**Global Corporate Social Responsibility Report** Issued: May 2024



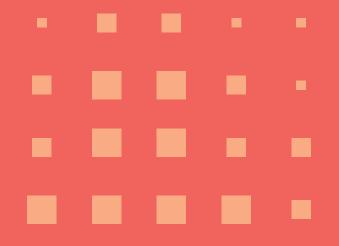


# The Power of People











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# CEO Message

At ADP, innovation is the heart of our business — and the values that led us to become a global technology leader still guide our way 75 years after we pioneered the industry. As we focus on designing a better world at work — we are keenly aware of our responsibility to contribute to progress in business and beyond. We are in the fortunate position to support more than one-million client companies and their workers...and with every interaction, we have an opportunity to make a meaningful impact and help build a better future.

#### ADP DATA POWERS PROGRESS

Our size, scope and vast data set, coupled with our use of data and technology, offer companies the ability to see inside their workforces — providing a lens into trends and delivering insights to help them grow and evolve their organizations. Through data-driven technology and industry expertise, we can empower businesses in ways that enable progress.

We believe that true success is achieved when we contribute to the well-being of our clients, their workers, our associates, and the global communities in which we live and work. This belief fuels our dedication to corporate social responsibility (CSR), as we strive to create tools that support a more inclusive and sustainable future for generations to come.

#### PURPOSE DRIVES ACTION

Through innovative programs and partnerships, we have actively worked to reduce our environmental footprint, promote inclusion and diversity, and support the communities in which we operate. Our commitment to these areas is not only guided by ethical principles but also by a genuine desire to make a difference.

In our pursuit of sustainability, we have intentionally worked to minimize our impact on the environment. From investing in renewable energy sources to reducing waste and implementing recycling programs, we are dedicated

to conserving resources and mitigating the impact. We recognize that our responsibility extends beyond our immediate operations and are actively working with suppliers and partners to promote responsible sourcing and production practices throughout the value chain.

#### INCLUSION SPARKS INNOVATION

We strongly believe that inclusion and diversity are key drivers of innovation and growth. We have made considerable progress in fostering an inclusive workplace that values and respects individuals from all backgrounds. By embracing diversity, we are better able to understand the needs of our diverse client base and create products and services that reflect their unique perspectives. We are committed to further enhancing our efforts to ensure equal opportunities for all, irrespective of gender, race, ethnicity, or any other characteristic.

In the spirit of giving back, we have continued to engage with and support communities throughout our global reach. Through various philanthropic initiatives, we have made a positive impact on education, healthcare, and social infrastructure. We continue to encourage our associates to actively take part in volunteer programs, empowering them to make a difference in their own communities, and they continuously make us proud with their contributions. We strive to be an active and responsible corporate citizen, making a tangible and lasting difference in the lives of those who need it most.

#### YOUR VOICES INSPIRE EXCELLENCE

As we reflect on our achievements, we are aware that our journey is ever evolving. We recognize the importance of continuous improvement and are committed to raising the bar even higher. We will listen to your feedback, learn from our experiences, and embark on new initiatives that align with our core values and address emerging variables.

I want to extend my deepest gratitude to our associates, clients, partners, and stakeholders who play a crucial role in our journey. Your passion, dedication, and support have been instrumental in our success. Together, we will continue to build a sustainable and inclusive future, one that leaves a positive and lasting impact on the world.

Thank you for joining us on this journey toward a better tomorrow.

With sincere gratitude,

#### Maria Black

President and Chief Executive Officer



Maria Black President and Chief **Executive Officer** 

#### **CEO Message**

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# Commitment to ESG

At ADP, we take meaningful and focused action in environmental. social and governance ("ESG") areas to create a sustainable, ethical, and resilient company. We believe sustainability is about creating and delivering value for all of our stakeholders: our people, our clients, our partners, our investors and our community at large. In fact, we are committed as a global citizen to act responsibly for the greater good, to enable truly inclusive cultures and to do our part to protect shared resources so that we can have a lasting positive impact on our global community.

#### IDENTIFYING OUR ESG PRIORITIES BY ALIGNING WITH BEST PRACTICES

ADP has a multi-faceted approach to identifying the environmental, social and governance (ESG) priorities that have the most potential to impact the financial value of our business. First, we seek the input of our talented pool of associates who have an astounding breadth of knowledge as it pertains to human capital management and identifying the correlation between successful companies and engaged employees. Our associates also have deep expertise in the areas of risk management and sustainable operations, which gives us a well-rounded body of knowledge to draw from. In addition to our associates, we also benefit from interactions with other stakeholders such as our clients, investors, suppliers, communities, policymakers and organizations that have engaged with us over time on these topics.

We prioritize alignment with our business strategy and assess materiality based on our business priorities, including:

- Meeting client and market needs
- Attracting, retaining and developing talent
- Operational efficiency
- Innovation that drives differentiation
- Risk management

We also evaluate our initiatives and disclosures relative to business-relevant indicators identified by leading sustainability standards and reporting organizations, including GRI, SASB, TCFD and third-party ESG research providers. Additionally, we monitor emerging global ESG regulations such as the European Union's Corporate Sustainability Reporting Directive (CSRD) to stay up-to-date on reporting requirements from regulating agencies.

#### DATA COLLECTION AND ANALYSIS

To assess the relevance of our objectives, data elements from various publicly available data sources were evaluated for relevance and inclusion. We applied both a qualitative and quantitative lens to the data in order to classify the data points as having either high, medium or low relevance for our business and for our sustainability disclosures at this time. The results of this benchmarking exercise were shared with the relevant internal subject matter experts, who reviewed the results and helped make the final determination as to what content priorities are currently most relevant for the success of our business. The report contains disclosures on those indicators deemed to be priorities for our business and stakeholders. Our reporting will continue to evolve in line with best practices and input from our stakeholders. In some areas, we rely on U.S. statistics where global numbers are not available.

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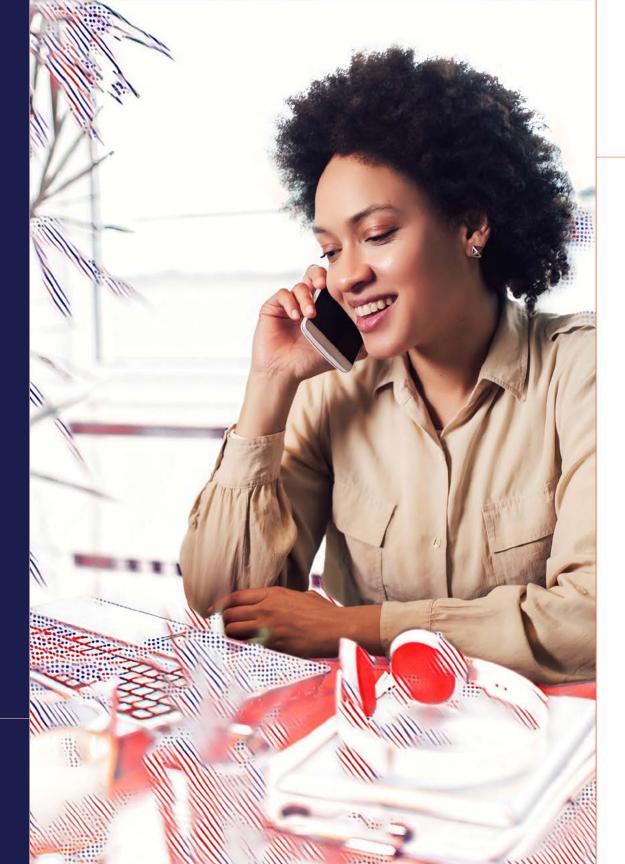
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# our Environment

We recognize the importance of environmental stewardship and our responsibility to uphold the highest standards of care, quality and consideration of the global community. We run ADP for the long-term, which has allowed us to build a strong track record of investing and adapting our operations to improve our resource efficiency and reduce our impact on the environment.



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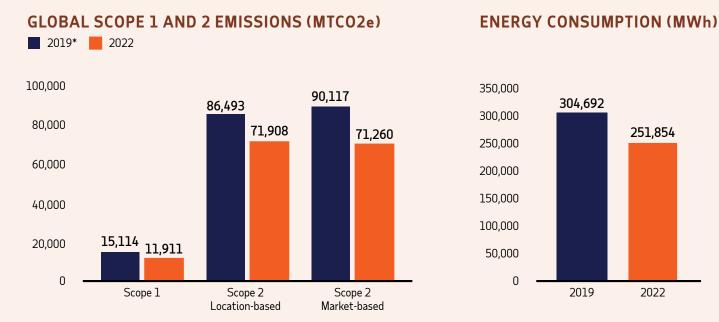
# Energy and Greenhouse Gas (GHG) Management

In 2021. ADP made a commitment to achieve net zero greenhouse gas emissions across Scopes 1, 2 and 3 by 2050. In 2022, we further committed to reduce our absolute global Scope 1 and 2 GHG emissions 25.2% by 2025 and 50% by 2030, each from a 2019 base year, which we believe is consistent with the Paris Agreement goal to limit global warming to 1.5°C. We are pleased to announce that as of calendar 2022, we have reduced our Scope 1 and 2 GHG emissions by 21% against our calendar 2019 baseline.

The reduction from our baseline year of 2019 is due in large part to:

- Our ongoing real estate optimization strategy, including rightsizing our footprint and moving into more energy efficient/greener facilities.
- Technology upgrades, consolidation and optimization within our data centers.

ADP submits its global Scope 1, 2 and 3 GHG emissions data to the CDP annually. Our global Scope 1, 2 and 3 GHG emissions are independently verified on a limited assurance basis and our most recent verification can be found here. Our future global Scope 1, 2 and 3 GHG reporting can be found via CDP under Automatic Data Processing, Inc. In addition, we may post interim updates on our progress on investors.adp.com. Our 2023 score (B) is reflective of companies that have demonstrated an understanding of the climate risks and impacts of their business, implemented strategies to mitigate those risks and impacts and demonstrate good environmental management. We used the methodologies of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard to collect and report on our Scope 1, 2 and 3 emissions. We continue to improve our GHG inventory data collection and management processes with respect to global Scope 3 GHG emissions. In our most recent submission to CDP in 2023, we expanded upon our Scope 3 emissions to include preliminary data related



\*2019 totals slightly adjusted from previous reported amounts of 18,499 (Scope 1), 89,395 (Scope 2 location based) and 93,949 (Scope 2 market based) following internal revalidation. The 21% reduction against our 2019 baseline (shown in the chart above) reflects Scope 1 and Scope 2 Market-based emissions.

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to the category of Purchased Goods and Services, leveraging spend based calculations and related emissions factors. We are assessing our suppliers in order of emission intensity to integrate their reported emissions into our calculations going forward. Further, our work continues to fully analyze our value chain impacts (and ultimately set a Scope 3 reduction target). We also report our GHG emissions to Ecovadis.

We are dedicated to conserving resources and minimizing our impact on the environment. As an enterprise, we continue to progress on our climate road map of initiatives that are driving reduction in our GHG emissions. While we view our plan as iterative and evolving, we remain focused on investing in renewable energy, efficient infrastructure and sustainable alternatives. Given the nature of our business, our GHG emissions are modest and are driven by our usage of our facilities and data centers, which are our nearer-term focus areas.

Subject-matter experts in our Global Real Estate, Facilities and Technology Organizations continue to drive the analysis and identification of energy consumption trends in our worldwide footprint and identify and implement various initiatives to reduce our emissions.

Our real estate strategy has yielded building efficiencies and reduced our natural gas and electricity consumption. Identifying buildings that are not efficiently used and finding locations where the space is better suited for our business has afforded the opportunity to restructure locations to optimize the square footage utilization. We are also upgrading to more modern buildings which have been certified by third parties as being more energy efficient green facilities.

