



Creating a Sustainable Future

Global Corporate Social Responsibility Report
Issued: March 2022

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CEO Message

As a leading human capital management solutions provider who supports over 920,000 clients in more than 140 countries, ADP's influence is far-reaching, as is our responsibility to uphold the highest standards of care, quality and consideration of the global community. We have a duty as global citizens to act responsibly for the greater good, to enable truly inclusive cultures and to do our part to protect shared resources. We believe those commitments require clear objectives, consistent effort and measurable goals.

Anticipating Change

Current times remind us that the world of work is in constant motion and the resulting shifts affect all aspects of our lives. We are dedicated to staying ahead of change to help businesses and their people fulfill their potential. Through our cutting-edge technology and world-class expertise—we guide organizations of every size across every industry to help them thrive through changing conditions.

Connecting People

Recent global events have underscored the depth of our connection to each other. Emerging realities of the global economy have magnified existing issues and in some cases, created new opportunities. As an employer supporting other employers—we are committed to attracting and retaining the world's greatest talent and being the kind of workplace where work aligns with purpose.

The global landscape also reinforces the importance of equity to all workers and to the businesses who benefit from their contributions. We firmly believe diverse workforces drive innovation and lead to better corporate performance. We value and intentionally choose to cultivate a culture that embraces all forms of gender, race, ethnicity, age, sexual identity and orientation, veteran status and ability. We embrace this philosophy at all levels of our Company, from entry level to management and executive positions.

Advancing Technology

ADP technology enables employers to measure progress. Workforce tools, like ADP DataCloud, deliver actionable insights and provide employers with greater visibility into their workforce. The Diversity, Equity and Inclusion (DEI) Dashboard, for example, allows employers to compare metrics, identify gaps and make recommendations on where to make investments to strengthen their teams.

Delivering Globally

ADP also embraces our role in giving back to and generating a lasting, positive impact on the communities in which we work and live. Corporate Social Responsibility (CSR) encompasses everything from corporate governance, ethics and environmental stewardship to diversity, philanthropy and promoting employee success around the world.

We pledge to achieve net zero greenhouse gas emissions by 2050 and we are developing a Paris Agreement-compliant climate transition plan that will include short, medium and long-term global goals towards this target. As with our DEI goals, a portion of our executive compensation is linked to our efforts to reduce ADP's environmental footprint.

At ADP, we constantly strive to embed socially responsible principles and practices into everything we do. Above all, we remain optimistic about the future and committed to making positive contributions that will benefit the world today and for generations to come.

Maria Black

President and Chief Executive Officer



“At ADP, we firmly believe in our responsibility to enable global progress. That commitment is embedded across our organization. As we make strides toward creating a more diverse, equitable and inclusive workforce, we will continue to move forward with urgency and empathy. Through sustained leadership, collaboration and innovation, we can **design a better world of work** for generations to come.”

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 draw from 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 both governmental and non-governmental organizations that have engaged with us over time on these topics.

Report development prioritization

As part of the development of our sustainability report, we performed a benchmarking analysis in order to determine and prioritize our disclosures with regard to the environmental, social and governance activities and initiatives within our organization. This analysis was performed along multiple dimensions.

We prioritized alignment with our business strategy and assessed materiality based on our business priorities, including:

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

We also conducted external benchmarking of peers with whom we both cooperate and compete for employees and business. We evaluated our initiatives and disclosures relative to business-relevant indicators identified by leading sustainability standards and reporting organizations, including GRI, SASB and third-party ESG research providers.

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.



Governance

ADP delivers on its brand promise through a culture that values ethics, compliance and strong governance. 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.



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 board room. 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 Chief Diversity and Talent Officer (CDTO), 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 CDTO, who spearheads our ESG Steering Committee to lead ADP's ESG efforts. This Steering Committee is comprised of senior leaders at ADP and their meetings occur on a quarterly basis to more effectively communicate and manage sustainability-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, qualifications for board membership and the process for evaluating board performance, please refer to the Corporate Governance Section of our website.

Board of Director Highlights

Championing diversity means leading with diverse perspectives. 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 2022:

92% are independent

11 of our 12 directors are independent

33% are women

4 of our 12 directors are women

25% are racially diverse

3 of our 12 directors are racially diverse

- 2 Hispanic/Latino directors
- 1 Black director

Average age of 61.6 years

The average age of our 12 directors is 61.6 years

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.

ESG Steering Committee

Below are the current members of ADP's ESG Steering Committee

Bob Lockett

Chief Diversity and Talent Officer

Sreeni Kutam

Chief Human Resources Officer

[Read Bio](#)

Michael Bonarti

Chief Administrative Officer

[Read Bio](#)

Stuart Sackman

Corporate Vice President, Global Shared Services

[Read Bio](#)

David Kwon

Chief Legal Officer

[Read Bio](#)

Dave Martin

Corporate Vice President, Global Security

Dorothy Wisniowski

Vice President, Corporate Secretary

Danyal Hussain

Vice President, Investor Relations

Margaret Ferrero

Vice President, Assistant General Counsel, HCM Compliance

Dawn Verrinder

Sr. Director, Diversity and Inclusion

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:

- [Code of Business Conduct & Ethics](#)
- [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.

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.

Oversight and Structure



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.

In 2021, we took the next step in bolstering our risk management processes by adding a new leadership position of Chief Data Officer (CDO) and have continued to improve our Enterprise Risk Management (ERM) program. Our CDO will use our existing ERM structures to identify areas of opportunity. Through this process, the CDO will help our team reevaluate how we capture and address data risks, the findings of which will integrate with and further enhance our overall ERM process.

As we continue building upon and improving our risk and assurance procedures, we are planning to perform an assessment against an independent framework to further assess opportunity. We are committed to continuously improving and investing in our risk management program for both our own security and our clients' peace of mind.



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 [ADP SPARK](#) blog. To see examples of how ADP designs compliance into our products and services, visit our [ADP COVID-19 Employer Preparedness Toolkit](#), [ADP SmartCompliance®](#) and [HR Compliance](#) pages.

Ethics and compliance training

Every year, each associate completes our [Code of Business Conduct & Ethics training](#), with 100 percent participation and completion achieved again in FY'21. 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.

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 employment-related administrative matters. We contribute to sound government policy by educating and collaborating with policymakers. For example, ADP worked with the U.S. Treasury Department to implement the 2020 CARES Act Paycheck Protection Program. We also worked with the Internal Revenue Service to develop employer reporting for paid leave mandates under the Families First Coronavirus Response Act (FFCRA) and Employee Retention Credits under the CARES Act and 2021 American Rescue Plan Act. Similarly, ADP worked with several states to design employer reporting for new paid sick leave and family leave programs. ADP's expertise is also valued by government policymakers who are focused on DE&I standards. ADP 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 on our [Political Contributions Policy](#).

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 employees and business contacts, 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. This includes:

- **Global Data Privacy team**

Spearheads privacy efforts across our organization

- **Privacy Leadership Council**

Comprised of cross-disciplinary professionals including representatives from our business units

- **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 AI 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 job 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.

Binding Corporate Rules (BCRs)

As of March 2018, 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 is in the process of obtaining approval from the UK Information Commissioner for our UK BCRs to address the impact of Brexit

Emerging privacy advancements and goals

Changes in privacy law continue to take place in the U.S. We are actively monitoring these changes and have operationalized a U.S. privacy program based upon a variety of state-level privacy laws.

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.



Global Security

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 data security, data privacy, fraud prevention and crisis management.

Global converged security program

ADP's converged security organization has 350+ security specialists in 13 countries who work 24/7/365 to monitor and respond to cyber security 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 quarterly meetings. This governance process ensures an environment of continuous improvement.

Business Resiliency Program Council

A Business Resiliency Program Council as chaired by the Chief Security Officer, provides overall guidance and strategic direction for the ADP Global Business Resiliency Program. The Council meets on a quarterly basis to enforce adherence to resiliency policies and standards and supports business resiliency throughout the organization. Areas covered by the Council 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.

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.

ISO Certifications

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

- ISO 9001:2015 - SRI Cert #021782
- ISO/IEC 27001:2013 - SRI Cert #021783

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-based training, webinars, infographics, posters and other visual aids, online training, videos, blogs and intranet articles, newsletters, internal social media feeds, intranet sites and more.

Gamifying security training

We implemented a security ambassador program that is available to both associates and contingent workers to join at their will which gives additional, alternative security training and support. This gamified program provides opportunities for our associates and contingent workers to get additional security training and be involved in other security initiatives.





Innovation

At their core, our products are designed to serve people. To that aim, we harness a variety of inputs through client collaboration, market trends and our partnerships to better understand the evolving HCM needs of organizations around the world. Our products are data-driven by design.



