep our operations going. And we embarked on a journey that will reduce our impact further and show what is truly possible to keep the company growing with less.

The impact of COVID-19 has been significant in allowing us to reach many of our sustainability goals earlier than expected. We are implementing changes that will help us maintain these savings going forward. These efforts, and the transparency in reporting on them, lay the foundation for continual progress.

Our commitment to transparency on sustainability

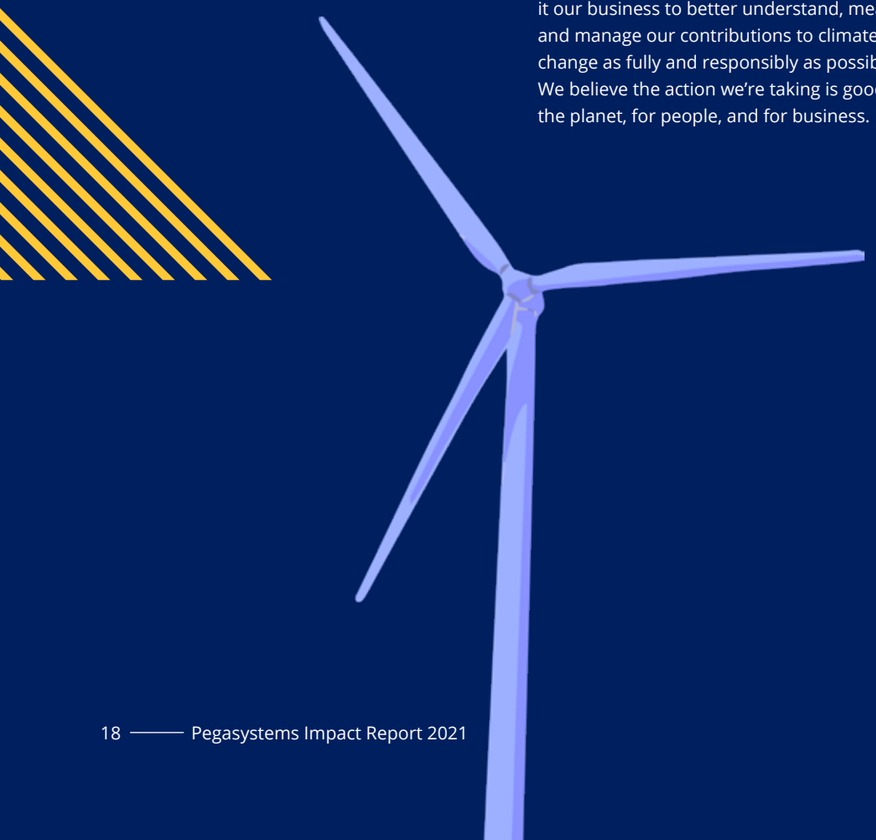
In 2021, we made collecting and measuring data on our energy use a priority and tracked our consumption and emissions at key sites. Looking at the numbers, we saw ways to work more sustainably. We saw how transparency around our carbon footprint and goals could rally people who work at Pega and with us.

We know we must work with external experts to better understand and address our impact. This commitment to transparency, both internally and externally, led us to:

- Expand tracking, reporting, and management of energy consumption
- Set up an internal Sustainability Network for employees to engage and communicate about sustainability issues, concerns, and ideas
- Partner with the Sustainability Roundtable to help us evaluate elements of our environmental impact
- Work with third parties to offset our carbon emissions — to date, we are achieving Scope 1 and Scope 2 carbon neutrality in eight key Pega offices
- Respond to the Climate Change Disclosures established by CDP, a nonprofit global disclosure system that helps organizations manage their environmental impact — resulting in our inaugural CDP Report for which we earned a B- rating, ahead of the average for U.S.-based companies
- Submit environmental data to EcoVadis, a business sustainability rating company frequently consulted as a procurement tool by client organizations considering Pega products and services

Taking action on climate change

Climate change is a critical, global issue. Its serious business implications concern us, our clients, and our partners. We have made it our business to better understand, measure, and manage our contributions to climate change as fully and responsibly as possible. We believe the action we're taking is good for the planet, for people, and for business.