We continue our focus on reducing GHG emissions in our data centers by upgrading equipment to state-of-the-art energyefficient models, optimizing cooling efficiency via more effective airflow management, and investments into newer cooling infrastructure. Our U.S.-based owned data centers are Energy Star Rated (82).

#### Some recent initiatives include:

- We increased the power efficiency in our owned data centers by 8% through temperature regulation efforts
- ADP reduced the number of printers and replaced with more energy efficient models, for both office and print operations
- We optimized our desk phone footprint to a cloud-based system on a global basis

#### **Building Certifications**

As part of our efforts to reduce the impact of our offices and operations, we pursue green building certifications wherever it is feasible to do so. In addition to the ADP owned offices below, we have 9 leased locations where the LEED certifications are held by the landlord. In addition to the LEED certifications listed below our leased spaces in Bristol and Staines, United Kingdom; Capelle, Netherlands; Prague, Czech Republic; and Bucharest, Romania are located in BREEAM certified buildings.



LEED Platinum: • Milan, Italy



#### LEED Gold:

- Pasadena, CA • Augusta, GA
- Hyderabad, India

• El Paso. TX

• Chennai, India

### LEED Silver:



- Tempe, AZ • Norfolk, VA

The Milan LEED Platinum project achieved a significant reduction in water usage, exceeding 45%, along with a 24% improvement in energy efficiency compared to the LEED v4 baseline.

• iLab. New York. NY

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#### **RENEWABLE ENERGY**

In order to accelerate decarbonization across our portfolio of locations, we are leveraging renewable energy where viable. In March 2024, we completed our second on-site solar project in New Jersey at our corporate headquarters in Roseland. The sprawling, roughly 3 MW onsite solar system will provide 100% clean energy, for which we will receive renewable energy credits that can be used to offset our grid electricity consumption.

#### **EV CHARGING PROGRAM**

ADP offers associates an Electric Vehicle Charging Program, demonstrating progressive corporate leadership as well as a commitment to the continuous improvement of work-life quality, implementation of advancing technologies, and support in the reduction of the global carbon footprint. We currently have 106 charging ports across 12 locations, supporting over 750 registered users across the U.S., with offerings also in Spain, Australia, the UK, Italy and France.

Further, as part of our commitment to reduce carbon emissions, we continue to update our international vehicle fleet with fuelefficient vehicles.

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# Waste Management

We have a long history of minimizing the waste we produce by promoting recycling and utilizing reusable and sustainable goods. Moving forward, we will continue to investigate new diversion methods to reduce what we send to landfills.

Below are some of the ways we're reducing the trash we send to landfills.

#### In Kind Donations

#### Electronic waste

When closing office space, there is often excess furniture that ADP can no longer use. Instead of sending it to the landfill, we find organizations that can use the office furniture, as well as office supplies, and donate it to them. Since 2019, in the U.S., we've donated over 7,700 items to partner 501c3 organizations, helping those in need and reducing our waste.

Waste diversion and minimizing environmental impact are cornerstones of our sustainability program. We are proud of our e-waste recycling program and recycling our electronics across all our operations. To accomplish this, ADP partners with an electronic waste recycler and reseller to reuse or recycle our electronic waste components. From anywhere in our operations, the process is the same: each piece of equipment is collected, counted, certified and responsibly disposed. Prior to the recycling process, all data is wiped from the electronics to protect privacy and confidentiality.

### Plastic, aluminum, and glass recycling

All ADP buildings include designated recycling containers and we encourage all associates to manage their waste by using the proper receptacle responsibly.

#### PAPER

Since our core business revolves around payroll and HR services, ADP recognized the opportunity to reduce paper usage for both our clients and our own business. We continue to drive print reductions through digitized services and paper reduction initiatives, resulting in lower ink and paper consumption and a reduction in product transport required. ADP also includes a quantitative environmental footprint objective in the annual bonus plan design for ADP executive officers, which has focused on print reduction and paperless opportunities since the objective was introduced in the annual bonus plan in fiscal year 2022.

We also have enterprise-wide print reduction initiatives such as our "Print on Demand" initiative that help reduce wasted paper from redundant or unnecessary printing jobs by providing associates a second opportunity to review what they want to print directly at the print station.

#### WATER CONSUMPTION

All ADP offices have a water safety program and protocols in place, providing our associates with access to safe water, sanitation and hygiene, including filtered water at the majority of our locations. ADP leverages a closed-loop cooling system at its primary data centers. In addition, we use low-flow fixtures and where possible, reclaimed water for local landscaping.

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# Climate-Related Risks and Opportunities



We do not anticipate any significant benefits or opportunities from a changing climate. As ADP is not a manufacturer of physical goods, our GHG emissions are considerably less impactful than industries focused on the manufacture of such goods, where material environmental opportunities would be more prominent.

ADP reviews its identified climate related risks and opportunities that would have a material effect on the business. The criteria for determining materiality / priorities include: (1) the evaluation of likelihood and severity of the risk and opportunity based on the nature and size of the risk or opportunity, (2) scope of impact on stakeholder communities, including associates, clients, shareholders, local and global communities, which could be enough to damage company reputation or result in business losses, (3) investment required to implement changes and (4) potential financial and environmental return on investment. Business Resiliency plans are developed by ADP to avoid being impacted by such risks.

Relevant risk factors are disclosed in our annual 10-K filing with the Securities and Exchange Commission. Enterprise risks are identified and managed through a comprehensive Enterprise Risk Management (ERM) program. In addition, in our annual CDP Climate Change response, we provide further detail on the risk types considered in our climate-related risk assessments. We will continue to periodically review climate-related issues to assess their potential to have substantive financial or strategic impact on our business in the future.

#### **CLIMATE MATTERS MANAGEMENT**

Our Board is committed to sound environmental practices, and our Nominating/Corporate Governance Committee of the Board of Directors has oversight of environmental sustainability, a responsibility which has been enshrined in the Committee's charter for several years. The Committee is supported by our ESG Steering Committee and ESG Operating Commitee on these matters and routinely reviews with the Board our emission reduction matters, including our progress towards fulfilling related commitments. ADP has also embedded ESG, including environmental matters, into its Enterprise Risk Management program to identify, assess, monitor and mitigate risks that could impede our objectives related to the Company's initiatives and targets. Further details can be found in the Company's 2023 proxy statement.

#### **GREEN BUSINESS RESOURCE GROUP**

In 2022, ADP launched its sustainability-focused business resource group, Green. To date, we have over 4,000 associates around the globe that have joined Green to help ADP on its journey to promote conservation and restoration of our communities' natural resources.

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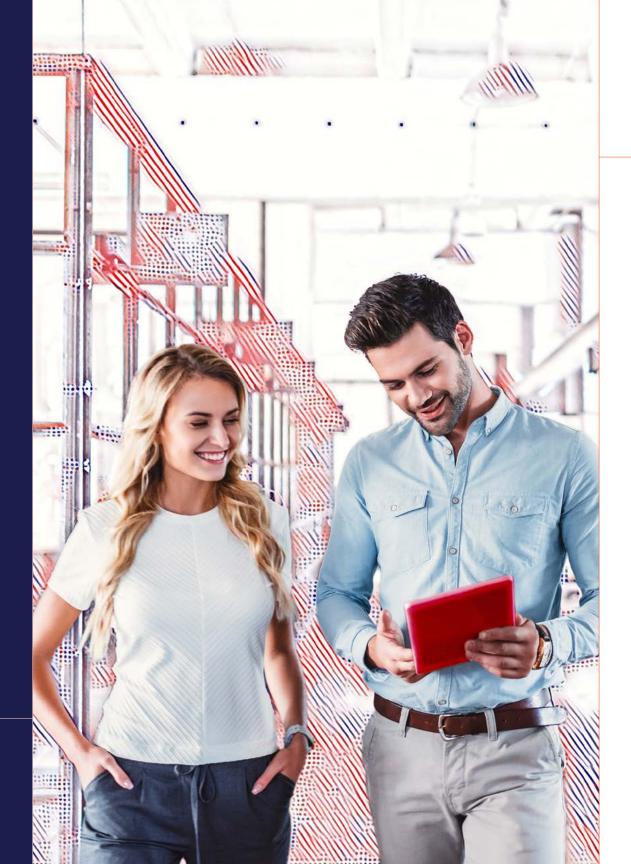
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# our Social Impact

Our down-to-earth culture celebrates diverse perspectives and creates a place where our people, and in turn our clients, can flourish. At the core of ADP's values lies the philosophy that "Each Person Counts" that each distinct voice fuels our innovation.



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# Our Culture of Inclusion

At ADP, we know an inclusive workplace that values diverse perspectives cultivates the best ideas. We continually strive to create a space where everyone is appreciated and valued for their unique individuality. That's why we make it the pillar of our one-of-a-kind culture and a business imperative. We believe in embedding these principles throughout ADP's business, from our policies to our products. We recently refined our diversity strategy to include the new nomenclature "Inclusion, Diversity, Equity, and Belonging (IDEB)." Our focus on leading with "Inclusion" centers our associates' voices and experiences. By introducing "Belonging," we take a further step, and prioritize the empowerment and amplification of those voices. Our intention is to strengthen and clarify our ultimate goal: providing a culture where every person can thrive and achieve the feeling of "I belong here."

We embrace race, ethnicity, nationality, age, sexual orientation, gender identity and expression, veteran and disability status. Associates from entry level through executive leadership have a deep sense of belonging. To learn more, please visit our <u>website</u>.

### **IDEB IMPACT COUNCIL**

ADP's IDEB Impact Council was created to align and amplify our inclusion efforts, providing us with a unique advantage to attract and retain associates and clients. The council has four pillars, designed with specific focus areas and measurable outcomes of success.

- Tech & Innovation: Empower our clients to prioritize inclusion in their organizations.
- Culture and Belonging: Drive connections and belonging.
- Business Practices: Expand capabilities to serve diverse communities.
- Talent Practices: Ensure our workforce is reflective of the communities we serve.

The IDEB Impact Council consists of senior leaders across the enterprise, crossing all business units and functional areas.

### "Inclusion, Diversity, Equity and Belonging are core pillars of innovation, growth and sustainability."

- Tiffany Davis, Chief Inclusion and Diversity Officer

### UNCONSCIOUS BIAS: MOVING FROM AWARENESS TO ACTION

Our leaders play a critical role in disrupting bias and building an inclusive culture. Through self-paced learning modules and an instructor-led workshop, our leaders learn how to help enrich engagement, inclusion, and creativity on our teams, and make more balanced decisions when it counts the most.

#### **INCLUSIVE LANGUAGE INITIATIVE**

Words matter. How we speak to each other matters. ADP strives to create a space that supports the diversity of our associates by carefully selecting the words we use. As we navigate an evolving world with changing social landscapes, we believe it is important to continually evaluate our communication policies to identify and remove outdated or insensitive language. With this aim, we introduced our inclusive language initiative: To establish inclusive language guidance and standards at ADP and ensure associates are equipped to understand and embrace this shift.

We strive to be a leader that other organizations look to for best practices on identifying and adopting inclusive language. This requires us to be vigilant of current sentiments within our communities and how individuals are affected by major global events. As part of our journey, we listen to and embrace existing calls for change and pioneer new calls for change where we can make a positive impact. As of 2023, we have expanded this program to more than 20 countries.

#### SELF ID AND PREFERRED CHOSEN NAME

We encourage our associates to bring their authentic self to work which includes encouraging them to tell us how they wish to identify. Currently, voluntary fields such as preferred/chosen name, pronouns, gender and sexual orientation self-identification are available across many of our products and we are actively working to implement this change across other solutions. Clients can also empower their employees to select their pronouns and salutations, such as the non-binary salutation (Mx.).