ADP's innovation strategy

As the creator of the payroll outsourcing industry, innovation is central to ADP's identity. For over 70 years, we've led the way in defining the future of business solutions. Our strategy is simple: We innovate by anticipating the future of work and taking action in a way that empowers us to shape its trajectory and address critical workforce needs through our solutions.

ADP provides clients with insights about their workforce, helping them better manage their human capital. We also deliver innovation by creating tailored HCM ecosystems to suit each client's individual need, resulting in a unique solution that isn't offered elsewhere. We're using data to transform how great work gets done.

In harnessing the power of big data through machine learning (ML), ADP recognizes the importance of accountability, transparency, privacy, explainability and governance, and in furtherance of those goals has established an active AI & Data Ethics Committee, comprised of both industry leaders and ADP experts, which advises on emerging industry trends and concerns and provides guidance with respect to compliance with the principles that ADP should follow while developing products, systems and applications that involve artificial intelligence, ML and big data. Our AI & Data Ethics Committee has published an [Ethics in AI position statement](#), outlining a set of principles and processes that we have adopted to govern our ethical use of newer technologies such as artificial intelligence and machine learning.



Enhancing our client's HCM landscape

By focusing on emerging trends, we can create solutions for the challenges facing the world today. By leveraging anonymized and aggregated data, we have a unique opportunity to integrate data-driven insights into our products and dashboards. Our products help organizations quantify and enhance their HR performance and identify solutions to potential future problems. The better our clients understand their unique HCM landscape, the better the solutions we can create. Some features are particularly noteworthy:

Return to Workplace Mobile Solution

Following nearly two years of remote working and altered business models amid the COVID-19 pandemic, many employers are in the process of transitioning their people back to the workplace. Whether at an office, factory or otherwise, there are challenges for bringing a workforce back together in-person as the pandemic continues to shift. To safely return and navigate the changing regulatory environment, managers need timely insight into their workforce. In response to this emerging need, ADP developed the Return to Workplace Mobile Solution, which includes sentiment and availability surveys, vaccine status surveys, COVID-19 test result tracking, health attestation and contact tracing capabilities. The app's key features help HR leaders and practitioners make informed decisions about workforce safety rooted in frequently updated data about their people. This is offered as part of our application suite and is fully integrated into our other offerings.

Diversity, Equity and Inclusion Dashboard

Another area of increasing focus in the HR world is diversity, equity and inclusion. 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 new 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. Based on the results of the collected data and peer comparison, we offer strategies for improvement right in the dashboard, reducing the need for external consultation. Recently named one of Fast Company's 2021 Next Big Things in Tech, ADP's DE&I Dashboard is helping companies meet the social and business imperative to affect meaningful change through impactful DE&I programs. Like our Return to Workplace Mobile Solution, the DE&I Dashboard is fully integrated into our product suite.



Unlocking insights through the ADP Research Institute

As part of our focus on harnessing data, in 2021 we renewed and intensified our efforts at the [ADP Research Institute \(ADPRI\)](#). ADPRI conducts research on evolving HCM trends and generates insights from collected data. ADPRI's mission is to generate data-driven discoveries about the world of work, to derive reliable economic indicators from these insights and openly share them with the world.

As the world continues to navigate the impact of COVID-19, we wanted to better understand how the global workforce has transformed. Below is some of the research conducted by ADPRI.

Changing attitudes and working conditions

The massive changes brought by COVID-19 were felt universally, as everyone faced uncertainty and were met with new challenges that didn't always have immediate solutions. As the pandemic progressed, its impacts were felt more by some than others. We wanted to understand these differences and their varied effects on the global workforce. Through the data collected from our partners and clients, we were able to identify that employees, on average, are working more overtime and are expected to perform more, and that this phenomenon was disproportionately affecting women and parents. To learn more about this research, please see the article [here](#).

Employee sentiment on the office

While the pandemic largely shifted many employees to work from home (WFH), employers are now exploring the benefits of keeping the WFH model, returning to the office, or creating a hybrid approach using both methods. Our research

at ADPRI indicates that, while the WFH model grew in popularity during the pandemic, there are some benefits exclusive to on-site employees. As employers navigate forward, they may be compelled to offer a hybrid approach. To learn more about this research, please see the article [here](#).

Creating inclusive hybrid workplaces

As hybrid working arrangements become increasingly common for their many benefits, it is important to understand and mitigate the negative impacts they may bring. For example, people who work from home may not be promoted as frequently as their in-person counterparts. In addition, women with children tend to prefer hybrid or remote working arrangements over in-person ones, and when compounded with existing bias against women in the workplace, there is a real challenge in ensuring equitable advancement.

We are committed to understanding why women were disproportionately impacted by the global pandemic, and collaborating with other organizations to help identify new strategies for supporting women's advancement. This was the exact topic at our Women@Work virtual summit in May 2021 where experts and leaders addressed the tough issues women face and shared advice for organizations aiming to promote gender equity. To learn more, please see the article [here](#).



Data-driven innovation

Our extensive experience navigating the constantly evolving workplace allows us to build adaptable tools that help our clients work better. Informed by client feedback and data-driven research, the following are key trends and how ADP is addressing them.

Evolution of pay

Workforce flexibility will stretch beyond perceived limits as worker expectations evolve and challenge employers and HCM providers to offer flexible choices. Over the last year, there has been an accelerated emphasis on mobile-enabled environments that allow employees to access their payroll information on the go and on demand. Through our new agile solutions we can offer our clients access to their payroll almost instantly and from virtually any device. This increased data mobility allows workers to get the information they need when they need it and reduces the time and resources companies use to manage and relay this information to each individual employee.

- **Roll by ADP** is our rapidly delivered mobile payroll solution that executes payroll duties and issues payments, with tax compliance and other deductibles included, all in under a minute and straight from users' phones. Roll is also powered by Artificial Intelligence (AI), providing alerts so users can stay ahead of tasks and deadlines.

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.

- Our enhanced and scalable **ADP Workforce Now** aims to help organizations manage their employees with ease in an all-in-one, fully cloud-based HCM suite that equips businesses to manage payroll, time, HR, talent, benefits and people analytics all in a single database. New learning, scheduling and recruiting capabilities further streamline employee-centric tasks and workflows. Instead of relying on time-consuming processes that span multiple systems, HR practitioners can enter data once and leverage across the platform, streamlining workflows, reducing time spent on manual tasks and improving accuracy.



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 quickly. 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 in more than 920,000 organizations. For instance, companies can benchmark data to find the most qualified candidates and develop a competitive compensation package in line with industry standards. In 2021, ADP DataCloud was named the "Data Analytics Innovation of the Year" in the Data Breakthrough Awards. Additionally, the [ADP DataCloud DEI Dashboard](#) was distinguished as the "2021 Top HR Product" by *Human Resource Executive* and deemed one of the 2021 Next Big Things in Tech by *Fast Company*.
- In December 2020, we introduced new AI features to our [ADP DataCloud](#) offerings to address some of the biggest challenges that businesses face today, including shifting economic policy, employee retention and the pay equity gap. ADP DataCloud is designed to help organizations make more informed, actionable decisions by giving them visibility into their people data in one platform and eliminating the need for manual analysis.
- Our [COVID-19 Employer Preparedness Toolkit](#) was designed to help clients navigate the evolving challenges they and their workforce are facing as a result of the COVID-19 pandemic.

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 AI 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, offered 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, free from bias 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. To learn more, please see the article [here](#).



Associates

We are on a transformative journey to advance human potential in powerful ways for our clients and ourselves. We're changing the world of work, where staying a step ahead requires a collaborative and agile environment within a company focused on stability, ethics and integrity. 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. With every step we take, we respect and embrace diversity, and ensure we are inclusive of our associates, clients and business partners.