Reducing carbon emissions

Pega set and achieved the following goals in 2021 as we progress toward carbon neutrality:

- Achieving net-zero emissions in eight key offices for Scopes 1 and 2 — projected for 2025, but accomplished in 2021
- Zeroing out Scope 1 emissions throughout the company with 700 carbon offsets
- Purchasing 7,600 RECs to offset the balance of Scope 2 gases

In 2021, we succeeded in establishing reliable means of monitoring and measuring our carbon footprint in key parts of our business. It enabled us to achieve carbon neutrality in Scope 1 and 2 carbon emissions for FY 2020. We accomplished this by procuring renewable energy certificates (RECs) and carbon offsets. This milestone made Pega carbon-neutral in eight key offices, which we define as those above 25,000 square feet. In Q1 of 2022 we will be procuring RECs and carbon offsets to also achieve carbon neutrality in Scope 1 and 2 for FY 2021. We anticipate this practice will continue into the future.

Thanks to the Pega Cloud Hibernation Program, between December 2020 and December 2021 we avoided generating 42.5 metric tons of CO_2.

EMPOWERING EMPLOYEES TO REDUCE THEIR CARBON FOOTPRINT

Incentivizing alternative transportation

We have historically offered alternative transportation programs with incentives for employees to use public transit, walk, or bike to work. Prior to the pandemic, Pega India enlisted digital carpooling — with close to 240 associates using these services. Our Cambridge headquarters also provides an allowance to employees who walk to work or use public transportation. These programs have been dormant since early 2020 with most Pega employees working remotely due to the pandemic. Furthermore, most workspaces leased by Pega include bicycle parking areas. We continue to evaluate new and innovative ways to incentivize employees to take alternative means of transportation as part of our return-to-office plans.

Encouraging environmental volunteerism

We engage and empower employees to act on environmental issues they care about through resources and connections provided via our Sustainability Portal Page, our Sustainability Network employee space, and PegaCares donation and volunteerism opportunities. For instance, in 2021, dozens of Pega employees in Poland participated in the Czyste Tatry (Clean Tatras) project to clear litter from Poland's highest mountain range, the Tatras. Together with other volunteers, 1,300 pounds of trash were cleared.

In 2021, Pega pledged to plant one tree for each current employee and new hire, resulting in more than 6,100 trees planted in partnership with global charity One Tree Planted, to support reforestation projects worldwide.

70%
of our Bangalore office is powered by renewable energy

Reducing our energy consumption

In 2020, we set a goal to reduce our energy footprint by 5% by 2025, with interim reduction targets of 1% per year over five years. We achieved the full reduction in 2021. In addition to many of us working from home due to COVID-19, there were two elements that were key to our success: integrating green building design into our own facilities and increasing our use of energy-saving technologies at all of our locations.

GREEN BUILDING DESIGN

- Our Cambridge HQ office building received Leadership in Energy and Environment Design (LEED) Gold certification.
- Our Hyderabad office achieved Health and Well-being Gold Standard certification from the Indian Green Building Council.
- Our Bangalore office is now powered by 70% renewable energy, provided by the builder.

ENERGY-SAVING EQUIPMENT UPDATES

We made significant progress in decommissioning and replacing older, inefficient computer equipment. In our move from our Cambridge headquarters to a managed data center, we replaced 217 legacy servers with 50 more efficient, physically smaller, higher-capacity servers. This brought our average monthly power consumption down by more than 60%.

Reducing our water usage and waste

Energy isn't all we save from going down the drain. Minimizing our water use and waste output is a priority in all our projects.

WATER CONSERVATION

In 2020, we set a goal to reduce our consumption by 2% per year, targeting a 10% decrease by 2025. We are tracking our impact in eight large Pega facilities across our geographies, and in 2021, we kept our per-head, per-day water consumption below the industry average. Now our aim is to improve our per-capita footprint, beginning with these water conservation projects:

- Using low-flow toilets in all offices and flow reducers on all faucets
- Installing tap aerators in all handwashing and dishwashing areas
- Replacing manual taps with sensor taps and adjusting their timing to discharge water purely based on the sensor
- Adding water flow meters to monitor our use in more locations
- Collecting residual drinking water for watering indoor plants
- Migrating fully to green cleaning chemicals, which require less water, in all Pega housekeeping activities

PARING DOWN ON PLASTICS

We embarked on an initiative to eliminate single-use plastic from all Pega offices globally, starting in India. We identified 18 commonly used items to stop using. We tracked our progress, and by the time we extended the program throughout Pega, we measured more than a 40% reduction.