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#### ACCESSIBILITY FOR ALL

At ADP, we are Always Designing for People — all people. We believe that as an HCM software company, we have an opportunity to impact the disability employment divide directly and positively and can empower all people to obtain and maintain employment through inclusivity, both in our own operations and for our clients through the products we offer. What started as isolated efforts from individuals has grown into a holistic company-wide effort with a growing team dedicated to improving accessibility for all. This is an important goal for ADP, recognizing a significant number of people in the disability community are un- or under-employed.

#### ACCESSIBILITY TRAINING

Creating a fully accessible company doesn't happen by accident it requires dedicated and unified efforts across the organization from the top down. Throughout the company, associates are provided training on accessibility based on their roles and responsibilities to fully integrate accessibility into everything we do. In partnership with Deque University we provide an accessibility training platform with microlearning opportunities tailored to our associates' duties in addition to contextual initiatives that are applied locally.

#### **BUSINESS RESOURCE GROUPS**

ADP's business resource groups (BRGs) are voluntary, associate-led groups that serve as a driving force of inclusion, diversity, equity and belonging at ADP. BRGs are part of our associates' everyday experience, with more than one in four associates participating in a BRG at any of our locations across the globe. In addition to offering ongoing support, our BRGs sponsor cultural, educational, and networking events, drive initiatives that help promote inclusion and serve their communities through partnerships and volunteering.

#### Active BRGs include::

Adelante (Hispanic/Latino) Cultivate (Black/African American) Elevate (Asian) Generations (Multigenerational) Inspire (Innovation) iWIN (International Women's Inclusion Network) WiSL (Women in Sales Leadership) Empower (Women in Technology) Green (Environmental Sustainability) Thrive (Disabilities) Military Strong (Military) PRIDE (LGBTQ+) Women in Leadership (Senior Level Women)

#### MEASURING ENGAGEMENT

We leverage an employee engagement platform to gather associate feedback to help inform our decision making. This platform views associate engagement through lenses that empower us to design, run and measure employee experience programs that improve social, environmental and business outcomes.



Tiffany Davis, Chief Inclusion Diversity Officer, talks about our commitment to Inclusion, Diversity, Equity, and Belonging. Watch the video to learn about the inclusive culture at ADP.

#### Accessible Student Literature

In 2022, our New Jersey chapter of the Thrive Business Resource Group (BRG) hosted an on-site event with Learning Ally to make books more accessible for students with disabilities. ADP volunteers performed guality assurance on audio component counterparts to ensure that the spoken words matched each book. They also experienced what it is like to be dyslexic through an activity hosted by the nonprofit to better understand dyslexia and uncover new ways of removing related barriers.

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### **Workforce Demographics**

### WOMEN DEMOGRAPHICS (Global)



#### **UNDERREPRESENTED GROUPS DEMOGRAPHICS\*** (U.S. Only)



\*Underrepresented groups include the following EEOC categories (U.S. Only): Black/African American, Hispanic/Latino, Asian, American Indian/ Alaska Native, Native Hawaiian/Other Pacific Islander, Two or More Races

While we do not use the Federal Employer Information Report EEO-1 to measure progress, our annual EEO-1 Report is available here. The EEO-1 Report is a snapshot in time of our U.S. demographics and based on categories prescribed by the federal government. These categories do not reflect how our industry or workforce is organized.

	Jun 2022		Jun 2023	
(U.S. Only)	Management	Workforce	Management	Workforce
American Indian/Alaska Native	0.2%	0.2%	0.2%	0.2%
Asian	8.8%	8.4%	8.9%	9.1%
Black/African American	6.9%	12.0%	7.6%	12.4%
Hispanic/Latino	12.7%	16.8%	13.4%	17.5%
Native Hawaiian/Other Pacific Islander	0.3%	0.4%	0.3%	0.4%
Two or More Races	2.7%	2.8%	2.9%	2.9%
White	64.9%	54.3%	63.6%	53.3%
Not specified	3.5%	5.1%	3.1%	4.2%
Overall Underrepresented Groups	31.6%	40.6%	33.2%	42.5%

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# Talent Acquisition and Retention

Great companies are built by great people. Our strengthsbased culture, purpose driven leadership and inspiration of our associates who live and breathe our ADP values allow us to provide an agile, creative and collaborative workplace. ADP has fully embraced a recruiting strategy that focuses on the skills of our candidates over their credentials and provides opportunities for candidates with nontraditional work backgrounds. Through a combination of efforts across multiple functions, we have enhanced our processes to support a more inclusive talent recruitment process.

#### **DIVERSE SLATES AND PANELS**

As we strive for greater gender diversity globally and greater ethnic representation within the U.S., ADP is committed to leveraging best-in-class strategies such as diverse slates to achieve our goals of minimizing bias and systemic barriers for women and other underrepresented groups including people with disabilities, LGBTQ+ and veterans. ADP has been leveraging diverse slates, both gender and underrepresented groups, for years at the leadership level. We leverage diverse interview panels, to minimize "in-group" or similarity bias in the hiring process.

#### **UP YOUR GAME: INTERVIEW LIKE A PRO!**

We want our entire global team to share similar core values while bringing their own unique viewpoint and skillsets to their roles. To help accomplish this goal, our Up Your Game: Interview Like a Pro! program teaches managers how to use objective hiring criteria, diverse interview/candidate panels and consistent interview questions to help remove unconscious bias and improve our hiring processes.

#### FAIR AND EQUAL HIRING PRACTICES

Our goal is to extend ADP's employer brand reach to the best qualified talent and position ourselves as an employer of choice by cultivating external partnerships, reimagining our college and university relationships and building an infrastructure to support these efforts.

#### PAY EQUITY

At ADP, we are deeply committed to upholding fair and equitable pay. Pay equity is critical to creating an inclusive and engaging culture that enables all associates

to reach their full potential. We make pay decisions based on skills, job-related experience, the market value of the job and performance. We have incorporated pay equity reviews into our year-end compensation decisions. And, we no longer ask candidates to provide their salary history in most of the countries where we operate.

#### FOSTERING EQUITABLE AND INCLUSIVE COLLEGE RECRUITMENT STRATEGIES

ADP engages students at all stages of the student lifecycle. Our program does not stop at traditional career fairs and visits to the career office. Instead, ADP strives to maintain a consistent presence on campuses to support career preparedness and create brand awareness. As part of its HCM Academy, ADP provides hands-on experience to the next generation of human resource professionals by providing software, training and lectures by leading subject-matter experts.

ADP partners with Historically Black Colleges and Universities (HBCU), Hispanic Serving Institutions (HSI) and other diverse campuses to develop a diverse pipeline of talent. We are focused on growing relationships and cultivating our partnerships' talent pool through education, programming, and resources.

#### **INTERNSHIPS**

To fill our pipeline with the best and brightest talent, we have established global internship programs enterprise-wide. By immersing students in ADP's culture and opportunities, we can identify mutual fits with an end goal of full-time employment after graduation. Internships are available both full-time and part-time and provide networking events, learning opportunities and mentoring relationships.

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Our associates receive a competitive benefits package, intended to help them enjoy physical, emotional and financial well-being and be productive members of their teams.

### WE PROUDLY HIRE VETERANS

We greatly value the unique perspectives, dedication, adaptability, and leadership qualities veterans bring to the table. We strive to give them and their spouses careers of which they can be proud. Through our veterans' careers page, candidates can enter their Military Occupational Specialty (MOS) and the system will suggest positions best suited to their profile. This AI-based system is one of the first of its kind in the corporate sector. Understanding that many veterans are seeking higher education, we also actively look for veteran candidates as part of our campus recruiting program. Given the close proximity of many of ADP's U.S. locations to military installations (El Paso—Ft. Bliss, Norfolk— Norfolk Naval Station, Augusta— Fort Eisenhower, Tempe—Luke Air Force Base and Louisville—Ft. Knox), we have a very close relationship with our local military bases and non-profit organizations who assist transitioning service members in finding new careers.

We also work to support our student veterans. Rather than moving directly into corporate America upon completion of their service, many veterans will use their educational benefits to attend college and gain new skills before entering the workforce. ADP partners closely with a non-profit called FourBlock to assist veterans who are still in school and exploring future career options. ADP hosts FourBlock instructors and students at many ADP locations (in person and virtually) across the country and our associates (both from our Military Strong & Allies BRG and outside) participate and give back by helping veterans on topics such as the use of LinkedIn, career triangulation, resume review, interviewing skills and personal branding and marketing. Our veteran and military spouse associates enjoy participating in these events in order to give back to the military community.

In addition, ADP joined the Department of Defense SkillBridge program. This program provides opportunities for service members to gain valuable civilian work experience through specific industry training, apprenticeships, or internships during the end of their service. SkillBridge connects service members with industry partners in realworld job experiences, and ADP is proud to offer these opportunities to the brave veterans who served their country.

#### BENEFITS

Our associates receive a competitive benefits package, intended to help them enjoy physical, emotional and financial well-being and be productive members of their teams. While exact benefits vary by employee and region, they typically include healthcare coverage, a retirement and savings plan, free wellness services, tuition reimbursement, employee assistance programs and more. We particularly emphasize benefits that support our associates' individual and family needs (parental leave, adoption/fertility benefits and programs to support caregivers). We constantly update our programs according to our associates' needs. For example, in the U.S. we offer the following programs:

- Fertility management: Participants in this program, which include members of ADP's LGBTQ+ community and eligible single parents, receive personalized guidance to help them understand treatment options. This includes coverage for fertility medications, in vitro fertilizations and egg freezing, among others.
- Adoption and surrogacy reimbursement program: Associates who are looking to grow their families through adoption or surrogacy can receive reimbursement towards qualifying costs of adopting a child or arranging a surrogate.

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### ADP has a long tradition of promoting health, wellness and safety; we embrace it as part of our corporate identity.

- Back-up care program: Regular associates who work 20 hours or more per week can utilize our Back-Up Care Program when something unexpected disrupts their childcare routine. For a small co-pay, associates have access to 10 back-up care days each year, with high quality care provided by Bright Horizons.
- Parental leave: All regular associates who work at least 20 hours per week may be eligible for six weeks paid parental leave to be taken within one year of the date their child is born or adopted or fostered by the associate.

### SAFETY, HEALTH AND WELLNESS

ADP has a long tradition of promoting health, wellness and safety; we embrace it as part of our corporate identity. Our aim is to provide a holistic approach to the needs of our associates by offering programs that are physically and mentally beneficial, help them pursue a healthy lifestyle and reduce absenteeism and lost time due to injuries.

#### Our health and safety efforts include:

- A company-wide health and safety manual and website accessible 24/7
- Safety education and training offered on our risk management website
- Regular committee reviews of health and safety procedures
- A wellness program that allows associates to earn points and rewards for completing various wellness activities

#### Associates have access to the following wellness programs:

- Personal health checks
- Nutrition and fitness expert visits offering free consultation and programs
- Employee assistance programs

- Free therapy sessions to associates who require counseling and mental health assistance
- Year-round program that allows associates to volunteer and donate to charitable causes close to their hearts

### MONTH OF WELLNESS

Each May, ADP celebrates its Global Month of Wellness, focused on physical, mental, spiritual, financial and career wellness. Leaders and mentors at ADP understand wellness can mean different things to different people — that's why we offer wellness resources and provide an environment where talking about personal challenges is not only okay but encouraged. Our goal is to help each other succeed by creating a supportive network where associates can have uncomfortable conversations that lead to rewarding outcomes.