Diversity, Equity and Inclusion

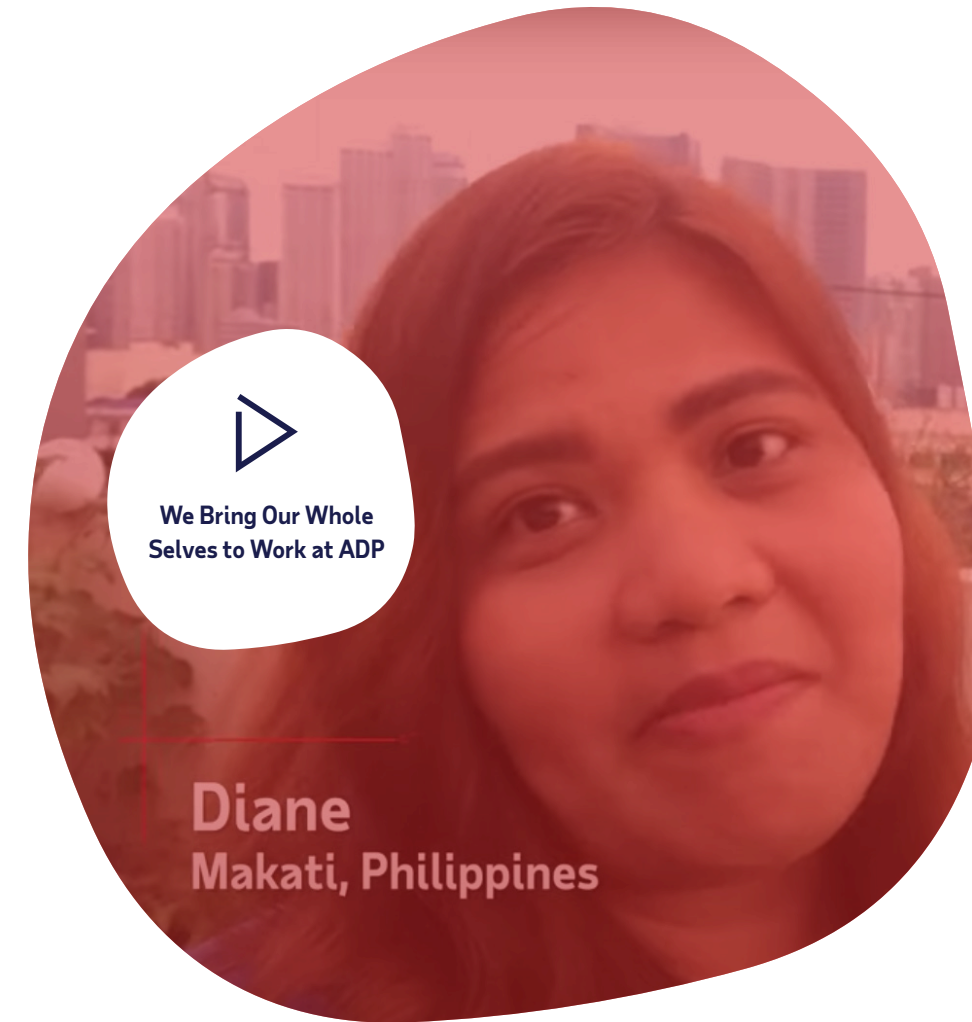
At ADP, we know an inclusive environment that values diverse perspectives cultivates the best ideas. We continually strive to create a space where everyone is appreciated and valued for their unique individuality. That's why we make diversity, equity and inclusion (DE&I) the pillar of our one-of-a-kind culture and a business imperative. Our workforce is reflective of the communities where we live and work and the clients we serve. We believe in embedding these principles throughout ADP's business, from our policies to our products.

In December 2020, ADP joined OneTen, a coalition of leaders who are working together to cultivate economic opportunities for Black talent in America. Over the next 10 years, ADP and 50+ companies will upskill, hire and promote one million Black individuals who do not have a four-year degree into family-sustaining careers. It is our imperative to elevate under-represented groups and serve as an industry DE&I champion and leader.

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 [website](#).



One of our guiding beliefs at ADP is that each and every associate has the potential and power to positively impact our business and shape the innovative solutions and exceptional service we offer," said Bob Lockett, Chief Diversity and Talent Officer for ADP. "Within ADP and within the world of work, we are committed to creating workplaces where people can thrive as their authentic selves and raise the bar on their possibilities."



Diane
Makati, Philippines

Women@Work Summit 2021

The economic toll of the pandemic is still revealing itself and initial investigations show women are at the center of this impact. With representation in the workforce diminishing and wage disparity widening—the path to progress faces more challenges. New economic research shared during ADP's recent Women@Work Summit session, [Beyond the Glass Ceiling: Economic Insights of Women at Work](#), gets to the heart of the issues and sheds light on how different industries and workers have fared.

Inclusion Summit 2021

Achieving DE&I in the workplace requires more than satisfying quotas and filling seats; it takes an understanding of the value of diversity and nurturing a culture of inclusion where people of all backgrounds can thrive. To help companies advance their DE&I programs to affect change, on October 20, 2021, ADP held a virtual [Inclusion Summit 2021](#) where we discussed challenges and opportunities tied to culture and inclusion at work for ADP prospects, clients, partners and associates. During the Inclusion Summit, ADP hosted a day of seminars, guest speakers and meaningful conversations.

The keynote address from the summit, ["Addressing Labor Market Inequities and Inclusion at Work"](#), discusses how leaders can help their employees feel seen, heard and valued.

U.S. Federal Work Opportunity Tax Credit

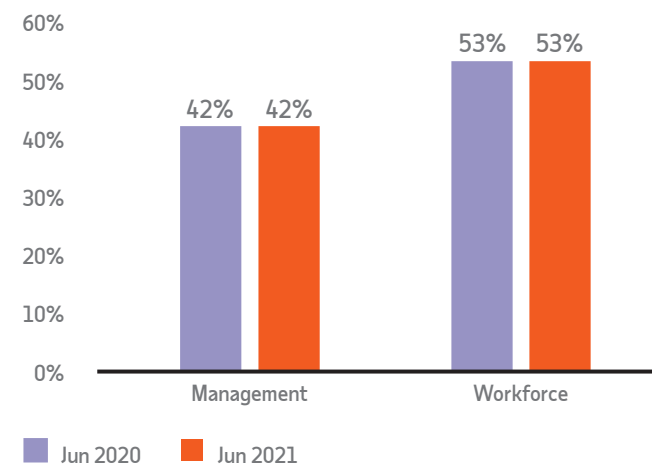
ADP supports our clients incentivized by the U.S. federal [Work Opportunity Tax Credit \(WOTC\)](#) to hire individuals from certain target groups who may face more difficulties finding employment, including veterans, the formerly incarcerated, and recipients of certain state or federal assistance programs. ADP's WOTC offering helps our clients screen tens of millions of applicants annually through a web-based 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.



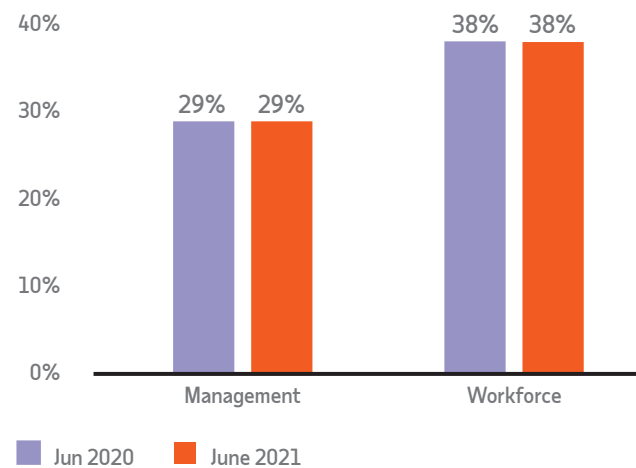
Workforce Demographics

Our tens of thousands of ADP associates reflect the cultural diversity of the communities where we live and work. In June 2021, women represented 53 percent of ADP's global workforce and 42 percent of our global managers.

2021 Women Demographics (Global)



2021 Underrepresented Groups Demographic* (U.S. Only)



*Under-represented 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.

(U.S. Only)	Jun 2020		Jun 2021	
	Management	Workforce	Management	Workforce
American Indian/Alaska Native	0.2%	0.2%	0.1%	0.2%
Asian	8%	8%	8%	8.3%
Black or African American	7%	11%	6.6%	10.8%
Hispanic or Latino	11%	15%	12%	15.7%
Native Hawaiian/Other Pacific Islander	0.2%	0.4%	0.3%	0.4%
Two or More Races	3%	3%	2.5%	2.8%
White	67%	56%	66.9%	56.4%
Not specified	3%	5%	3.6%	5.4%
Overall Under-represented Groups	29%	38%	29%	38%

Women and under-represented groups in executive roles

The business case for workplace diversity is simple: By establishing a culture of inclusion, businesses gain intrinsic rewards and improved results from better decision making, increased engagement and more innovation.

To accomplish this, we set directional targets to support our business objectives and allow us to measure progress. In 2018, after the successful conclusion of our last target cycle, we issued new three-year targets through 2022 for women and under-represented groups in executive positions.

As we enter 2022, we are pleased to announce that we have reached and exceeded our goals. As of June 2021, 33 percent of our executives are women, which meets the goal we had set to achieve by 2022. And, 23 percent of our executive roles are held by associates who self-identify as individuals from under-represented groups, which is 3 percent above our target for 2022.