Sustainable procurement practices

Pega is committed to continued improvements in developing and deploying sustainable and socially responsible procurement practices. In 2021, we added sustainability questions and criteria to the RFPs we've run during the year, eliminated most manual contract signature requirements (to reduce the need for printing), migrated vendors to e-invoicing directly with our procurement platform, and worked with internal business units to reduce waste and ensure obsolete technology is recycled or reused.

CASE STUDY

New Orleans Deepwater Horizon Economic Claims Center reinvents its claims processes

The Deepwater Horizon oil spill in 2010 was the largest marine oil spill in history, releasing crude oil into the Gulf of Mexico and leaving businesses and citizens in economic and ecological hardship. The resulting Economic Claims Center (DHECC) partnered with Pega to create a new claims management system, fully customizing Pega's business process management framework and integrating the workflow with fraud analytics, a complete lifecycle and ticketing system, and change control processes. Since then, DHECC has brought more than $10 billion in claim awards to the Gulf South, resulting in unprecedented economic and ecological development.

Read full case study

40%
reduction in single-use plastic

PEOPLE matter

We share a common belief that no problem is too complicated and no solution too hard to reach — not just for our clients, but for our employees and our communities.

This is what drives us to be a responsible corporate citizen. We're committed to providing a safe, appreciative, and inclusive work environment that embraces the needs of our employees. We attract, engage, inspire, and retain world-class and diverse talent by connecting our people to our purpose, fostering a culture of recognition, investing in the causes our employees care about, and being active contributors in our communities.

Supporting our people

At Pega, we believe that taking care of each other is fundamental to taking care of business. We all have a lot going on beyond the workday and we're committed to helping our employees create both a great life and a great career. That's why we're committed to fostering a workplace where our employees feel part of a team that's collaborative and caring, at work and beyond.

We embrace the importance of diversity and work to acknowledge our own biases — conscious or not. We see one another as individuals and value that individuality, understanding that we don't all have the same needs. We believe that time off work enriches the well-being of our team members. We are flexible in our expectations of one another and in how we collaborate, which has helped us navigate the COVID-19 pandemic. And during this challenging time, we've learned the importance of staying connected, even when physically distant.

We believe in always making support and continuous learning key to investing in our people. That's why we offer multiple programs to support and invest in our employees and our communities, including employee development efforts, PegaUp! Total Well-being, our Global Inclusion & Diversity initiatives, and PegaCares — our signature social impact program.

Training and career development

We are lifelong learners who believe that a strong business is one where employees are empowered to continuously learn and develop. Employee development underpins our efforts to execute our strategy and continually deliver innovative products and services. We invest in our employees' career growth and provide them with a wide range of development opportunities, including formal and informal learning, mentoring, and coaching.

To support our current and future leaders' development, we currently offer five programs for people managers and leaders in a cohort format comprised of all functions and geographies, including courses on inclusive leadership and leading with empathy. We also provide educational resources and classes, career training, and education reimbursement programs to keep skills sharp. In 2021, 79% of our employees participated in a formal education program.

Pega employees are encouraged to build on their current skillsets and explore new areas of expertise with training "missions" offered by Pega Academy. With free access to our on-demand digital Learning Gateway, employees can upskill, enabling us to hire from within. Employees can also ask for rotations on different teams to gain exposure to different functions, explore new career paths within Pega, and increase perspective and empathy with other team members.

Pega DIG Days (Development, Inclusion, and Growth), a benefit innovation that arose from employee committees, are one day off per quarter for Go-To-Market employees to spend on personal growth.

Benefits beyond the expected

Our people are our greatest asset, and Pega values their contributions. It's important that our employees find a balance between their work and personal lives. One way Pega acknowledges this is by taking employee benefits beyond the expected. We're committed to offering comprehensive and competitive total rewards packages and resources that meet diverse needs, including well-being programs that support our people in all stages of their lives.

PEGAUP! TOTAL WELL-BEING

We are committed to creating an inclusive and diverse environment that supports our employees' health and overall well-being, focusing on physical, emotional, financial, and personal wellness.