### FLEXIBLE WORK OPTIONS

We empower our associates to create a solid work-life balance. We provide a comprehensive set of programs, practices, activities and resources to help associates choose productive and flexible work management solutions that are best for them, ADP and our clients. We recognize that as a large company it will never be possible to be all together physically, therefore integrating remote options into our events, meetings and everyday operations allows for greater collaboration and helps promote inclusion of remote workers.

### RECOGNITION

To see a list of awards and recognitions we received for our efforts, please visit our website.

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# Training and Development

#### LEADERSHIP DEVELOPMENT AND PERFORMANCE

ADP is a strengths-based organization because we know that focusing our leaders on what makes them strong, and on what makes those they lead feel alive and engaged, produces much better results and effort from all associates.

Our integrated leadership development approach addresses the unique and shared needs of all levels of leaders, from those who are exploring leadership for the first time in their careers all the way up to experienced leaders and executives. We are intensely focused on their development and success because we know the exponential impact leaders have on our associates, clients, and business results.

Our strategy is based on three core principles of design and leadership expertise:

- Creating development journeys instead of single training events to sustain long-term behavioral change
- Leveraging experiential activities and simulations of real life situations, both live and by leveraging technology, to model decision-making and practice applying the leadership practices we expect
- Using learning measurement theory and technology to provide performance and behavior change insights to HR Business Partners and Business Unit Leaders

#### ACCELERATING PERFORMANCE THROUGH STANDOUT

Standout, powered by ADP, is an innovative talent platform designed to facilitate strong connections in teams and help leaders maximize the engagement and performance of their teams. The tool is built on an initial strengths assessment of each team member, supported by weekly checkins that enable alignment on priorities for the week and reflection on activities associates love and loathe. This information allows our leaders to utilize the different strength profiles of their team members more effectively and provide targeted coaching. Our associates benefit through an increased understanding of their talents and interests and productive interactions with their managers, which also helps them identify learning and career growth opportunities. In addition, the tool regularly provides targeted tips both to the associate and their manager based on individual strength profiles.

In today's world of work, making sure that an employee is engaged and "all-in" at work is more important than ever. Through StandOut's Engagement Pulse, leaders receive frequent insight into the engagement levels of their team along with personalized coaching insights that help them address the factors that matter most to their team members.

We also conduct an annual culture survey, myVoice, which provides another opportunity for our associates to share their opinions on important topics, including ethics, social responsibility, innovation and leadership. Particularly during the challenging events of the last several years, it was extremely important to hear our associates' thoughts on working at ADP. The results remain overwhelmingly positive, with an overall culture score of 83% favorable in 2023.

Grounded in the core value "Each Person Counts." ADP has a robust strategy to enable the growth, development, and career success of our ~63,000 associates across the globe.

#### CAREER GROWTH AND DEVELOPMENT

Growth and development are top engagement drivers for any associate. ADP's strategy is to enable our associates to move forward toward accomplishments that excite and energize them while simultaneously elevating the company.

Grounded in a clear Career Growth & Development (CG&D) philosophy and framework. ADP's internal CareerDriver tool enables associates to take their career into their own hands by putting resources, tools, and guidance at their fingertips for every stage of their career journey – new in role, developing in role, exploring career options and prepare for the next role.

A combination of technology, self-paced learning, and instructor led sessions for both associates and leaders are used to provide resources and support to when and where they are needed. Programs center around fundamental career topics like relationship building, branding, networking, leaders as career partners and more. ADP also has career advisors who undergo rigorous certification programs and use our CG&D philosophy and framework to give associates guidance and resources to further their career. We also encourage our associates to look for developmental experiences in addition to formal learning.

Our new hire outreach program allows us to connect with our new associates rights as they join ADP so they can focus on their growth and development right from the start, and help them see their future career possibilities. Additionally, we use our HCM technologies and analytics to identify key moments in associates' careers to provide them and their managers with tools and resources when it matters the most.

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ADP believes empowering clients and associates through learning is integral to the company's and associates' success, evidenced by the influence learning has on strategic organizational goals.

#### ADVANCING WOMEN IN LEADERSHIP (AWL)

To support the career advancement of women leaders, ADP hosts a program for women in management who want to take their careers to the next level. ADP's global Advancing Women in Leadership (AWL) program is designed to fill our pipeline of future executives to be equitable and reflective of the workforce population. It gives high-performing women, starting at the manager level, the opportunity to define and bolster their career aspirations with a focus on branding, executive presence, exposure to senior leadership, and strategies for gaining sponsorship.

#### ENTERPRISE LEARNING

ADP believes empowering clients and associates through learning is integral to the company's and associates' success, evidenced by the influence learning has on strategic organizational goals. Enterprise Learning (EL), ADP's functional learning and performance division, thrives on its mission to drive an effortless and dynamic learning experience that puts our stakeholders in the position for ultimate success. By expertly guiding clients and associates through product, technology and business practice transformations, they are wellequipped with the up-to-date knowledge they need to achieve their learning goals.

#### **REDESIGNING TRAINING WITH AI**

To help associates and clients maximize the full benefits of ADP's solutions, we implement state-of-the-art learning solutions that provide the right support at the right time. We optimize personalized, modern learning experiences and outcomes throughout ADP by leveraging technology, data, design and talent to ensure our programs are engaging and accessible to all learners. Most recently, this has been an acute focus on leveraging both Artificial Intelligence (AI) and Generative AI to enhance the learning experience at multiple stages of the learning lifecycle. In part, this is achieved through our investments in digitized

learning solutions that help associates and clients do their jobs efficiently and effectively, including (but not limited to):

- NextGen Knowledge Management: This online knowledge base stores critical information that helps associates service clients. It uses modern authoring techniques and advanced search technology, leveraging AI, to guickly answer gueries with relevant and personalized search results that are easy to scan and quick to consume.
- In-product Learning: We embed guided walk-throughs within ADP's products that provide easy instructional support to clients and associates in the flow of work. By embedding this tool into our products, we help both associates and clients reduce unnecessary stress and empower them to gain optimal use of our products while completing their day-to-day tasks. These guided walk-throughs are consistently maintained, enabling us to deliver updated instructions whenever there are new features or legislative changes.
- Learning Management System (LMS): This virtual content library houses on-demand and instructor-led training courses that we design, deliver, and manage for associates (myLink2Learn) and clients (myLearning@ADP) alike, providing resources on everything from product knowledge to core professional and technical skills.
- Al and Generative Al-enabled Training Tools: By incorporating the latest innovations in technology into our training and development tools, we are maximizing the effectiveness of our learning. Through our implementation of AI-based simulation role-play, we empower associates to practice interacting with our clients in a safe environment while learning problem-solving skills, as well as creating an engaging experience that supports learner's unique needs and language requirements. As ADP prioritizes the incorporation of the latest technology, it's equally imperative that we adhere to governance as well as maintain the human element when training associates and clients.

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### Our commitment to learning and development is a keystone to ADP's future success.



#### WORLDWIDE SALES OPERATION LEARNING AND LEADERSHIP

ADP pays special attention to our client-facing sales organization in regard to on-boarding, tenured and leadership training. We support over 8,500 sales associates, as well as additional sales support staff.

Our focus on modern sales contains an emphasis on ethical selling including a diverse and inclusive approach to our buyer personas, roles, industry and market needs. We believe this creates a salesforce that can fit ADP's solutions to each unique buyer for a positive and productive future for all.

With new salespeople added to ADP's sales teams each year representing ADP's products and services in 140 countries, each sales associate experiences a blended on-boarding journey involving their manager, mentor, peers and sales learning consultants, engaged with digital self-paced and instructor-led coaching and classes. We also use the latest machine learning technology to give them AI-generated feedback as well as human feedback on their performance. To ensure that we are supporting our newly hired associates and ramping them up to be successful during their first year, our digital and live classes extend across their entire first year at ADP.

By maximizing data-driven sales, modern tools and a robust technology stack, we place a large emphasis on sales and leadership training. Sales Leadership starts when our successful salespeople mentor their first peer. Entering a multifaceted leadership development program, intertwined with career growth planning, our sales leaders value the unique characteristics of each of their team members. From the formal classwork for developing leaders, new leaders and executive leaders, they engage in role supportive, timely and relevant on-demand classes, connection calls and leadership mentoring sessions to fine-tune their leadership skills.

With a strong emphasis on promoting great talent within ADP, our commitment to learning and development is a keystone to ADP's future success. By making significant and impactful connections with our associates and partners, and employing effective and appropriate communication, we create a dynamic team culture that will drive performance.

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# Innovation at ADP

At ADP, we are Always **Designing for People. We** create products with that core principle in mind to help businesses develop and maintain an inclusive workplace, from hire to retire. **Regardless of our clients'** size, inclusive practices can help improve their employees' experience and their bottom line. That's why we consider diverse perspectives from the moment we begin product innovation to the moment we bring a solution to market. It's part of our commitment to help our clients create an inclusive workplace and stay competitive as the world of work evolves.

#### DATA DRIVEN INNOVATION

ADP helps organizations address gender inequality in the workplace by offering data-driven <u>diversity</u>, <u>equity and inclusion (DE&I) resources</u>, products and services. It also considers the potential workplace outcomes of current trends and technologies, such as pay transparency and generative AI, to help facilitate that goal. Additionally, ADP is a commitment-maker for the UN Generation Equality Forum's Technology and Innovation for Gender Equality Action Coalition. Through this partnership, ADP has committed to enabling DE&I outcomes for women and girls in technology by:

- Offering <u>ADP DataCloud</u>, which empowers HR and business leaders to create more diverse, equitable and inclusive workplaces by helping them answer important DE&I questions
- Offering through ADP Recruiting Management and ADP Workforce Now a candidate relevancy tool, which relies on AI to help mitigate gender biases during recruitment
- Providing insights from the <u>ADP Research Institute</u> on pay equity and worker engagement
- Delivering DE&I programming to ADP clients and the human capital management (HCM) market in general
- Offering unconscious bias training for all ADP associates
- Acting to provide a more diverse, inclusive and equitable workplace and aiding the advancement of women to leadership positions at ADP locations around the globe

#### **TODAY AT WORK**

In 2023, ADP launched <u>Today at Work</u>, a quarterly report built on ADP payroll data representing more than 25 million U.S. workers and nearly a decade of ongoing

surveys that have reached more than 550,000 workers in 29 countries. Combined, these data sets provide a recurring, people-centered, and comprehensive view of the world of work.

#### WOMEN@WORK SUMMIT

Today's workforce looks very different than five or even three years ago, and that change is likely to continue. Leaders — especially women leaders — are key to ensuring businesses are ready for the workforce of the future. The third annual ADP Women@Work 2023 virtual conference examined ways women professionals, leaders and allies can generate meaningful and sustainable change in their workplaces and communities. During the conference discussions, a panel of women leaders shared their insights on how to help businesses develop strategies and avoid stumbling blocks on the way to success. Covered topics included confidence in communication, the global advancement of women, recognizing leadership barriers, self-advocacy/self-actualization and making space for women in business.

Women@Work 2024, held on May 2, 2024, focused on inspiring change through must-have conversations. HR and business leaders and other experts from some of the world's leading organizations provided insight and led discussions around the summit's theme: Redefining the Workforce of Tomorrow.

#### **INCLUSION SUMMIT**

Employees are demanding meaningful change, and a growing body of research has shown that adoption of inclusive values is good for the bottom line. During ADPs Inclusion Summit: Different Experiences, Stronger Together, participants learned valuable tools to incorporate inclusion and diversity strategies into their talent practices. Topics included evolving employee expectations, attracting and retaining top veteran talent, DE&I fatigue and women in technology.