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.

Workforce initiatives

Targeted development

Business resource groups

Our business resource groups (BRGs) are voluntary, associate-led groups that serve as a driving force of diversity, culture and inclusion at ADP. As this ecosystem of inclusivity continues to expand its membership, it also continues to further evolve as a strong business resource for ADP—helping to expand career growth, recruit diverse talent, make inroads into diverse markets and diversify our suppliers and vendors.

ADP's business resource groups, several of which have been around for 10 years or more, are evolving with our core business. While the BRG community will maintain its mission of fostering diversity, culture and inclusion, ADP's business resource groups are adopting an increased focus on and alignment to business outcomes and will help ADP identify diverse sales leads, supplier referrals and candidate referrals.

BRG Connect

BRG Connect is a technology-enabled mentoring program that was launched by ADP's business resource groups in 2019. The program has enabled over 1,384 mentoring connections and 11,000 mentor hours. We will continue to leverage the platform to enhance the associate experience at ADP.

BRG inclusion initiatives

ADP's business resource groups are part of our associates' everyday experience. 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 IN 2021 INCLUDED:

Thrive (Disabilities)

Adelante (Hispanic)

Elevate (Asian)

Cultivate (Black/African-American)

PRIDE (LGBTQ)

Military Strong (Military)

Inspire (Innovation)

Generations (Multigenerational)

iWIN (International Women's Inclusion Network)

- WiSL (Women in Sales Leadership)

- Empower (Women in Technology)

Women in Leadership (Executive Women)

Creating an inclusive workplace

Unconscious bias awareness

Our leaders play a critical role in disrupting bias and building an inclusive culture. In 2021, we trained over 2,000 leaders in mitigating unconscious bias and using best practices to ensure inclusive hiring.

Fair and equal hiring practices

Our goal is to extend ADP's employer brand reach to under-represented 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.

Fostering under-represented talent

ADP's partnerships with Historically Black Colleges and Universities (HBCU), Hispanic Serving Institutions and other diverse campuses engage 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, create brand awareness and develop a diverse pipeline of talent. ADP identifies opportunities to sponsor and co-sponsor existing programs and events and offers career preparation lectures.

We are focused on growing reciprocal relationships: ADP helps cultivate our partnerships' talent pool through education, programming and resources. In turn, we benefit from access to their talent database, chapter leadership, events and brand exposure.

Multiple Pathways Initiative

Elevating under-represented groups requires a collective effort and re-envisioning of how things are done. The Multiple Pathways Initiative, aligned with OneTen, identifies best practices to promote skills-based hiring and makes recommendations for participating organizations, like ADP, to promote these practices and other talent acquisition processes that increase diversity.

Hiring for success

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 Hiring for Success program teaches managers how to use objective hiring criteria, diverse interview panels and consistent interview questions to help remove unconscious bias and improve our hiring processes.

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, people of color and other under-represented groups including people with disabilities, LGBTQ+ and veterans. ADP has been leveraging diverse slates, both gender and under-represented groups, to improve DE&I for years at the leadership level.

In 2020, we expanded our commitment to diverse slates to all job levels at ADP, to ensure groups that have been historically under-represented have opportunity and access. We also employ diverse interview panels, to help protect against "in-group" or similarity bias in the hiring process. In addition, in 2021 we removed the college degree requirement to work at ADP, where permissible, to broaden the talent pool from which we can pull.

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 the U.S. or in Canada. We continue to explore ways we can introduce this and other initiatives across the globe to promote pay fairness.

Supporting under-represented groups

Diversity & Inclusion Talent Task Force

Last year, ADP launched the Diversity & Inclusion (D&I) Talent Task Force to advance under-represented talent in leadership. This program was developed to ensure equitable representation at all leadership levels for under-represented talent. By enhancing our hiring process, we are more effectively sourcing, interviewing and hiring Black/African American, Hispanic and other under-represented talent.

Further, we've aligned our career development programs, promotion practices and retention strategies to assist in closing any representation gaps. ADP's top 150 leaders in the U.S. have diversity goals tied to compensation as an incentive to diversify our leadership ranks, ensuring they represent the communities in which we live and work and the clients we serve.

In addition, the D&I Talent Task Force championed initiatives including the Latinx Academy, McKinsey Management Accelerator and Black Executive Leadership Program to support under-represented leaders in meeting their potential and overcoming challenges they may face.

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. We have a dedicated [veterans careers page](#), which was enhanced with a Military Occupational Specialty (MOS) translator in 2019. Now, candidates can enter their MOS and the system will suggest positions best suited to their profile. 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—Ft. Gordon, 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 designed several initiatives to attract veterans to ADP, ease them into their new positions and help them succeed.

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.

LGBTQ+ inclusion

All-inclusive benefits:

With the passage of the marriage equality act, companies started offering certain benefits to married LGBTQ+ couples. At ADP, we go further. Our benefits are all-inclusive and awarded to any domestic partner. See how ADP has created a [culture of inclusion](#).

Human Rights Campaign

In 2022, for the [thirteenth consecutive year](#), ADP received a 100 percent rating in the Human Rights Campaign (HRC) Corporate Equality Index (CEI), which annually rates large U.S. employers based on their policies and practices pertaining to LGBTQ+ employees.

Advancing Women in Leadership (AWL)

To aid in the career advancement of female leaders, ADP launched a program for high-performing women in management who wanted 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 in a way that is 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 through facilitators, speakers and exposure to senior leadership.

Talent Acquisition and Retention

Great companies are built by great people. Our strengths-based 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. Our talent strategy aims at attracting and retaining ambitious, passionate and overall top talent to continue to grow our diverse and unique culture.

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, 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. In the United States, we also travel to campuses across the country to meet students who are sharp, creative, driven and friendly. Find out more on our [website](#).

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 health care coverage, a 401(k) plan with company matching contributions, 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 and support to help them understand their fertility 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.
- **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 four weeks paid parental leave to be taken within six months of the date their child is born, adopted or placed into foster care.
- **On-demand tutoring:** Formerly known as the Homework Connection, this program affords associates up to 5 hours of free tutoring services per month for their dependents. This tutoring is available for both younger and older children. We also offer support through the College Coach program for associates with children who are in high school and preparing for college.



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. To this end, in March 2022, ADP rolled out a flexible work model to offer greater adaptability while preserving the ability to collaborate and leverage each other's knowledge and experience.

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 CSR program that allows associates to volunteer and donate to charitable causes close to their hearts

Training and Development

The ability to offer insightful expertise to our clients and associates is one of our core values. Our associates are encouraged to challenge themselves, share their strengths, take risks and find community. We believe in investing in team members to teach them the skills necessary for success and growth in their careers.

The ADP talent journey begins with an innovative, engaging and comprehensive on-boarding process, followed by extensive training and mentorship. With the rise of new hires working from home, we faced a new challenge of training associates on how to use our technology. To address this challenge, we introduced a novel training program that starts on the associate's mobile device and directly delivers a welcome message, information on our philosophies and set-up instructions using augmented reality. This early engagement in the learning cycle helps our associates become part of the ADP community and sets them up for long-term success.

Associates are also encouraged to get familiar with our culture by learning about our DE&I focus and our "Integrity is Everything" approach. To further enhance performance and career development, ADP associates have access to a wide variety of professional and functional skills training well beyond on-boarding. All associates at ADP are also encouraged to join BRGs where they can take advantage of mentoring programs, learning events and even safely experiment with leadership skills as a local chapter leader. We also build leadership capabilities for current and future leaders with targeted and inclusive leadership development programs. At ADP, we focus on continuously improving our leadership development offerings to meet evolving business needs including a current focus on digital skills and our transformation into a strengths-based organization.

ADP's learning organization is a hybrid model, with three main divisions of learning:

1. Leadership Development and Performance
2. Enterprise Learning
3. Worldwide Sales Operation Learning and Leadership

Harnessing Virtual Reality

The backdrop of the pandemic, social injustice and economic disruptions have shown that associates need emotional support, open communication and coaching from their managers now more than ever. Leaders need to be more authentic and connect with our associates on a human level to drive team and business performance. Virtual Reality (VR) simulations are a personalized and effective approach to accelerate these skills in a realistic and measurable way. ADP piloted a VR training platform in our Front-Line Leaders Program to over 1,000 participants in 2021. This will enable managers to better navigate essential conversations and challenging scenarios with team members in a simulated, immersive environment that allows participants to freely learn and make mistakes in a safe space.

Leadership development

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

Leaders use their individual strengths to lead successfully while remaining grounded in ADP's Leadership Priorities: Act Like an Owner, Make the Client your North Star and Always Listen to Associates.