We carefully design our benefits to support each of these pillars:

- **Physical:** Our competitive, quality healthcare programs provide optimal coverage options for employees and their families. We strive to help our employees stay fit and healthy — with an on-demand fitness platform and healthy-living nutrition program. Employees can also participate in PegaUP! Global Challenges and other wellness activities.
- **Financial:** We offer financial support and resources to help our employees achieve their financial goals. These include retirement programs, new hire and periodic equity grants, an Employee Stock Purchase Plan (ESPP), life and AD&D insurance, short and long-term disability insurance, and financial seminars — to name a few.
- **Personal:** We offer a variety of programs to help support employees thrive at home and at work, including an education assistance program, generous parental leave, phased return to work for primary caregivers, time-away programs, backup care, learning opportunities through our Learning Gateway, and career development programs.
- **Emotional:** We have resources and programs in place to support and nurture our employees' mental and emotional health. We provide a global employee assistance program (EAP) to employees and their families, mindfulness and fitness app subscriptions for all employees, guided meditation tools, and up to two weeks of bereavement leave, to name a few.

COMPENSATION

Rewards at Pega follow a strong "pay-for-performance" philosophy. There are several components we consider to ensure we offer fair and competitive compensation for employees. Programs such as our Corporate Incentive Compensation Program (CICP) — an annual bonus program — are linked to both company and individual performance. Annually, we conduct a comprehensive review of compensation to maintain competitiveness.

15-year

"Pega-versaries" are celebrated by bobbleheads

Employee engagement and recognition

An important part of engagement is feeling heard — by your manager, your team, and company leadership. To encourage and enhance dialogue, we gather feedback regularly through various touchpoints. This includes our Continuous Feedback tool that allows employees and their managers to engage in an ongoing dialogue to celebrate accomplishments, discuss challenges, and drive development conversations. In addition, we provide training to employees on giving and receiving feedback using frameworks, case studies, and in-session practice.

We also run periodic engagement surveys for employees to answer questions and rate company performance on culture, recognition, communications, compensation, and more. 78% of employees participated in our survey and together, they submitted more than 15,000 remarks — all of which were read by the leadership team. Survey results were shared during an all-company call, and several committees have been established to address opportunities for improvement.

OUR RECOGNITION PROGRAM

We believe everyone at Pega deserves respect and appreciation for their contributions and impact on clients and communities. Our global recognition program acknowledges employees in the following ways:

- Employee of the Month recognizes members of the Pega team who model our core values and have made contributions above and beyond what is expected.
- The Team Splash Award recognizes a team that made a "splash" for clients or colleagues.
- The Chairman's Award is a prestigious peer-nominated honor for an employee who has created client success, driven results for growth, and represented the company's values.
- "Pega-versaries" celebrate years of service, including the beloved "Bobblehead" for employees who have been at Pega for 15 years.

Pega Talent Recognition Platform

Our global Talent Recognition Platform enables employees to recognize their colleagues for hard work and commitment to the Pega culture, while supporting our values of giving and social responsibility. Employees can send personalized messages of appreciation and reward peers with "recognition points," redeemable for donations to regional or global charities — such as Girls in Tech, One Tree Planted, Habitat for Humanity International, or Doctors Without Borders. Thanks to such peer-to-peer recognitions in 2021, Pega donated $73,000 USD to 66 charitable organizations in 18 countries.

We enhanced our benefits to provide fully paid COVID-19 sick leave for up to 10 business days for any employee if they or an immediate family member test positive for COVID-19 and are experiencing symptoms.

Health, safety, and well-being

The health of our employees directly impacts the health of our business. Never could this be more evident than during the COVID-19 pandemic. This global public health crisis demanded we reexamine and reinvent the ways we work together and forced us to make challenging decisions for ourselves and our families. We prioritized our efforts by putting our culture at the center of every action we took. Empathy — while always part of our ethos — became the most critical driving factor to guide our actions.

Early in the pandemic Pega formed a Response Plan Team comprised of representatives from the People, Legal, Facilities, and Communications functions to centrally address issues. One of the most pressing needs was supporting our workforce of 5,000+ who were making the shift to working virtually. Our IT team worked quickly to accommodate us all, including new employees whom they onboarded virtually, sending out hundreds of laptops each month.