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NelsonHall Named ADP a Leader for HCM in their Next Generation HCM Technology NEAT 2023 report for both the Mid/ Large and SMB market segments. The NelsonHall Vendor Evaluation & Assessment Tool (NEAT) identifies vendors that are Leaders, High Achievers, Innovators or Major Players. Leaders are vendors that exhibit both a high ability to deliver immediate benefit and high capability to meet future requirements. To learn more please visit our website.

#### **U.S. FEDERAL WORK OPPORTUNITY TAX CREDIT**

ADP supports our clients incentivized by the U.S. federal Work Opportunity Tax Credit (WOTC) to hire individuals from certain target groups who may face more difficulties finding employment, including veterans, the formerly incarcerated, and recipients of certain state or federal assistance programs. ADP's WOTC offering helps our clients screen tens of millions of applicants annually through a webbased WOTC screening system that automates how our clients can conduct the WOTC screening in a compliant manner, simplifying data collection and increasing WOTC compliance rates.

#### **EVOLUTION OF HR**

As employers explore on-site, fully remote and hybrid workplace models, they will look for new opportunities to increase employee visibility and better understand the needs of a dispersed workforce. By leveraging globally scalable HCM products, clients can improve the agility of employee interactions through insightful analytics. ADP's team-based solution is key in helping our clients manage and improve how work is happening.

In 2022, to help our clients, ADP launched Voice of the Employee as we observed companies with an increased need to understand what their employees were thinking and feeling. The ability to gauge sentiment and well-being proactively and consistently among the workforce is vital to the success of any organization. ADP's Voice of the Employee was named the Business Intelligence Solution of the Year from the 2023 Data Breakthrough Awards.

#### **EVOLUTION OF BUSINESS**

While the workforce continues to globalize and more employees remain remote or hybrid, organizations are faced with growing operational and compliance considerations, adding to an already complex regulatory environment. Trying to navigate the culmination of all regulatory updates across multiple countries can be daunting to employers, especially in a dynamic environment when solutions

are needed guickly. Quality data will be key in providing businesses with the confidence they need to act.

ADP DataCloud is a powerful people analytics solution that enables companies to leverage the industry's largest workforce dataset: anonymized data from over 30 million workers. For instance, companies can benchmark data to find the most gualified candidates and develop a competitive compensation package in line with industry standards. In addition, ADP was recognized for the eighth consecutive year as an innovative provider of cloud-based human capital management solutions, and received the "Top HR Product" award at the 2022 HR Technology Conference for its Intelligent Self-Service. The award-winning, data-driven Intelligent Self-Service solution uses predictive analytics and machine learning to proactively address common employee HR challenges before the need to contact their HR departments arises.

#### **DIVERSITY, EQUITY AND INCLUSION DASHBOARD**

From diverse representation to inclusive cultures and equitable practices, more and more companies are recognizing the critical importance of monitoring and fostering diversity, equity and inclusion (DE&I) in their workforce. With our DE&I Dashboard, our clients can quantify and track their own diversity data and compare it to that of similar companies and local populations through ADP's industry-leading workforce benchmarks. ADP's suite of DE&I capabilities is integrated within our award-winning people analytics solution, ADP DataCloud. The robust toolset addresses key DE&I challenges for HR leaders including surfacing DE&I insights, enabling local action, creating an inclusive culture and making change stick. ADP's DE&I Dashboard is helping companies meet the social and business imperative to affect meaningful change through impactful DE&I programs and is fully integrated into our product suite.

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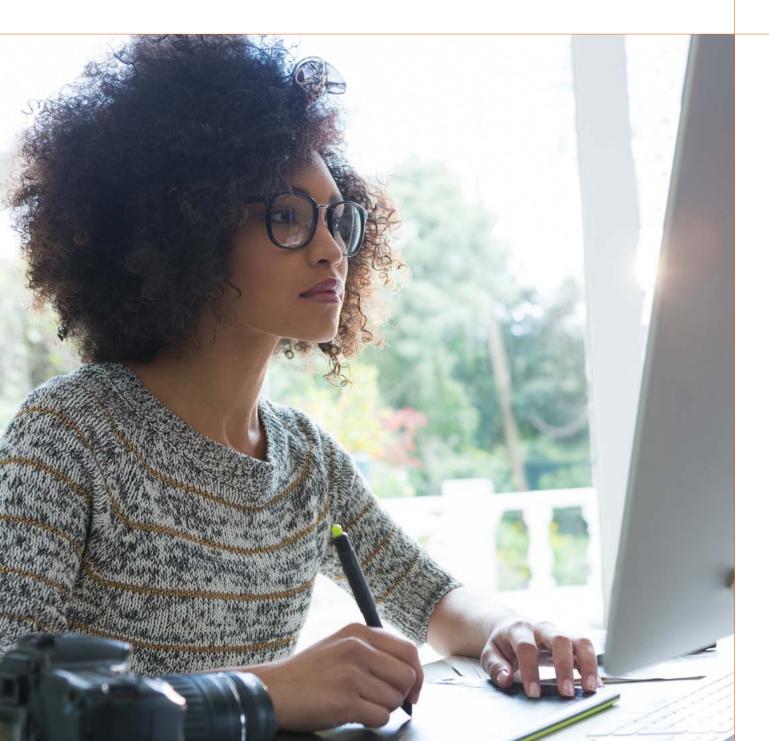
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### **EVOLUTION OF TECH**

Our research shows that modern global companies use more than 30 applications or vendors to meet their HCM needs. At the same time, we are witnessing the rise of Al across enterprises, which can help deliver a unified HCM experience. As business models evolve amid global shifts, businesses will turn to technology to drive efficiency and expand capabilities by eliminating task work and refocusing efforts on strategic growth initiatives.

- ADP Marketplace is a digital HR storefront offering a collection of highly rated solutions, presented by ADP and external partners, ready to simply and securely share data with your ADP platform.
- As we continue exploring opportunities to automate aspects of HCM, it is important these systems maintain our high standards of transparency and accountability. This means making sure that the ways we use data are useful and fair, and respectful of people's privacy. We're helping clients understand how our AI products work by communicating the factors that go into our analysis and calculations.
- Promoting accessibility doesn't stop within the walls of ADP we are actively integrating accessibility into the products and services we provide while providing our salesforce with the training and tools to communicate and leverage these benefits. We started a resource hub for our product teams on how to start the process of embedding accessibility into their products by removing biases and barriers. In tandem we are working with our marketing teams to improve how we discuss and communicate the advantages of our offerings and how we can reach accessibility markets.

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# Community Engagement

**Responsibility to the** world around us is at the heart of our business. We believe that our company is only as strong as the communities in which we operate. By elevating our communities, we support critical causes and provide a foundation for our business to continue thriving.

#### **DIVERSE MARKETS**

Understanding, supporting and partnering with the diverse communities and markets we serve is fundamental to our corporate social responsibility mission. With these efforts and partnerships we drive both ADP's brand image through the solutions we provide, as well as build strategic partnerships to investigate and harness new opportunities. We partner with over 1,000 organizations that service, support and/ or educate the business owners and founders within various under-represented groups, including: Black/African American, Hispanic/Latino, Asian, Native American/ Indigenous, Women, LGBTQ+, Veteran and Disabled. We have impacted over 4,000 individual diverse-owned businesses with our products and services. In addition, we are committed to creating a workforce that is representative of the communities we serve and that our increasingly diverse clientele can identify with.

#### SUPPLIER DIVERSITY

Diverse suppliers bring competition, diversity of thought and innovation to ADP's supply chain. Supplier diversity is an integral part of ADPs commitment to Diversity, Equity & Inclusion. Just as our workforce should reflect our client base, so should our supply chain.

The primary goal of ADP's U.S.-focused Supplier Diversity Program is to proactively identify, build relationships with and purchase goods and services from qualified diverse enterprises. We strive to partner with businesses that reflect the local and global markets we serve, while obtaining the highest level of quality goods and services for our clients.

#### Our Supplier Diversity Program supports:

- Minority-owned Business Enterprise (MBE)
- Hispanic
- African American
- Asian
- Native American
- Women-owned Business Enterprise (WBE)
- Veteran-owned Business Enterprise (VBE)
- Service-Disabled Veteran-owned Business Enterprise (SDVOBE)
- LGBT+-owned Business Enterprise (LGBTBE)
- Disability-owned Business Enterprise (DOBE)
- Small Business Enterprise (SBE)

In FY 2023, ADP sponsored its inaugural supplier diversity certification series and 84 underrepresented small businesses in the U.S. were trained on how to become certified as minority-/veteran-owned businesses. This certification allows these businesses to gualify for supporting programs provided by local governments and private organizations. Upcoming webinars can be found on ADPs supplier diversity page.

ADP's Supplier Diversity Program continues to grow with proven success. Our FY 2023 achievements include:

- Overall FY 2023 diverse spend total: \$426.9M
- Diverse spend increased 5% compared to FY 2022
- Diverse suppliers account for 13% of sourceable spend
- \$1.7M in savings attributed to using diverse suppliers
- Veteran owned business spend increased by 74%

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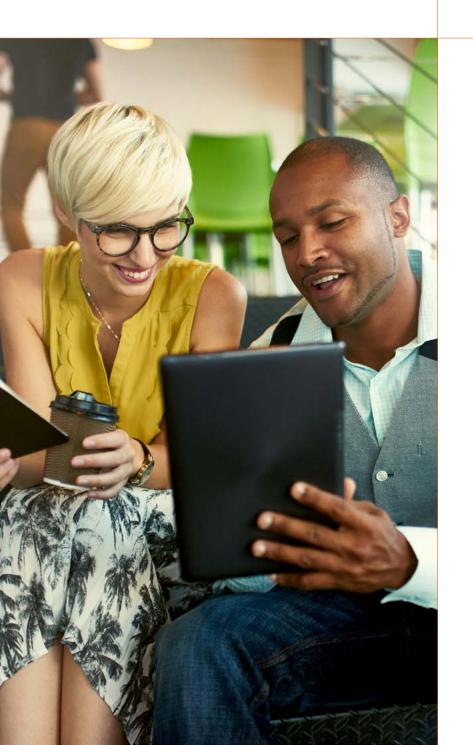
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### During calendar year 2023, ADP Associates in the U.S. volunteered over 38,000 hours.

Many small businesses are diverse businesses — some of which are our clients. Supplier mentorship at ADP features one-on-one work, group discussions and summits to help new and existing suppliers improve their business acumen, especially with large corporations.

To help ensure that our bidding opportunities reach eligible diverse business enterprises, ADP works in conjunction with the following organizations and councils:

- National Minority Supplier Development Council (NMSDC)
- National Veteran Business Development Council (NVBDC)
- Women's Business Enterprise National Council (WBENC)
- The National LGBT Chamber of Commerce (NGLCC)
- Disability: IN

#### **PHILANTHROPY**

The ADP Foundation is core to our corporate social responsibility (CSR) initiatives. It magnifies the impact of associate giving to causes that align with our values and CSR focus areas.

Services provided by the Foundation include:

- Oversight of ADP Cares, our global associate hardship fund
- Donation processing and matching program
- Review/approval of grant requests for charitable organizations
- Fundraising for eligible charitable organizations
- Henry Taub Memorial Scholarship Program for associates' dependents
- Facilitation of associate volunteer program

#### Associate Giving

ADP's myGiving online tool allows associates to donate to their choice of thousands of eligible charitable organizations. ADP associates in the U.S. can also participate in our Matching Gift Program, in which donations to eligible charities are matched at 100%, up to \$5,000 per associate per calendar year. Corporate Officers, including our Executive Committee members, and our Board of Directors are eligible to up to a \$20,000 annual match, while executive level leaders are matched up to \$10,000 for their donations. In calendar 2023, associate donations in the U.S., including ADP Foundation match, were approximately \$12 million, a 20% increase over calendar 2022.