Our integrated leadership development strategy 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.

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
- Offering experiential activities and simulations of real-life relevant situations to model decision-making and engaging candidates' existing strengths
- Using learning measurement theory and technology to provide performance and behavior change insights to HR Business Partners and Business Unit Leaders

As an example, we reimaged our Leader of Leaders program from a three-day, in-person event to a six-week, virtual journey. This learning experience is designed to help leaders build self-awareness, cultivate strong internal relationships, establish a leadership model that is unique to their strengths and achieve better decision-making using systems thinking. During fiscal year 2021, nearly 800 associates completed our Leadership Excellence program.

Career and Talent Development

Growth and development are top engagement drivers for any associate. ADP's strategy is to enable our associates to move forward towards 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. It is the ultimate career navigation system that puts resources, tools and guidance at their fingertips for every stage of their career journey—new in your role, developing in your current role, exploring career options and preparing for your next role.

Blending technology and talent development, ADP launched a game-changing career-mapping technology—myCareerConnect. It provides associates increased awareness of career possibilities through a career map, offering a visual representation of historical career movement at ADP. It helps answer career questions such as, 'Where can I go?' and 'How do I get there?' The most recently added features allow our associates to view and manage their top skills and open requisitions directly from the tool. The tool also provides personalized and relevant role suggestions and allows associates to include additional professional skills to further improve the matches.

Along with new and innovative technology the CG&D team holds regular instructor-led sessions for both associates and leaders centered around fundamental career topics like relationship building, branding, networking, interviewing, growing where you are, leaders as career partners and building development plans 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. These can include (but aren't limited to): cross-functional exposure



As I stepped into my new Business Process Innovation role, some of the resources from our CareerDriver site really helped me. I used the Individual Development Plan Basics Worksheet to organize my plan and goals and revisit them to track my progress. As I met different teams and new acquaintances the PitchCraft became my close friend which made meeting new people so much easier. The Loves and Loathes worksheet helped me record, develop and repeat the good experiences giving me a chance to do more of what I loved and less of what I loathed."

Madalina Cekan, UAT Consultant from Bucharest, Romania

and leadership roles in Business Resource Groups. The CG&D team also provides ample opportunities to its volunteers to participate in stretch assignments which offer the use of a wide array of skills like graphic design, project management, translation, facilitating sessions and more.

In addition to these opportunities, every April, we hold a CG&D Rally which is broadcast globally to all our associates as they participate in career-focused sessions and activities. What began as a 60-minute session several years ago, the Rally has gotten bigger and better—expanding to a 24-hour Rally in 2020 and our first ever week-long Career Carnival Rally in 2021, with several thousand of our associates participating globally.

To continue ADP's commitment to our associates' growth and development, we are also starting a new hire outreach program where we will connect with our new hires right as they join ADP and provide them with the tools, resources and guidance needed so they can focus on their career right from the start.

At ADP we believe that our associates have their own definition of career success that is not constant but always developing and changing. To support these goals, we are always evolving in our endeavor to provide a great career growth and development experience to our associates.

Accelerating performance through StandOut

[StandOut powered by ADP](#) is an innovative talent engagement and activation platform. The tool is built on an initial strengths assessment of each team member, supported by weekly check-ins 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 more 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.

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 two 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 81 percent favorable.

Learning Business Council

ADP's Learning Business Council consists of senior leadership executives from each business unit, as well as learning leaders from across the enterprise. The council collaborates to discuss and influence key strategic projects, issues and future opportunities.

For example, as a result of the pandemic, our training strategy had to pivot suddenly, enterprise-wide. Every program went virtual—often while in-progress. Every new-hire class stayed on schedule, every key initiative progressed without fail and critical regulatory support was delivered. Additional training and performance-support programs were rapidly implemented to guide clients and associates through FFCRA/CARES Act payroll legislation.

Enterprise Learning

ADP believes empowering clients and associates through learning is integral to its success, evidenced by strategic organizational goals tied directly to learning. ADP's functional learning and performance division, Enterprise Learning (EL), is entrenched in achieving these goals by helping clients, associates and ADP thrive as our products, technologies and business practices transform. This is achieved through our mission to drive an effortless and dynamic learning experience that positions our stakeholders for success.

Redesigning training with AI

We optimize personalized, modern learning experiences and outcomes throughout ADP by leveraging technology, data, design and talent to ensure our programs are engaging, insightful and impactful. 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 houses information that helps associates service clients. It uses modern authoring techniques and advanced search technology to answer queries with relevant and fast search results in the moment of need, with content that is easy to scan and consume.
- **In-product learning** — We embed guided walk-throughs within ADP's products that provide instructional support to clients and associates in the flow of work, thus reducing effort, affording them the opportunity to learn how to get optimal use out of our products while completing their day-to-day tasks. These walk-throughs can be added or updated quickly, enabling us to deliver new instruction whenever there are new technologies or legislative changes.

- **Learning Management System (LMS)** — This system is our library for the virtual, on-demand training courses that we design, deliver and manage for associates (myLink2Learn) and clients (myLearning@ADP) alike, providing instruction on everything from product knowledge to soft and technical skills.
- **Augmented Reality On-boarding** — With more and more associates getting on-boarded remotely, we faced a new challenge of how to start the training process without in-person guidance. In response, we introduced augmented reality on-boarding materials that allow new associates to scan a code on their phone where they are greeted with a welcome message and instructions for getting set up and started. This seamless, augmented-reality introduction provided our new associates with links to HR information and videos about getting started in their learning journeys.

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 7,500 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 in over 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.

Classes average between 160-240 hours for on-boarding training, with the average length to first sales between 4-12 weeks, depending on the role and buying cycle of the targeted market.

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 ADP Enterprise Learning's 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.

In 2021, we virtualized these training programs, allowing them to be administered digitally across our operations to ensure that consistent and high-quality training is available to our associates. We also introduced two new training packages focusing on remote selling: "Remote Selling the ADP Way," and "Mastering Remote Selling."

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.

Recognition

To see a list of awards and recognitions we received for our efforts in 2021, please visit our [website](#).

Brainshark

To support our Worldwide Sales Operation Learning and Leadership program, we started leveraging a new video-based tool called Brainshark. This program features AI-based coaching that leads trainees through different scenarios, role-playing interactions between potential and existing clients and their individual role within the ADP salesforce. This tool also helps streamline the feedback process for leaders by providing transparent rubrics and universal grading features.



Community

Acting responsibly is at the core of what we do. Our success comes from our associates and the communities supporting them. By focusing ADP's efforts to improve the communities where we live and work, we are supporting meaningful causes and constructing a foundation that allows our business and our people to thrive.



Community

Through our technology expertise, volunteerism, charitable giving, and a growing commitment to diverse suppliers, ADP is committed to giving back to communities where we live, work and conduct business.

Philanthropy

The ADP Foundation is the center of 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 from charitable organizations
- Determination of eligible charitable organizations and volunteer options
- Fundraising for eligible charitable organizations

Employee Giving

ADP's myGiving online tool allows associates to donate to their choice of thousands of charitable organizations. ADP associates in the U.S. can also participate in our Matching Gift Program, in which donations to eligible non-profit organizations are matched up to \$5,000 per associate per calendar year. Executive Committee members and our Board of Directors are eligible to up to a \$20,000 match, while executive level leaders are matched up to \$10,000 for their donations. In 2021, associate donations, including matches, totaled \$9 million, which represents a 14 percent increase over 2019.

Supplier Diversity

ADP is committed to extending the shared values that diverse suppliers bring to our business. We understand that creating partnerships with diverse suppliers is not only the right thing to do; it gives us a powerful business advantage.

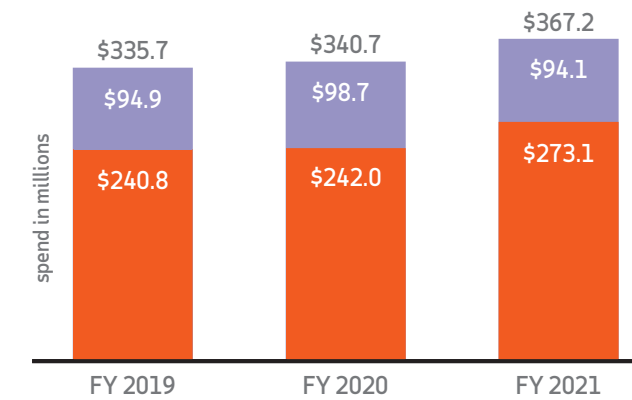
The primary goal of [ADPs Supplier Diversity Program](#) is to proactively identify, build relationships with and purchase goods and services from minority, women, veteran-owned and other qualified diverse enterprises. We strive to partner with businesses that reflect the local and global markets we serve, while obtaining the highest level of quality goods and services for our clients.