Our leadership team continues to host monthly "Check-in Chats" company-wide, to give important updates and to answer questions.

To support employees, we rolled out mindfulness services and benefits, including free access to meditation and wellness app Headspace, on-demand fitness app Burnalong, and a monthly "No meetings Friday" directive for internal meetings — giving employees a break from being "on" to help reduce digital fatigue. We also introduced new work policies around flexible schedules and reduced commutes.

We set up internal forums — such as the Working Parent & Caregiver Network and the Working Parents & Caregivers of Special Needs Network — enabling participants to share challenges and support each other. We reminded our employees of our global Employee Assistance Programs (EAP) and encouraged them to take advantage of immediate access to counseling for emotional and physical concerns, legal issues, child and elder care needs, and more. All employees, their spouses, and dependents are eligible.

Staying connected

We also launched a "Staying Connected" email series, authored each week by a different employee from across various functions of our business, giving them the opportunity to share personal insights. The emails have fostered relationships between employees who have never met and has helped all staff around the world engage and feel informed, connected, and inspired.

To provide more support to people managers, Pega developed a "managing with empathy" training program featuring advice on listening to employees, building trust, and encouraging positive thinking. 98% of Pega managers completed the program in 2021. We also added training for remote workers, made commitments to what's really important, and shared reminders for people to unplug.

Inclusion & diversity

"Inclusive" is one of our Pega values. A truly inclusive culture activates a wellspring of creativity, as does diverse thinking and collaboration. In an increasingly competitive global market, inclusivity is now more critical to success than ever. Inclusion and diversity (I&D) amplifies innovation, instills a sense of belonging, and makes employees feel valued while connecting us to each other, our clients, and the communities we live in and serve.

Our I&D approach

Supporting I&D is a constant, deliberate process. The goal is to create an environment that welcomes different talent, experiences, and opinions. These differences include racial, cultural, generational, religious, and economic perspectives, as well as those informed by gender identity, sexual orientation, and other factors. To Pega, an inclusive culture is more than accepting people who are different from us. It means recognizing them as critical to success.

To foster inclusion, we educate to create mutual understanding, inspire dialogue, and work to align our I&D practices and strategy across the enterprise. To promote diversity, we attract diverse employees, work diligently to advance their careers through professional development opportunities, and cultivate a sense of community with employee groups that reach across both geographies and functions.

I&D leadership programs

Pega engages with various organizations to accelerate advancement of our diverse talent:

- **The Babson College Women's Leadership Program** provides high-potential women with the opportunity to activate a personalized action plan with feedback from peers and executive coaches.
- **The Leadership Consortium** brings together participants from best-in-class companies in a virtual development experience that accelerates leadership impact. The program is focused on high-potential talent from underserved populations and delivered by hand-picked Harvard Business School faculty. Leaders emerge as more self-aware executives who lead stronger teams and have broader strategic command.
- **The Mass Tech Leadership Council Board-Ready Bootcamp** focuses both on preparing underrepresented tech leaders, including Black, Latinx, LGBTQIA+, and women executives, and addressing the lack of diversity on tech boards with a high-impact curriculum on board fundamentals, strategy, governance, and practical insights.

I&D investments

We invest in organizations that align with our mission to broaden the pipeline of future technologists from underserved backgrounds — in partnership with Pega's global social impact program, PegaCares. Pega invests in several nonprofits that support the equitable participation of female technologists from diverse communities, including:

- Black Girls Code
- Black Girl Ventures
- Girls Who Code
- GirlUp
- Grace Hopper Celebration
- Lesbians Who Tech
- The Massachusetts Conference for Women
- TechTogether

Read our Global I&D Report update
Visit our I&D webpage

Pega also supports organizations globally that inspire participation in tech for underserved communities such as vulnerable youth, gender-marginalized individuals, and non-binary people of color, among others. These include:

- Black & Brown Founders (U.S.)
- Bottom Line (U.S.)
- BUILD (U.S.)
- Campaign Against Homophobia (Poland)
- Pride Foundation (Australia)
- Stonewall (UK)
- Teach for Change (India)
- TechVets (UK)
- The Trevor Project (U.S.)
- WithYouWithMe (Australia)
- Youth for Seva (India)

THE PEGA SCHOLARS PROGRAM

The Pega Scholars Program offers scholarships to underserved students around the globe who are pursuing a degree in technology or computer science. Recipients get funding for undergraduate study at a two-, three-, or four-year accredited institution, as well as connections to industry mentors and Pega leaders. We launched the program in 2021 as part of our commitment to support future technologists from diverse communities. Ten recipients are selected for each annual cycle. The program is administered in partnership with Scholarship America®. Students who received awards in 2021 include seven from the U.S., two from Canada, and one from Australia.