During 2023, the ADP Foundation generously offered an increased match rate of 200% on Giving Tuesday to its associates, resulting in a nearly 65% increase in donations compared to Giving Tuesday 2022, benefiting more than 2,500 charities.

#### Associate Volunteerism

Since ADP was founded in 1949, giving back to our communities has been a core company value. To demonstrate that commitment, ADP and the ADP Foundation are proud to amplify our impact by offering volunteer programs to our associates. Our U.S. Volunteer Paid Time Off program provides associates with 8 hours of paid time off from work to volunteer in their community, available in hourly increments. During calendar 2023, ADP Associates volunteered over 38,000 hours as part of this program, representing a 37% increase compared to calendar 2022. In addition, ADP offers a Volunteer Rewards program where the ADP Foundation will make a \$10 donation to eligible charities for each hour that an associate volunteers outside of regular work hours. We have similar associate volunteer programs outside of the U.S.

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# Governance

ADP delivers on its brand promise through a culture that values <u>ethics</u>, compliance and <u>strong governance</u>. Our commitment to operating responsibly is intrinsic to our business strategy and is the principal philosophy behind the products we design for our clients. This commitment begins with our Board of Directors and cascades through our organization, ensuring that every associate plays a role in reaching our own high expectations.





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# Our Board

Our Board of Directors is dedicated to sound corporate governance practices that provide our shareholders with meaningful rights and foster strong independent leadership in our boardroom. We understand that creating sustainable long-term value for shareholders is only possible by committing to strong governance practices and open dialogue through continuous direct engagement.

#### **RISK AND STRATEGY OVERSIGHT**

Our Board of Directors oversees the Company's enterprise risk assessment and integrated risk management activities. These are designed to identify, prioritize, assess, monitor and mitigate various risks facing the Company, including risks related to the execution of the Company's operational and financial strategy. Our directors also take an active role in the oversight of the Company's strategy at both the Board and Committee level, while management teams are responsible for executing our business strategy.

#### ESG GOVERNANCE

Our Board of Directors is directly focused on the long-term sustainability of our business. To support this goal, the Nominating/Corporate Governance Committee oversees the Company's environmental, social and governance (ESG) policies and programs. The Committee receives routine updates from ADP's ESG Officer and reports back on these matters to the Board. This

arrangement allows our Board to engage with the Company more freely and across a broad range of ESG focus areas. Our Board has complete and open access to our ESG Officer, who spearheads our ESG Steering and Operating Committees to lead ADP's ESG efforts. Our Operating Committee is comprised of enterprise-wide senior leaders at ADP. The purpose of the Operating Committee is to provide a consolidated view of emerging opportunities and risks in ESG and make recommendations to the ESG Steering Committee to capture these opportunities or mitigate potential risks. Our Steering Committee is comprised of members of executive management. The purpose of the Steering Committee is to align on ESG strategy and focus, review and approve recommendations made by the ESG Operating Committee and provide guidance on strategic ESG initiatives. Both committees meet regularly to more effectively communicate and manage related issues affecting the Company, now and into the future.

For more information on the Board's committees, governance policies and practices, including standards for director independence, gualifications for Board membership and the process for evaluating Board performance, please refer to the Corporate Governance Section of our website.

#### **OPEN DIALOGUE THROUGH CONTINUOUS** DIRECT ENGAGEMENT

We firmly believe that creating sustainable, long-term value hinges on strong governance practices and transparent dialogue with stockholders through continuous direct engagement. We value stakeholder feedback as we strive to deliver strong financial performance and sustained value creation for our investors, associates, partners and community members. What we learn from these conversations is regularly shared with our Board of Directors and incorporated into our disclosures, plans and practices wherever appropriate.

### **Board of Director Highlights**

We are proud of our progress in developing thorough representation at all levels of our business.

Below is the composition of our Board of Directors as of March 2024:

10 of our 12 directors are independent

41% are women 5 of our 12 directors are women

#### 25% are racially or ethnically diverse 3 of our 12 directors are racially or ethnically diverse • 2 Hispanic/Latino directors

1 Black director

The average age of our 12 directors is **61** years

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# Ethics and Compliance

We are proud of our culture and the values upon which it is centered — they form the foundation of our ongoing success. One of our foremost core values, "Integrity is Everything," guides the actions of our leaders and associates for our Company and is one of our competitive differentiators. Essential policies that guide ADP include:

- <u>Code of Business Conduct & Ethics</u>
- Code of Ethics for Principal Executive Officer and Senior Financial Officers
- Anti-Bribery Policy
- Insider Trading Policy
- Modern Slavery Statement
- Vendor Code of Conduct

#### **GLOBAL ETHICS**

ADP's Global Ethics team offers our associates advice, training, counsel and support on all aspects of the Code of Business Conduct & Ethics and the Anti-Bribery Policy. In addition, Global Ethics conducts investigations into ethical matters and issues reported through a variety of ways, including ADP's Ethics Helpline, and supports the Chief Administrative Officer (CAO) in reporting to the Board of Directors and Audit Committee.

- Investigations: Global Ethics has a formal process where every report received, including those from whistleblowers, regardless of where it comes from (e.g., the ADP Ethics Helpline, email, phone, in person) or who it comes from (e.g., associate, contractor, vendor, client, unrelated 3rd party), is acknowledged, investigated and addressed as appropriate, and recorded in our case management system. Depending on the nature of the risks and trends observed, Global Ethics may recommend certain remedial or proactive actions, including training, communications and audits.
- **Reporting:** Global Ethics provides regular reporting to the Audit Committee on the number and types of ethics investigations with information on trends tied to specified ethics-related categories of risks identified under ADP's Enterprise Risk Management program.

#### **OVERSIGHT AND STRUCTURE**



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#### Executive Committee

Serves as the corporate Compliance Committee and provides oversight, support and guidance to the program



# participation and completion of Code of Business Conduct & Ethics training in FY '23.

#### **GLOBAL COMPLIANCE**

The Global Compliance team identifies and prioritizes compliance risks and determines if they are effectively managed. Global Compliance activities not only reduce the likelihood of non-compliance with ADP policies and applicable laws, but also contribute to ADP's profitability and growth by supporting compliance as a centerpiece of our products and services.

Global Compliance also offers our associates advice, training, counsel and support on all aspects of ADP's Anti-Bribery policy.

#### ETHICS AND COMPLIANCE TRAINING

Every year, each associate completes our Code of Business Conduct & Ethics training, with 100% participation and completion achieved again in FY'23. We also conduct specialized compliance trainings specific to our associates' roles. This training is supplemented by awareness programs and initiatives such as internal articles, blogs, videos and other global compliance communications.

#### INTEGRATED ASSURANCE AND RISK MANAGEMENT

All assurance functions, including both Global Compliance and Global Ethics, take an integrated, systemic approach to risk management. They are based on a coordinated model of coverage between business line management, which has responsibility for the day-to-day control environment, and the assurance functions. Our Board of Directors, acting directly and through its committees, is responsible for the oversight of ADP's risk management activities. With Board oversight, ADP has implemented programs and practices that are designed to inspire ethical behavior, manage and govern risk to protect the Company's brand and reputation and grow shareholder value.

As part of our Integrated Assurance process, the ADP Chief Data Office (CDO) oversees overall data governance, particularly as it relates to our analytics offerings. In addition, the CDO works closely with our Global Security Organization, our Privacy Team, and our business units on improving data security and access and use of data across the Company. The CDO also houses our Core AI Team, which governs deployment of AI models and through machine learning operations, monitors their performance.

### **ARTIFICIAL INTELLIGENCE (AI) AT ADP**

ADP holds the trust of its clients and their employees at the heart of our mission, vision and values. As technology evolves, new opportunities arise; with them, however, can come the potential for unintended effects. These innovative new tools must also be used in a way that is ethical, secure, and compliant.

ADP has adopted a rigorous set of principles and related processes to govern its use of AI, machine learning, and other newer technologies. We established a Data and Ethics Council of internal and outside experts to evaluate and advise on ethical guestions related to novel technologies and use of data, including artificial intelligence. We continuously work to safeguard our trusted data set by building in rigorous standards to deliver unbiased, independent, and objective insight into the workforce.

We also believe that human oversight is essential to the reliable operation of artificial intelligence and machine learning (ML) models and making proper use of their results. We strive to develop ML models that are explainable and direct, with clear purposes. Our solutions provide recommendations to human decision-makers, which they can then decide how to act upon. We monitor the performance of our Al offerings (as noted above) and take an inclusive approach to developing Al.

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# As the largest single source of U.S. tax payments and employment tax reports, ADP has considerable expertise in tax administration and other employment-related administrative matters.

Our approach to AI and ML also emphasizes the isolation of unintended bias. We are vigilant not to reproduce bias in any AI-enabled product or service. Even when accounting for potential unintentional bias in source data, coding, or use of an AI-enabled product or service, there can be unexpected or unforeseen bias that come into play. ADP's goal is to continually strive to identify new and unexpected sources of bias and then refresh and enhance the design of our client offerings to address them.

We are implementing the U.S. National Institute for Standards and Technology's AI Risk Management Framework, which adopts a govern, map, measure, and monitor framework for identifying and addressing AI-related risks.

To learn more, please see our website.

#### FACILITATING OUR CLIENTS' COMPLIANCE

ADP designs products and solutions to help our clients meet their particular compliance obligations. This includes delivering updates and best practices on the latest legislative and regulatory developments through the <u>ADP SPARK</u> blog. To see examples of how ADP designs compliance into our products and services, visit our <u>ADP SmartCompliance®</u> page.

#### PUBLIC POLICY AND GOVERNMENT RELATIONS

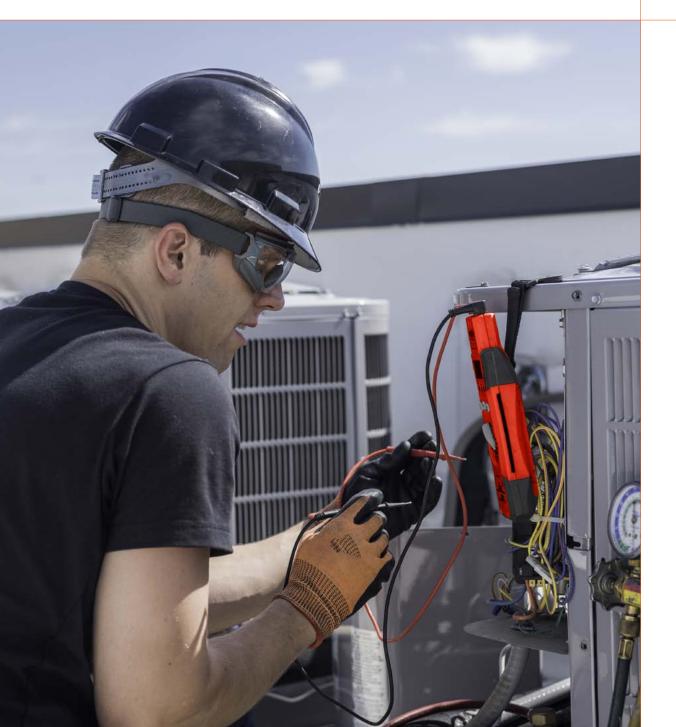
As the largest single source of U.S. tax payments and employment tax reports, ADP has considerable expertise in tax administration and other employmentrelated administrative matters. We contribute to sound government policy as well as laws and regulations by educating and engaging with policymakers, agencies and regulators. For example, ADP met with IRS senior officials to discuss improved electronic services for employment tax administration and worked closely with the Treasury Department and IRS to seek guidance and alignment on the 2022 SECURE 2.0 retirement plan legislation. ADP also met with state officials from California and Illinois to offer technical advice for their new pay equity reporting requirements.