Our Supplier Diversity Program supports:

- Woman-owned business enterprises
- Minority-owned business enterprises
- Veteran-owned business enterprises
- Disabled-owned business enterprises
- LGBTQ+-owned business enterprises
- Small disadvantaged business enterprises
- Small business enterprises

ADP's Supplier Diversity Program continues to grow with proven success. Our FY 2021 achievements include:

- Overall FY 2021 total: **\$367.2M**
- Diverse spend increased **9% since FY2019**
- **16%** of overall procurement spend with diverse suppliers
- **45% or \$11.3M** increase in spend with Hispanic American owned businesses
- **\$3.1M** in savings attributed to using diverse suppliers



■ Tier 1 — direct spend with diverse suppliers
 ■ Tier 2 — indirect spend with diverse suppliers

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.

We are pleased with the progress we've made and want to keep moving the needle. Current initiatives include:

- Increasing Minority, Veteran and LGBTQ+ spend by finding opportunities with ADP business stakeholders
- Training and mentorship for new and existing suppliers
- Partnering with local, regional and national organizations that support supplier diversity

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)
- Women's Business Enterprise National Council (WBENC)
- National Gay and Lesbian Chamber of Commerce (NGLCC)
- Disability: IN

Covid Impact—How ADP Helped

- ADP offered expedited payment methods to our diverse suppliers during the pandemic
- Wellness checks on diverse suppliers
- Sharing information about ADP diverse suppliers internally and externally, sharing the success stories of diverse suppliers as it relates to a supplier diversity win, use of diverse supplier list/dashboards to source new engagements

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. 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.

Environment

Environmental stewardship is essential to both our corporate social responsibility program and our business strategy. We are committed to investigating new environment and climate-related opportunities that will better serve our business, clients and communities around the world. We believe that creating sustainable products and streamlining our operations reduces our environmental impact and drives efficiency, innovation and ultimately, long-term value-creation.



Energy and greenhouse gas management

Increasing energy efficiency and reducing greenhouse gas emissions associated with our operations are central goals for our environmental sustainability program. Our primary sources of greenhouse gas emissions come from our offices and data centers, and we are pleased to announce that we reached our 2014 goal of reducing emissions by 10 percent by the end of calendar year 2020 in the United States.

ADP Pledge to achieve net zero greenhouse gas emissions by 2050

In 2021, we decided to make the commitment as an organization to achieve net zero greenhouse gas emissions across scopes 1, 2 and 3 by 2050. In our current fiscal year, we are developing a Paris Agreement-compliant climate transition plan that will include short, medium and long-term global goals towards this target, and we expect to set these goals against a pre-pandemic 2019 baseline. We plan to invest in renewable energy, efficient infrastructure and sustainable alternatives, among other things, to reach this goal, and look forward to providing updates as we strive towards reducing our emissions. We are excited to have a portfolio of several projects already in motion to support the goal, including the use of solar panels, replacement of legacy equipment and increased use of fuel cells at our facilities. We expect to formalize our targets in line with our operating plan and financial reporting cycle for fiscal year 2022 and stakeholders will be able to find more information at sustainability.adp.com when available.

Climate risk and opportunity management

Climate change is an increasingly urgent topic that may have significant impacts on our business, our associates and the international community. As governments and markets consider a range of options to adapt to a changing climate, the possibility of disruption grows. There are both risks and opportunities present in these shifting landscapes, and we are committed to understanding and positioning ADP and our services to mitigate potential threats and capitalize on new markets as we navigate the impacts of climate change.

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 the ESG Steering Committee on these matters and routinely updates our Board so that the Company can effectively address emission reduction matters as well as climate change mitigation and adaptation through key programs and policies, ensuring that our business operations are resilient to climate change impacts.

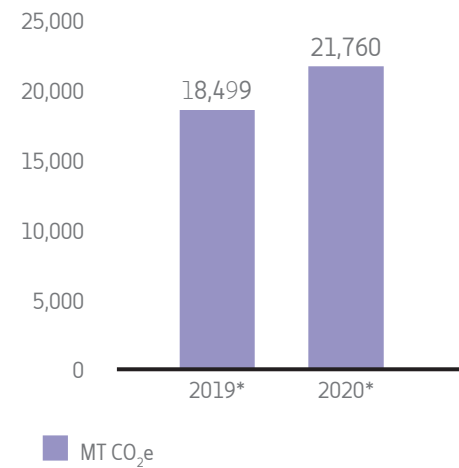
Energy and greenhouse gas reduction

Throughout 2020, ADP invested in energy reduction initiatives that improved efficiency, reduced energy consumption and decreased our emissions. Some examples include the upgrading of multiple data centers with lithium-ion batteries for increased operational longevity and reduced energy consumption, installing LED lighting, implementing new Building Management Systems (BMS) to increase building efficiency and a revised travel policy. In total, we reduced our 2020 electricity consumption by 65,000 MWh. ADP annually reports to the Carbon Disclosure Project (CDP) regarding its emissions-reduction initiatives. For more information on these efficiency projects and our 2020 emissions, visit CDP's website [here](#).

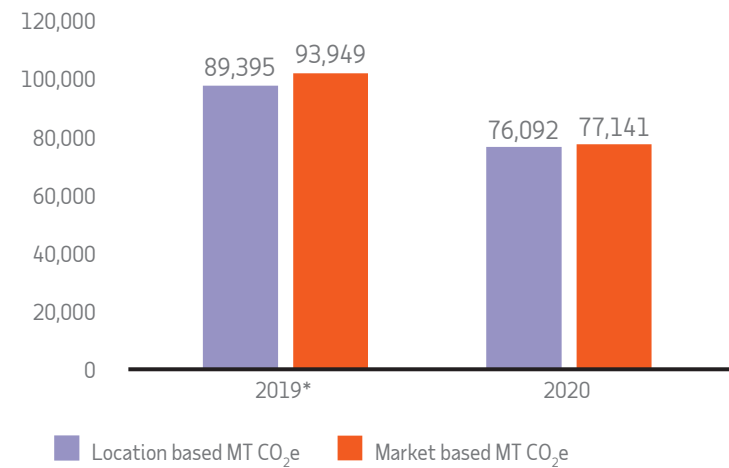
Greenhouse gas emissions

In calendar 2020, we continued to improve our greenhouse gas (GHG) inventory data collection and management processes. For example, over the past couple years, we implemented an [independent, third-party verification process that began with a review and verification of our 2019 U.S. GHG emissions](#) (our main source of emissions). We are proud to announce that we expanded this [verification on a global basis for our calendar 2020 GHG emissions](#) reported below. This also marks the 4th year we will be reporting our greenhouse gas emissions in all 3 scopes. With work-from-home arrangements still widely prevalent, our offices are not being used as much when compared to previous years, and in conjunction with our emission reduction efforts, we saw significant decrease in total emissions.

Global Scope 1 emissions

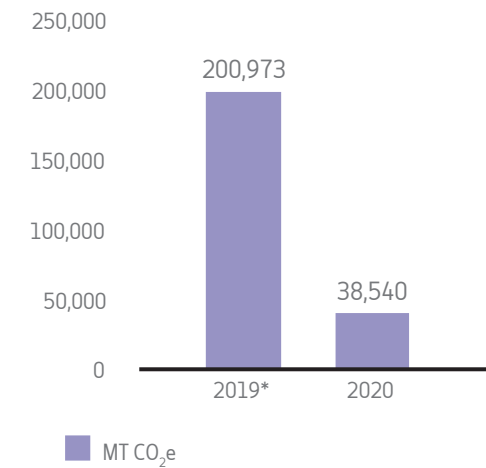


Global Scope 2 emissions



Location based reflects the average emissions intensity of the grid, based on the location where energy is consumed.
Market based reflects the emissions from the electricity purchased by ADP.

Global Scope 3 emissions



Fleet

As part of our commitment to reduce carbon emissions, we are updating our vehicle fleet with fuel-efficient vehicles. We currently have 81 charging ports across 13 locations, supporting over 200 registered users across the U.S., with offerings also in Spain, Australia, the UK, Italy and France.

* 2019 data has been updated from previously reported numbers to reflect independent, third-party verification of U.S. GHG emissions. After 2019, we expanded our verification scope globally and in doing so we obtained additional empirical data related to certain international facilities. As such, our 2020 figure includes certain emissions that are not represented in our 2019 figure.

Waste Management

We are re-imagining how we do everything, including what we do with our waste streams. 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.

Our commitment to landfill diversion

Over the last six years, ADP has diverted 31,000 tons of waste from landfills. Below are some of the ways we're reducing the trash we send to landfills.