Brand Ambassador Program

In 2021, Pega launched a Brand Ambassador Program with top athletes, leaders, and role models acting as champions for change. As one of our ambassadors, English professional golfer Mel Reid wore a Pega-branded, rainbow-logo hat during the 2021 U.S. Women's Open to celebrate Pride Month. Reid, who came out as gay in 2018, uses her platform to give back to the LGBTQIA+ community. She became the first pro golfer to wear a pride logo during a competition and later donated the hat to the USGA Golf Museum and Library.

"Pega is one collaborative team. No ambition feels too big here, and Pega doesn't leave behind people who are seeking new challenges and opportunities."

– KINGA B., CLOUD DEVELOPMENT ENGINEER

Employee engagement matters

We engage our employees in helping us create a culture where everyone is encouraged to bring their whole, authentic selves to work, and where this is celebrated.

EMPLOYEE RESOURCE GROUPS

Pega offers all employees the opportunity to participate in ERGs. These affinity groups are intended to provide community engagement and safe spaces for underrepresented groups at Pega. Each self-governing ERG is led by a C-suite-level executive sponsor, who provides strategic direction around recruitment and retention, advancement of diverse talent, and social impact efforts with complementary organizations. Nearly 20% of our employees are active members of at least one ERG.

~20%
employees are active members of at least one ERG

Pega Employee Resource Groups

Asian@Pega
Black@Pega
Latinx@Pega
PwD@Pega (Persons with Disabilities)
Pride@Pega
Veterans@Pega
Women@Pega

Notable 2021 ERG accomplishments

- Pega launched three vibrant ERGs — Asian@Pega, Latinx@Pega, and PwD@Pega — as well as a Cultural Awareness Network in 2021.
- To foster the career advancement of diverse talent, we hosted panel discussions and topical webinars.
- Our groups invited all members to participate in a cross-ERG mentoring program.
- Throughout diversity celebratory months, such as Black History Month, Women's History Month, and Pride Month, Pega hosted programming that included a Fireside Chat Series, featuring inspirational external speakers from leading global organizations.

ENCOURAGING ALLYSHIP, DIALOGUE, AND EDUCATION

To Pega, allyship means building relationships based on trust, consistency, and accountability with those who come from different backgrounds. To further our culture of inclusion, Pega established an Advanced Allyship Program. It has six modules that include both digital and experiential learning and provide a comprehensive set of tools for how to practice allyship both in and out of the workplace. Participants are inspired to build empathy for others and deliberately act on their behalf and are encouraged to enroll in membership of any of our ERGs as an ally.

In 2021, Pega invested in I&D education by hosting 25 workshops globally, such as "Inclusive Leadership" for people managers and "Inclusive Workplace" for individual contributors. These workshops are designed to encourage participants to be more aware of their biases and be inspired to serve as advocates for others from underserved communities. More than 2,000 employees participated. 92% said they would recommend the workshops to a colleague, and 95% felt they would be more inclusive as a result of their participation.

GENDER EQUITY

We are committed to fairness, equality, and inclusion in all our business practices, including our approach to total rewards. We routinely examine gender pay before, during, and after our annual compensation cycle. We also review this analysis with our CEO and Board of Directors to ensure we remain focused on driving efforts that support and encourage equality in compensation across our organization. Additionally, we are required to report on our gender pay data in our UK Gender Pay Gap Report which is available online.

Offering self-identification

In 2021, Pega offered our employees the opportunity to self-identify as LGBTQIA+ as well as gender non-binary — not only acknowledging their identity but offering the company a baseline for representation and advancement for these communities so we can measure our improvement going forward.