### **CAMPAIGN CONTRIBUTIONS**

ADP has a strict policy of "no financial support" for any political candidate, party or government office worldwide. ADP does not contribute funds to political campaigns of any sort and does not sponsor or maintain a political action committee (PAC). Read more in our <u>Political Contributions Policy</u> and in our <u>Code of</u> <u>Conduct</u>.

### **EYE ON WASHINGTON TEAM**

ADP maintains a staff of dedicated professionals who carefully monitor federal and state legislative and regulatory measures affecting employmentrelated human resource, payroll, tax and benefits administration, and help ensure that ADP systems are updated as relevant laws evolve. To learn more, please visit our <u>website</u>.



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# Data Privacy

Technology allows people to work in new and productive ways, though in tandem has introduced new challenges to safeguarding everyone's privacy. Processing personal data while staying on top of the evolving compliance challenges of privacy and data protection is core to our business. As a service provider, we make individuals' privacy and data security a priority in everything we do. This is the reason why thousands of multinational enterprises and millions of employees, workers and consumers entrust ADP with their personal data. As a Company that complies with privacy legislation covering the personal data we hold for our own associates and business contacts, and as a service provider who helps enable our clients meet their privacy obligations, we have embedded privacy principles within our processes.

#### DATA PRIVACY THROUGHOUT THE ORGANIZATION

ADP has a governance structure designed for our privacy program that ingrains data privacy across every level of our organization and in every product we offer. Our privacy program is based on our three sets of Binding Corporate Rules (BCRs) covering: client data originating in the European Union, ADP associate data, and business contact data globally, which have been approved by European data protection authorities. The governance aspects include:

#### Global Data Privacy Team

Spearheads privacy compliance efforts across our organization

#### Privacy Leadership Council

Comprised of cross-disciplinary professionals including representatives from our business units and our legal/compliance team and which creates the overall framework for the global privacy program

#### Privacy Stewards

Designated business leaders who manage the controlled processing of personal data within each ADP business unit and function

Our Global Privacy Program is essential to our approach to protecting our clients' data and revolves around the following privacy principles:

#### • Ethics in Artificial Intelligence

As outlined in our Ethics in Al position statement, we adopted a set of principles and processes to govern our ethical use of newer technologies such as artificial intelligence and machine learning.

#### Privacy by Design

Privacy principles are hardcoded within the ADP business model. We prioritize privacy and data protection at every stage as we design and develop new products and services.

#### Transparency and Notice

ADP publishes Privacy Statements to inform our associates, business contacts, client employees and job applicants as to how their personal data is collected and for which purposes it will be processed.

#### Data Minimization and Access Control

We collect and use only essential personal data necessary to achieve the business purpose for which data was collected. While ADP processes personal data, internal access to data is granted strictly based on role and iob function.

#### • Documented Data Processing Activities

We perform data flow mapping and privacy assessments on our data processing activities, enabling us to maintain an inventory of our processing activities.

#### Standardized Record Information Management

Our record retention schedules govern the proper retention for every category of record that ADP maintains and when those records should be destroyed.

#### Incident Management Process

Our incident response process is designed to ensure that any information security incidents are addressed promptly and effectively, in accordance with ADP security policies, procedures and legal requirements.

#### • Supervision of Third-Party Providers

ADP vendors must contractually comply with our data security and privacy standards. Our vendor assurance process enables ADP to assess its vendors before entering into a contract.

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### **BINDING CORPORATE RULES (BCRS)**

ADP ranks among an elite number of companies worldwide to have gained regulators' approval to implement BCRs as both a data processor (covering the processing of clients' data) and data controller (covering the data of our employees and other business associates).

- BCRs are policies developed internally among a group of companies that share a common parent
- They provide a consistent set of rules for transferring the personal data of clients, employees and other individuals internationally regardless of where such data is processed
- BCRs become legally binding once the EU Data Protection Authorities (DPA) approve them (the DPAs are the regulators based in each of the EU's Member States)
- The EU General Data Protection Regulation (GDPR) expressly recognizes BCRs as a means to safeguard the transfer of personal data out of the EU
- Authorities regard BCRs as the best option for protecting individuals' privacy rights in accordance with the GDPR requirements
- ADP has obtained approval from the UK Information Commissioner for our UK BCRs to address the impact of Brexit.

#### **NEW STATE PRIVACY LAWS**

Changes in privacy law continue to take place in the U.S. In California, the California Privacy Rights Act (CPRA) came into effect at the start of 2023, and applies to all personal data, including employee data. Other states continue to enact consumer privacy laws as well.

We are actively monitoring these changes and have operationalized a U.S. privacy program based upon CPRA, to enable our own compliance and assist our clients in meeting their obligations with respect to their workforce.

#### PRIVACY AND DATA PROTECTION TRAININGS

As global privacy legislation evolves, we make sure to provide our associates with the tools and training needed to comply with all relevant laws. ADP associates and contingent workers are trained on the appropriate use and handling of personal data. We employ various tools, techniques and programs to embed security safeguards into our associates' and contingent workers' day- to-day professional and personal lives.

#### ISO 27701 CERTIFICATION

We have achieved certification to ISO/IEC 27701:2019, an international standard for privacy information management, across key aspects of our infrastructure. This represents another significant milestone in our privacy commitment, by providing third party validation of our implementation of privacy controls.

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# Global Security

GLOBAL CONVERGED SECURITY PROGRAM

ADP's converged security organization has 400+ security specialists in 15 countries who work 24/7/365 to monitor and respond to cybersecurity and fraud threats and business resilience incidents to proactively assist in addressing issues before they escalate. Our Board of Directors and our Audit Committee are actively engaged in the oversight of our global security program. Among other things, the program is subject to an annual third-party assessment overseen by our Board and this assessment reviews all aspects of our cyber program. The findings are reported to the Board and in response, ADP develops initiatives to improve our maturity across each of the five pillars of the National Institute of Standards and Technology Cybersecurity Framework. The status of these initiatives is then reviewed with our Audit Committee during its guarterly meetings. This governance process ensures an environment of continuous improvement.

#### **BUSINESS RESILIENCY PROGRAM**

Areas covered by the ADP Global Business Resiliency Program include real-world responses to crises and emergencies, risk assessment, testing and validation and plan development.

#### MULTIPLE LAYERS OF PROTECTION

ADP provides the advantages of a global industry-leading advanced platform defense; intelligent detection; automated data protection; fraud defense; identity and access management and so much more. We embed multiple layers of protection into our products, business processes and infrastructure as security remains a priority for our business. By collaborating with key government and industry partnerships, memberships and alliances, ADP uses threat-led intelligence to stay ahead of the risks.

With an ever-changing digital landscape bringing limitless possibilities, new and complex security risks and threats are introduced. At ADP, security is integral to our products, our business processes and infrastructure. We use advanced services and technology to deliver on our commitment to data security, data privacy, fraud prevention and crisis management.

#### INDEPENDENCE OF INFORMATION SECURITY FUNCTION

ADP's Chief Security Officer oversees ADP's Global Security Organization (GSO) and reports to the CAO, which gives GSO the necessary independence from IT. The GSO is a cross-divisional, converged security team that has a multi-disciplinary approach to cyber, information security, compliance, operational risk management, client security management, workforce protection and business resilience. GSO senior management, under ADP's Chief Security Officer, is responsible for managing security policies, procedures and guidelines.

#### SECURITY TRAINING AND AWARENESS PROGRAM

At ADP, our Security Training and Awareness Program is a continuous, dynamic and robust initiative, designed to develop and maintain a security-focused culture. The program empowers our associates and contingent workers to make responsible, secure decisions and to protect our most valuable assets. We employ a variety of tools, techniques and programs to embed security safeguards into our day-to-day professional and personal lives.

All associates take an annual, interactive security training program that includes an overview of key security topics, policies and responsibilities. To complete the requirement, they must demonstrate an understanding of the material. All contingent workers are required to complete this same training within one week of the start of their contract. Additionally, ADP's security policies are available to both associates and contingent workers on our Information Security intranet. This intranet site provides additional information, such as a security newsfeed with tips and best practices, external security resources, emergency response information, security alerts, awareness information, security procedures and contact information to enable associates and contractors to ask security-related questions or raise concerns via email or telephone.

To reach and engage as many associates and contingent workers as possible, ADP's Security Training and Awareness Program employs various methods of delivery. Examples include classroom and virtual based training, infographics, blogs, newsletters, intranet sites and more.

#### ADP has the following certifications from the International Organization for Standardization, valid through July 2024:

• ISO 9001:2015 - SRI Certificate #021782

• ISO/IEC 27001:2013 - SRI Certificate #021783

• ISO/IEC 27701: 2019 - SRI Certificate for US #4996-01/02/06 • ISO/IEC 27701: 2019 - SRI Certificate for FMFA #4996-00-FUR-ISMS

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# GRI Index

Statement of use	ADP has reported in accordance with the GRI Standards for the period July 1, 2022-June 30, 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

General Disclosures		
GRI Standard/Other Source		Information/Location in Report
GRI 2: General Disclosures 2021	2-1 Organization details	Automatic Data Processing, Inc.: One ADP Boulevard, Roseland, New Jersey, 07068 ADP is listed on the Nasdaq exchange (NASDAQ: ADP)
	2-2 Entities included in the organization's sustainability reporting	This report covers Automatic Data Processing, Inc. and its subsidiaries.
	2-3 Reporting period, frequency and contact point	Reporting period: 1 July 2022 - 30 June 2023 Frequency: Annual Contact point: Dawn Verrinder, Senior Director, Diversity, Inclusion and Sustainability
	2-4 Restatements of information	There were no restatements of information during the reporting period.
	2-5 External assurance	At this time, ADP has decided to not seek external assurance for the report. ADP will investigate this for future yea
	2-6 Activities, value chain, and other business relationships	ADP is one of the world's leading global technology companies providing comprehensive cloud-based human capital ma (HCM) solutions that unite HR, payroll, talent, time, tax and benefits administration. Our unmatched experience, expert cutting-edge technology have transformed HCM from an administrative challenge to a strategic business advantage. Ta the needs of businesses of all sizes, we help them work smarter today so they can have more success tomorrow. We se clients and pay over 41 million workers in 140 countries and territories. Our common stock is listed on the NASDAQ Glo Market <sup>®</sup> under the symbol "ADP." As of June 30, 2023, ADP had approximately 63,000 employees and generated \$18 b ADP's brands, products, and services are available at: adp.com.
	2-7 Employees	As of June 30, 2023, ADP had approximately 63,000 employees. For demographic information see page 14 in this rep
	2-8 Workers who are not employees	Given this data is immaterial to our business performance nor readily available, we choose not to disclose this data a
	2-9 Governance structure and composition	ADP's Corporate Governance Guidelines and the Committee Charters of the Board of Directors are available online a <a href="https://investors.adp.com/corporate-governance/governance-documents/default.aspx">https://investors.adp.com/corporate-governance/governance/governance/governance/documents/default.aspx</a>
	2-10 Nomination and selection of the highest governance body	Information about the nomination and selection of the highest governance body is available online at <a href="https://investors.adp.com/corporate-governance/governance-documents/default.aspx">https://investors.adp.com/corporate-governance/governance-documents/default.aspx</a> See also page 18 of our <a href="https://www.aspx18.selectrongovernance-documents/default.aspx">https://www.aspx18.selectrongovernance/governance-documents/default.aspx</a>
	2-11 Chair of the highest governance body	ADP's Chair of the highest governance body can be found online at <u>https://investors.adp.com/corporate-governance/board-of-directors/default.aspx</u>
	2-12 Role of the highest governance body in overseeing the management of impacts	See page 27 in this report.
	2-13 Delegation of responsibility for managing impacts	See page 27 in this report.