Donations

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 and donate it to them. Since 2015, we've donated almost 18,000 total items to partnering organizations, helping those in need and reducing our waste.

Electronic waste

Waste diversion and minimizing environmental impact are cornerstones of our sustainability program. Managing our electronic waste (e-waste) represented a unique opportunity to advance both of these priorities. 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. In calendar 2020, ADP recycled 147 tons of electronic waste.

Furniture Donations in Northern New Jersey

In calendar 2020, we closed multiple offices in New Jersey as part of our efforts to consolidate our office space. Furniture from all these offices were collected and donated to Habitat for Humanity and Eva's Village, where items went directly to their facilities. Included in this donation were tables, chairs, filing cabinets and office supplies.

Paper

Since our core business revolves around payroll and HR services, paper usage has historically been a significant component of our environmental footprint. After recognizing the opportunity to reduce usage for both our clients and our own business, we started to offer digitized services and launched paper reduction initiatives. Within North America, approximately 85 percent of clients were paperless in 2020.

In addition, ADP introduced an environmental footprint objective into our annual bonus plan design for executive officers. We have initially targeted an enterprise-wide client paper reduction initiative for fiscal year 2022.

Finally, we introduced the “All Shred” program. Through this program, we partner with a vendor to shred and recycle 100% of the paper placed in their secure containers at our office locations and print centers. In 2020, we shredded and recycled over 1,600 tons of paper. We also introduced a “Print on Demand” initiative that helps 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.

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. In 2020, we introduced new, universal signage across our offices that encourage everyone to recycle and managed to recycle a total of 2,250 tons of material.

Cafeteria sustainable products

Per our policy, ADP requires our cafeterias and bistros to use sustainable products whenever possible. Disposable serviceware is made from biodegradable materials and cutlery is made from recycled plastics. Three of our cafeterias have food waste pulping machines, reducing our waste volume. We continue to prohibit all Styrofoam products.

Waste paper recycling in Hyderabad, India

ADP India received a certificate of appreciation for participating in the WOW “Wellbeing Out of Waste”—Paperboards and Specialty Paper Division CSR recycling program. In 2020, we recycled over 4.5 tons of dry waste materials.

Green initiatives

Pursuing LEED certifications

As part of our efforts to reduce the environmental impact of our offices and operations, we are pursuing LEED certification (or equivalent) at some of our new buildings and will continue to seek such certification wherever it is feasible to do so.

Renewable energy

We investigate opportunities to purchase renewable energy wherever it is economically and geographically viable. Our operations in Barcelona, Spain operated on 100 percent renewable energy solar supply for the second consecutive year. In addition, 100 percent of electricity for ADP's offices in the Netherlands is provided by wind energy. We will continue to investigate where we can use renewable energy to further reduce our emissions.

Eco-friendly office supplies

Our offices in Europe, the Middle East and Africa (EMEA) are partnering with Staples to replace all stationery and cleaning products with environmentally friendly and recycled products. We hope to bring this program to offices across our operations in the near future.

Water Safety

As our workforce gradually returns to the office, it is important that we ensure our buildings can provide safe and accessible necessities to our associates. All ADP offices have a water safety program and protocols in place, providing our associates with access to safe water, sanitation and hygiene.

LEED Gold

- Tempe, AZ
- Pasadena, CA
- Augusta, GA Expansion
- Chelsea Labs, New York, NY

LEED Silver

- El Paso, TX

Data centers

To reduce ADP's overall greenhouse gas emissions, we continue to assess and improve the energy efficiency of our data centers. We look for ways to conserve energy by implementing passive design features, reconfiguring office design and investing in efficient hardware and cooling systems.

We continue to rationalize our data center network as we offload some ADP-hosted workloads. We have decommissioned 24 data center facilities since 2015 and plan to rationalize another 4 through 2022, contributing to a reduction in carbon footprint

ADP's average data center Power Usage Effectiveness (PUE) increased slightly from 1.65 to 1.69 between 2020 and 2021. However, in 2021 we were able to reduce the energy consumed by our data centers by 8 percent from the same time last year through various IT and hardware upgrades.

Efficiency upgrades

Our data center in Elk Grove Village, IL recently received significant upgrades to its cooling system. Acquired in 1996, the facility was operating to capacity, however the cooling infrastructure was struggling to meet demands. Utilizing a 3-cell rooftop cooling tower as part of the new system, we adopted mechanical cooling which provides continuous, nonstop cooling whenever necessary. This upgrade both improved the data center's overall resiliency by mitigating risk from potential equipment failure and greatly increased its energy efficiency. This new cooling system often runs well below its capacity, offering increased mechanical efficiency. This increased efficiency reduces the energy we consume and results in cost savings.

GRI Index

GRI	Disclosure Title	Source
102-1	Name of the organization	Automatic Data Processing, Inc.
102-2	Activities, brands, products and services	Products and services
102-3	Location of headquarters	One ADP Boulevard, Roseland, New Jersey, 07068
102-4	Location of operations	2021 10-K and also our list of worldwide locations
102-5	Ownership and legal form	2021 Proxy Statement
102-6	Markets served	2021 10-K
102-7	Scale of the organization	2021 10-K
102-8	Information on employees and other workers	View the Section
102-9	Supply chain	View the Section
102-14	Statement from senior decision-maker	View the Section
102-15	Key impacts, risks and opportunities	2021 10-K
102-16	Values, principles, standards and norms of behavior	View the Section
102-17	Mechanisms for advice and concerns about ethics	Ethics Helpline
102-18	Governance structure	2021 Proxy Statement
102-19	Delegating authority	View the Section
102-20	Executive-level responsibility for economic, environmental and social topic	View the Section
102-21	Consulting stakeholders on economic, environmental and social topics	View the Section
102-22	Composition of the highest governance body and its committees	2021 Proxy Statement
102-23	Chair of the highest governance body	2021 Proxy Statement
102-24	Nominating and selecting the highest governance body	2021 Proxy Statement
102-25	Conflicts of interest	2021 Proxy Statement
102-27	Collective knowledge of highest governance body	View the Section

GRI Index

GRI	Disclosure Title	Source
102-28	Evaluating the highest governance body's performance	View the Section and also 2021 Proxy Statement
102-29	Identifying and managing economic, environmental and social impact	View the Section
102-30	Effectiveness of risk management process	View the Section
102-31	Review of economic, environmental and social topics	View the Section
102-32	Highest governance body's role in sustainability reporting	View the Section
102-33	Communicating critical concerns	View the Section
102-35	Remuneration policies	2021 Proxy Statement
102-38	Annual total compensation ratio	2021 Proxy Statement
102-40	List of stakeholder groups	2021 Proxy Statement
102-42	Identifying and selecting stakeholders	2021 Proxy Statement
102-43	Approach to stakeholder engagement	2021 Proxy Statement
102-44	Key topics and concerns raised	2021 Proxy Statement
102-45	Entities included in the consolidated financial statements	2021 10-K
102-46	Defining report content and topic boundaries	View the Section
102-47	List of material topics	View the Section
102-48	Restatements of information	2021 10-K
102-53	Contact point for questions regarding the report	Dawn.Verrinder@adp.com
102-55	GRI content index	View the Section
201-1	Direct economic value generated and distributed	2021 10-K
201-2	Financial implications and other risks and opportunities due to climate change	View the Section
201-3	Defined benefit plan obligations and other retirement plans	See Note 10 in 2021 10-K
203-1	Infrastructure investments and services supported	View the Section
203-2	Significant indirect economic impact	View the Section

GRI Index

GRI	Disclosure Title	Source
204-1	Proportion of spending on local suppliers	View the Section
301-1	Materials used by weight or volume	View the Section
302-1	Energy consumption within the organization	View the Section
302-4	Reduction of energy consumption	View the Section
305-1	Direct (Scope 1) GHG emissions	View the Section
305-2	Energy indirect (Scope 2) GHG emissions	View the Section
305-3	Other indirect (Scope 3) GHG emissions	View the Section
305-5	Reduction of GHG emissions	View the Section
306-2	Waste by type and disposal method	View the Section
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	View the Section
401-3	Parental leave	View the Section
403-2	Hazard identification, risk assessment and incident investigation	View the Section
403-3	Occupational health services	View the Section
403-5	Worker training on occupational health and safety	View the Section
403-6	Promotion of worker health	View the Section
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	View the Section
404-1	Average hours of training per year per employee	View the Section
404-2	Programs for upgrading employee skills and transition assistance programs	View the Section
404-3	Percentage of employees receiving regular performance and career development reviews	View the Section
405-1	Diversity of governance bodies and employees	Page 6 and Page 24
406	Non-discrimination management approach	Code of Business Conduct & Ethics
413-1	Operations with local community engagement, impact assessments and development programs	View the Section
415-1	Political contributions	View the Section

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.