Supplier diversity

A diverse supplier base helps us build a more resilient supply chain, while supporting minority- and women-owned businesses. In commitment to this principle, when running RFPs, we actively work to include diverse suppliers where possible. In 2021, we worked with an external vendor to review our supplier list and gauge our progress more accurately. In 2022, we plan to continue developing our Supplier Diversity Program.

Community engagement

In 2020 and 2021, Pega contributed $2.4 million to 200+ charitable organizations in 20 countries.

Pega strives to be a responsible corporate citizen and active contributor in the global communities where our employees, clients, and partners live and work.

PegaCares

Pega's deep commitment to our communities is brought to life through our global social impact program, PegaCares. We support local and global nonprofit organizations that align with our focus areas: women and girls in technology, youth education and development, and environmental sustainability. To help meet some of the most urgent needs of our communities resulting from the COVID-19 pandemic, we also focus on global relief and recovery efforts.

GLOBAL CHARITY PARTNERSHIPS

We are proud to partner with nonprofit organizations and programs around the world that promote opportunity, equitable participation, and better outcomes for all.

Women and girls in technology

Pega is a strategic partner and supporter of Girls in Tech, a global nonprofit focused on the engagement, education, and empowerment of women in technology. In 2021, Pega was the title sponsor of the Girls in Tech Annual Conference.

Pega also supports TechTogether, the nation's largest initiative to address gender inequities in the hackathon community. Pega provides both technical and non-technical mentors and workshop leaders for the organization's annual student-led hackathon for people of marginalized genders.

Education and youth development

Pega is proud to be a longstanding supporter of Year Up, an organization working to close the opportunity divide. Year Up ensures young adults gain the skills and experience to reach their potential through careers and higher education. Pega hires Year Up students as interns, engages Pega volunteers as mentors and mock interviewers, and sponsors annual graduation events.

Pega India is a flagship partner of Teach for Change, an NGO based in Hyderabad that is focused on improving literacy and life skills among primary school children attending government schools. Pega sponsors the organization's literacy program and has supported the setup of 10 digital centers and 10 reading rooms in local schools.

Environmental sustainability

Pega partners with environmental nonprofit, One Tree Planted, to support global reforestation around the world. Our 2021 tree planting initiative resulted in more than 6,100 trees planted — one for each employee and new hire. Pega has supported planting projects in the U.S., Brazil, India, Australia, Spain, England, and elsewhere.

Supporting employee-led grassroots efforts

We empower Pega employees to participate in our social impact efforts — and the causes they are passionate about — via our giving and volunteering programs. Every employee is encouraged to take two days of paid volunteer time off to work for causes they are passionate about, either individually or through Pega-sponsored events.

Through the Pega giving program, employees may request that we donate to a charity on their behalf. We developed a Pega-built app for employees to submit donation requests and matched employee donations in 2020 and 2021 to the COVID-19 Solidarity Response Fund for WHO, Black and Brown Founders, Black Girl Ventures, the German Red Cross, and Doctors without Borders India.

In 2021, employees donated time and money to a variety of causes, including walking to support our veterans, ending Alzheimer's, helping those suffering from La Palma's natural disaster, packing backpacks for students who face homelessness, growing moustaches to support men's health issues, wrapping and delivering holiday gifts to struggling families, stepping up for women's rights to end violence against women, preparing students for interviews, and more.

Read more

Employees donated more than $73,000 to 66 charitable organizations in 18 countries through Pega's Talent Recognition program.

**Some photos used in this report are taken before 2021. We abide by regional Covid guidelines.*

Providing direct medical support in India

The impact of COVID-19 on our employees has been significant, and no more so than in India. In 2021, the country's medical infrastructure was severely stressed by the pandemic and often lacked basic resources needed to help its residents. To fill the gap, Pega India provided support to its employees and their families in several ways. The team established the Resource Emergency Action Care Helpline (REACH), which helps Pega staff find a hospital bed and coordinates the delivery of oxygen concentrators and other drug and blood requirements. In addition, Pega sponsored two vaccine drives for Pega employees and their families as well. Drives were conducted in Hyderabad and Bangalore, where Pega is located, and more than 2,500 employees and family members were vaccinated.

COVID-19 relief and recovery

Supporting COVID-19 relief and recovery is a major focus for us. Like the pandemic, our response has been global.