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GRI Standard/Other Source		Information/Location in Report
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	The Board provides oversight of our approach to sustainability, corporate citizenship and social value creation, including our corporate responsibility reporting. See page 32 of our 2023 Proxy.
	2-15 Conflicts of interest	None.
	2-16 Communication of critical concerns	All interested parties who wish to communicate with the board of directors, the audit committee, or the non-management d individually or as a group, may do so by sending a detailed letter to Mail Stop #E405, One ADP Boulevard, Roseland, New Jers leaving a message for a return call at 973-974-5770 or sending an email to <u>adp.audit.committee@adp.com</u> . See page 32 of c
	2-17 Collective knowledge of the highest governance body	A discussion of each director's experience and skills can be found in our 2023 Proxy Statement beginning on page 8.
	2-18 Evaluation of the performance of the highest governance body	A comprehensive discussion of the evaluation of the performance of the highest governance body can be found in our <u>2023</u> on pages <u>18-19</u> .
	2-19 Remuneration policies	A comprehensive discussion of director and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and exe
	2-20 Process to determine remuneration	A comprehensive discussion of director and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and exe
	2-21 Annual total compensation ratio	A comprehensive discussion of director and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and executive compensation can be found in our 2023 Proxy Statement beginning on particular sectors and exe
	2-22 Statement on sustainable development strategy	See CEO Message, page 3 in this report.
	2-23 Policy commitments	ADP's Code of Business Conduct and Ethics and other corporate governance documents are available online at <a href="https://www.adp.com/about-adp/corporate-social-responsibility/ethics.aspx">https://www.adp.com/about-adp/corporate-social-responsibility/ethics.aspx</a>
	2-24 Embedding policy commitments	ADP's Board of Directors, primarily through its Nominating/Corporate Governance Committee, provides oversight of ADP's appr sustainability and corporate social responsibility. See page 27 in this report.
	2-25 Processes to remediate negative impacts	Our Ethics and Compliance Hotline enables anonymous reporting directly to the most senior levels of management. See page 28
	2-26 Mechanisms for seeking ad-vice and raising concerns	Our Ethics and Compliance Hotline enables anonymous reporting directly to the most senior levels of management. See page 28
	2-27 Compliance with laws and regulations	In 2023, there were no significant fines or sanctions for noncompliance with environmental laws or regulations.
	2-28 Membership associations	Maria Black, President and CEO, is a member of the Business Roundtable.
	2-29 Approach to stakeholder engagement	Ongoing engagement with various stakeholder groups is essential to advance our management of and progress on sustainability with investors, customers, employees, and local communities to understand the issues that are important to them and how ADF positively. See <a href="mailto:page 27">page 27</a> in this report.
	2-30 Collective bargaining agreements	We do not have comprehensive data regarding works councils and collective bargaining, but we are committed to complying with laws and regulations wherever we do business.

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23 Proxy Statement

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Material Topics		
GRI Standard/Other Source		Information/Location in Report
GRI 3: Material Topics 2021	3-1 Process to determine material topics	See <u>page 4</u> in this report.
	3-2 List of material topics	See <u>page 4</u> in this report.
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See <u>2023 10-K</u> .
GRI 201: Economic Performance	201-1: Direct Economic Value Generated	See <u>2023 10-K</u> .
(2016)	201-2: Financial implications and other risks and opportunities due to climate change	See page 10 in this report.
	201-3: Defined benefit plan obligations and other retirement plans	See our 2023 10-K, Note 10 of our Consolidated Financial Statements.
Indirect Economic Impacts		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See <u>page 24</u> in this report.
GRI 203: Indirect Economic	203-1: Infrastructure investments and services supported	See page 24 in this report.
Impacts (2016)	203-2: Significant indirect economic impacts	See page 24 in this report.
Procurement Practices		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See <u>page 24</u> in this report.
GRI 204: Procurement Practices (2016)	204-1: Proportion of spending on local suppliers	See <u>page 24</u> in this report.
Materials		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See <u>page 9</u> in this report.
GRI 301: Materials (2016)	301-1: Materials used by weight or volume	See page 9 in this report.
Energy		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See <u>page 6-7</u> in this report.
GRI 302: Energy (2016)	302-1: Energy consumption within the organization	See page 6-7 in this report.
	302-4: Reduction of energy consumption	See <u>page 6-7</u> in this report.
Emissions		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See <u>page 6-7</u> in this report.
GRI 305: Energy (2016)	305-1: Direct (Scope 1) GHG emissions	See <u>page 6-7</u> in this report.
	305-2: Energy indirect (Scope 2) GHG emissions	See <u>page 6-7</u> in this report.
	305-3: Other indirect (Scope 3) GHG emissions	See <u>page 6-7</u> in this report.
	305-5: Reduction of GHG emissions	See <u>page 6-7</u> in this report.

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Material Topics		
GRI Standard/Other Source		Information/Location in Report
Waste		
GRI 3: Material Topics 2021	306-1: Waste generation and significant waste-related impacts	See <u>page 9</u> in this report.
GRI 306: Waste (2020)	306-2: Management of significant waste-related impacts	See <u>page 9</u> in this report.
	306-3: Waste generated	See <u>page 9</u> in this report.
Employment		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See page 15 in this report.
GRI 401: Employment (2016)	401-2: Benefits provided to full-time employees that are not provided to temporary or part time employees	See page 16 in this report.
	401-3: Parental leave	See page 17 in this report.
Occupational Health and Safety	,	
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See page 17 in this report.
GRI 403: Occupational Health	403-2 Hazard identification, risk assessment and incident Investigation	See page 17 in this report.
and Safety (2018)	403-3 Occupational health services	See page 17 in this report.
	403-5 Worker training on occupational health and safety	See page 17 in this report.
	403-6 Promotion of worker health	See page 17 in this report.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See page 17 in this report.
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See page 18 in this report.
GRI 404: Training and Education	404-1 Average hours of training per year per employee	See page 18 in this report.
2016	404-2 Programs for upgrading employee skills and transition assistance programs	See page 18 in this report.
	404-3 Percentage of employees receiving regular performance and career development reviews	See page 18 in this report.
Diversity and Equal Employmen	t	
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See pages $\frac{14}{27}$ and $\frac{27}{27}$ in this report.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	See pages $14$ and $27$ in this report.
Non-Discrimination		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See page 27 in this report.
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	See our Code of Conduct at <u>https://www.adp.com/about-adp/corporate-social-responsite</u>

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Material Topics			
GRI Standard/Other Source		Information/Location in Report	
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See pages 24-25 in this report.	
GRI 413: Local Communities (2016)	413-1 Operations with local community engagement, impact assessments, and development programs	See <u>pages 24-25</u> in this report.	
Public Policy			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	See page 28 in this report.	
GRI 415: Public Policy 2016	415-1 Political Contributions	See page 30 in this report.	



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# SASB Disclosure

Our responses to the SASB disclosures were written in an attempt to include as much of the requested information as possible. This report is a continued step in our SASB journey and in some instances, only partial information is available at this time. We look forward to reporting more comprehensively under this framework in the years ahead.

Торіс	Accounting Metric	Disclosure	Code
Environmental Footprint of Hardware and Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	See <u>pages 6-8</u> in this report.	TC-S
Data Privacy and Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	ADP is committed to compliance with privacy requirements and the protection of all personal data processed by ADP. ADP has adopted a set of privacy principles that serve as the foundation for our global privacy program, which includes our global privacy policy and our binding corporate rules (BCRs), all of which may be found at <a href="https://www.adp.com/about-adp/data-privacy.aspx">https://www.adp.com/about-adp/data-privacy.aspx</a>	TC-S
	Number of users whose information is used for secondary purposes	ADP does not currently track this information.	TC-S
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Please see ADP's <u>10-K</u> and <u>10-Qs</u> for a description of any material monetary losses as a result of legal proceedings associated with user privacy.	TC-S
	(1) Number of law enforcement requests for user information, (2) number of users whose information was re-quested, (3) percentage resulting in disclosure	Please see our $10$ -K and $10$ -Qs for a description of any materials requests from law enforcement.	TC-S
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	ADPs board of directors recognizes that security is integral to our products, our business processes and infrastructure. The mission of our global security organization ("GSO") is to protect client data and funds and prevent security incidents. Our GSO is tasked with monitoring physical and cybersecurity risks, including operational risks related to information security and system disruption. A cross-functional, enterprise-wide management program operates to ensure our global cybersecurity program's effectiveness and members of the company's executive committee, through an executive security council, routinely review strategy, policy, program effectiveness, standards enforcement and cyber issue management. Our board of directors and our audit committee are actively engaged in the oversight of our global cybersecurity program. More information on our program is available at <a href="https://www.adp.com/about-adp/data-security.aspx">https://www.adp.com/about-adp/data-security.aspx</a> . For more information please see our <u>Security at ADP</u> page.	TC-S

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Торіс	Accounting Metric	Disclosure	Cod
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	ADPs board of directors recognizes that security is integral to our products, our business processes and infrastructure. The mission of our global security organization ("GSO") is to protect client data and funds and prevent security incidents. Our GSO is tasked with monitoring physical and cybersecurity risks, including operational risks related to information security and system disruption. A cross-functional, enterprise-wide management program operates to ensure our global cybersecurity program's effectiveness and members of the company's executive committee, through an executive security council, routinely review strategy, policy, program effectiveness, standards enforcement and cyber issue management. Our board of directors and our audit committee are actively engaged in the oversight of our global cybersecurity program. More information on our program is available at <a href="https://www.adp.com/about-adp/data-security.aspx">https://www.adp.com/about-adp/data-security.aspx</a> .	TC-S
		Below is a list of certifications in the US (valid through July 18, 2024): ISO 9001:2015 - SRI Cert #021782 ISO/IEC 27001:2013 - SRI Cert #021783 ISO/IEC 27701: 2019 - SRI Certificate for US #4996-01/02/06 ISO/IEC 27701: 2019 - SRI Certificate for EMEA #4996-00-EUR-ISMS For more information please see our <u>Security at ADP</u> page.	
Recruiting and Managing a Global, Diverse and Skilled Workforce	Employee engagement as a percent	Please see page 19 in this report.	TC-S
	Percentage of gender and racial/ethnic group representations for (1) management, (2) technical staff, and (3) all other employees	Please see <u>page 14</u> in this report.	TC-S
Managing System Risk	Number of (1) performance issues and (2) service disruptions; (3) total customer down-time	ADP products and services are designed and maintained with controls and procedures to prevent incidents. In addition, a dedicated global team monitors round-the-clock using additional comprehensive controls, including data analytics, to detect, investigate and respond to anomalies and incidents. This team addresses any reported or detected issues by following a defined incident lifecycle. This lifecycle is governed by policies and procedures, and uses an incident management system to record facts, impact and remedial actions taken. To complete the cycle further, reviews are undertaken to learn and improve. More information is available at <a href="https://www.adp.com/about-adp/data-security.aspx">https://www.adp.com/about-adp/data-security.aspx</a> .	TC-S
	Description of business continuity risks related to disruptions of operations	ADP is committed to keeping our services and operations running smoothly to pro-vide our clients with the best service possible. It's our priority to identify and miti-gate the technological, environmental, process and health risks that may interfere with the services we provide to our clients. For this reason, we have created an integrated framework that lays out our mitigation, preparedness, response and recovery process. For more information, please see <u>our Business Resiliency Fact Sheet</u> as well as the risks outlined in our <u>10-K and our Proxy</u> <u>Statement</u> .	TC-S

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