Living the Pega values, inclusive and passionate, we responded to local and global needs, including direct financial contributions and sponsorships for organizations supporting people affected by COVID-19. Pega and our employees donated nearly $400,000 to the COVID-19 Solidarity Response Fund for the World Health Organization.

We also launched an Employee Pledge Fund to support colleagues whose households faced economic stress due to the loss of their partner's or spouse's job or business. The fund enabled employees to donate a percentage of their bonus that was then matched by Pega. Thanks to their generosity, more than 30 employees and their families received direct assistance.

At home in Boston, Pega sponsored two Dropkick Murphys concerts, including a livestreamed concert from Fenway Park featuring remote special guest Bruce Springsteen. Each livestream had nearly 10 million viewers, and the Fenway concert raised over $700,000 for three charities: Greater Boston Habitat for Humanity, Boston Resiliency Fund, and Feeding America. Pega also supported frontline and healthcare workers, the restaurant industry, the elderly, and its employees through various programs.

It was a challenging year, but we remain inspired — largely thanks to each other.

$400k
donated to COVID-19 Solidarity Response Fund for WHO

CASE STUDY

StepChange Debt Charity simplifies and accelerates their customer journey

UK-based StepChange Debt Charity provides the UK's most comprehensive problem debt advice service. Using the Pega Platform, StepChange implemented a unified customer service solution, PULSE, that's faster and easier to use, allowing the organization to improve their customers' experience and streamline their operations.

Read full case study

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1 Main Street
Cambridge, MA 02142

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In January 2021, Pega acquired Qurious.io for AI-Powered Speech Analytics.

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Defining report content and topic boundaries

ESG Transparency

The ESG topics covered in this report were determined based on interviews with select subject matter experts and stakeholders as well as topics identified by Pega's ESG Committee.

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List of material topics

At the time of publication of this report, Pega was undergoing its inaugural materiality assessment.

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Restatements of information

Not applicable (inaugural report)

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Not applicable (inaugural report)

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Reporting period

January 1, 2021–December 31, 2021

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Date of most recent report

This is Pegasystems's inaugural Impact Report.

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Reporting cycle

Annual

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Contact point for questions regarding the report

ESG@Pega.com

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Claims of reporting in accordance with the GRI Standards

This report was prepared using the Global Reporting Initiative (GRI) and the Sustainable Accounting Standards Board (SASB) reporting frameworks as guidance.

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Pega did not seek external assurance for 2021 data.

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100%

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SASB Index

Our reporting aligns with the SASB Software & IT Services sector standards.

Environmental Footprint of Hardware Infrastructure

TC-SI-130A.3

Discussion of the integration of environmental considerations into strategic planning for data center needs

Energy-Saving Equipment Updates

Data Privacy & Freedom of Expression

TC-SI-220A.1

Description of policies and practices relating to behavioral advertising and user privacy

Data Privacy and Security
Privacy & Security
Privacy Notice

Data Security

TC-SI-230A.2

Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards

Data Privacy and Security
Code of Conduct
2021 10-K, "Risk Factors" pgs. 14-15

Recruiting & Managing a Global, Diverse & Skilled Workforce

TC-SI-330A.1

Percentage of employees that are (1) foreign nationals and (2) located offshore

2021 Global Inclusion and Diversity Report

TC-SI-330A.3

Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees

2021 Global Inclusion and Diversity Report

Managing Systemic Risks from Technology Disruptions

TC-SI-550A.2

Description of business continuity risks related to disruptions of operations

Keeping Risk in Check
2021 10-K, "Risk Factors" pgs. 14-15
2021 CDP Climate Change Response

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IMPACT REPORT 2021

Note regarding forward-looking statements

Certain statements contained in this Report may be construed as forward-looking statements. Because they concern future events, they contain uncertainties and risks. They speak only as of the date the Report was originally published and are made based on then-current expectations and assumptions. Pega's actual results and performance could differ materially from Pega's expectations. Factors that could cause Pega's results to differ materially from those expressed or implied in forward-looking statements are contained in Pega's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and other recent filings. Investors are cautioned not to place undue reliance on such forward-looking statements and there are no assurances that the matters contained or implied in such statements will be achieved. Although subsequent information or events may cause our view to change, except as required by applicable law, we will not and specifically disclaim any obligation to publicly update or revise these forward-looking statements.

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