Topic	Accounting Metric	Disclosure	Code
Environmental Footprint of Hardware and Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Please see ADP's Energy and Greenhouse Gas Reductions and Data Centers sections of this report.	TC-SI-130a.1
Data Privacy and Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	<p>The collection, storage, hosting, transfer, processing, disclosure, use, security, retention and destruction of personal information required to provide our services is done in compliance with federal, state and foreign privacy, data protection and cyber security laws.</p> <p>We are committed to respecting our users' choices regarding their personal data. Only in rare circumstances, as described in our BCR, will we process user data for a legitimate secondary purpose. We do not transfer personal data to third-party providers other than to perform ADP services, after they have contractually agreed to follow our privacy principles. Further our products do not target children.</p> <p>ADP does not have a unique retention schedule based on data or data types due to their varied nature across business units. To learn more, please see our Global Records Information Management Program.</p> <p>For more information on the scope and implementation of our practices related to user privacy, please see ADP's Privacy page.</p> <p>For more information on our Binding Corporate Rules (BCR) regarding the collection, retention, protection and usage of personal data, please see ADP's Global Privacy Policy.</p>	TC-SI-220a.1
	Number of users whose information is used for secondary purposes	ADP does not currently track this information.	TC-SI-220a.2
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Please see ADP's 10-K and 10-Qs for a description of any material monetary losses as a result of legal proceedings associated with user privacy.	TC-SI-220a.3
	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Please see our 10-K and 10-Qs for a description of any materials requests from law enforcement.	TC-SI-220a.4





SASB Disclosure

Topic	Accounting Metric	Disclosure	Code
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	<p>While ADP maintains and continually enhances its global security program, including extensive business, system, and network security controls and processes, issues that ADP characterizes as security incidents do occasionally occur. Such security incidents do not necessarily constitute security breaches as defined by law. ADP's policy requires the prompt reporting of all such security incidents, and appropriate investigation and evaluation to ensure that all incidents are addressed timely and effectively and in accordance with ADP policy and applicable legal requirements. All issues to date have been limited in scope and have included, for example, hard copy or electronic misdeliveries of client information.</p> <p>Given today's threat landscape, all large organizations are targeted by cyberattacks. ADP's security program is designed to prevent or detect such attempts via ADP's security intelligence platform, while leveraging partnerships with law enforcement and threat intelligence organizations to enhance our capabilities. ADP's incident response process is initiated during any identified attempt.</p> <p>Within ADP's global security program, comprehensive enterprisewide policies and procedures are in place for managing, tracking and reporting security incidents. ADP's security policies require logging of all actual security incidents reported to ADP by its associates, clients or other third parties. Once a security incident is reported, ADP's incident response process is designed to ensure that all incidents are addressed in a timely and effective manner and are in accordance with ADP security policies, procedures and legal requirements.</p> <p>When necessary, procedures for notifying clients without undue delay, as well as employees and all other parties who may be impacted by the incident, are initiated and appropriate remedial actions are taken.</p> <p>For more information please see our disclosure on Incident Management in our Data Security page.</p>	TC-SI-230a.1
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	<p>ADP policy requires our management to promptly take appropriate actions and commit sufficient resources to reduce unacceptable loss exposures to acceptable levels. To meet this objective ADP has an operational risk management framework and has deployed supporting procedures and tools across the enterprise. ADP Operational Risk Management is responsible for maintaining the framework while integrating with Enterprise Risk Management for aggregation and escalation. The ADP Executive Committee provides operational risk governance through the Executive Security Council, which is chaired by the Chief Security Officer and includes the CEO, President, COO, CFO, CAO, CIO, CHRO, General Counsel, head of our Global Shared Services and head of our Global Product and Technology Organization.</p> <p>The ADP operational risk management framework is based on the following industry standards:</p> <ul style="list-style-type: none"> • Overall Risk Process: Enterprise Risk Management—Integrated Framework (COSO-ERM); ISO 31000: 2009 Risk Management—Principles and Guidelines; The Risk IT Framework (ISACA); COBIT 5 for Risk (ISACA); National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF). • Risk Analysis Approach: The Open Group Risk Taxonomy Standard (O-RT); The Open Group Risk Analysis Standard (O-RA). <p>We are focused on ensuring that we are safeguarding and protecting personal and business information and client funds, and we devote significant resources to maintain and regularly update our systems and processes. ADP's vendors must meet our data security and privacy standards. Our vendor assurance process enables ADP to assess our vendors prior to entering into a contract with them. Our vendors are contractually required to comply with ADP's privacy principles.</p> <p>For more information please see our Data Security page.</p>	TC-SI-230a.2




SASB Disclosure

Recruiting and Managing a Global, Diverse and Skilled Workforce	Employee engagement as a percent	Please see the Training and Development on page 29 of this report.	TC-SI-330a.2
	Percentage of gender and racial/ethnic group representations for (1) management, (2) technical staff and (3) all other employees	Please see the Diversity, Equity & Inclusion section on page 21 of this report.	TC-SI-330a.3
Managing System Risk	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	ADP serves over 920,000 clients in more than 140 countries through an array of products and services that meet our clients' unique human resource and compliance needs across the globe. While rare, there are times when our products may experience temporary, unplanned service disruptions due to unforeseen circumstances. Typically, these outages are limited to one targeted region, product or country and do not impact the majority of our clients.	TC-SI-550a.1
	Description of business continuity risks related to disruptions of operations	ADP is committed to keeping our services and operations running smoothly to provide our clients with the best service possible. It's our priority to identify and mitigate 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 our Business Resiliency Fact Sheet as well as the risks outlined in our 10-K and our proxy statement .	TC-SI-550a.2



United Nations Sustainable Development Goals Index

SDGs	Definition	How ADP Contributes
 <p>2 ZERO HUNGER</p>	<p>2.1: End hunger and ensure access by all people to safe, nutritious, and sufficient food all year round</p>	<p>Food donations: We make sizable donations through our ADP Foundation to areas with food insecurities and ensure our associates and their communities have access to quality food. Many associates use their volunteer time to support organizations whose mission is to fight hunger.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.7: By 2030, ensure universal access to sexual and reproductive health-care services</p>	<p>Fertility management: LGBTQ and single parent inclusive support for access to reproductive health services.</p> <p>Adoption and surrogacy reimbursement program: Associates can receive reimbursement towards qualifying costs of adopting a child or arranging a surrogate.</p>
 <p>4 QUALITY EDUCATION</p>	<p>4.4: By 2030, substantially increase the number of youth and adults who have relevant skills</p>	<p>Internships: To fill our pipeline with the best and brightest talent, we have established enterprise-wide, internship programs.</p> <p>On-demand tutoring: Formerly known as the Homework Connection, this program affords associates up to 5 hours of free tutoring services per month for their dependents.</p> <p>Scholarships: Supporting education through scholarships for children and giving to key education partners.</p>
 <p>5 GENDER EQUALITY</p>	<p>5.1: End all forms of discrimination against all women and girls everywhere</p>	<p>Community support: ADP provides philanthropic support to organizations that deliver resources to families impacted by domestic violence and socio-economic inequalities.</p> <p>Patterns of unconscious bias training: Our recruiters are trained and equipped to uncover their individual unconscious biases during the hiring process.</p>

United Nations Sustainable Development Goals Index

SDGs	Definition	How ADP Contributes
5 GENDER EQUALITY 	5.4: Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family	Back-up care program: For a small co-pay, associates who work 20 hours or more have access to 10 back-up care days each year, with high quality care provided by Bright Horizons.
	5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making	Advancing women in leadership (AWL): This program is designed to fill our pipeline of future executives in a way that is equitable and reflective of the workforce population.
	5.B: Enable and promote empowerment through I.T.	Diversity, equity and inclusion dashboard: With this tool, our clients can quantify and track their own diversity data and compare it to similar companies and local populations through ADP’s industry-leading workforce benchmarks. Empower BRG: Our women in technology BRG, providing training and guidance to women seeking to advance their career in technology. Advance women in S.T.E.M.: With women being under-represented in STEM fields, ADP launched numerous initiatives and programs that provide opportunities and encouragement for women looking to enter the field.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	9.2: Promote inclusive and sustainable industrialization	Supplier diversity: The primary goal for our supplier diversity program is to proactively identify, build relationships with and purchase goods and services from qualified diverse enterprises.
10 REDUCED INEQUALITIES 	10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Fostering under-represented talent: ADP’s partnerships with Historically Black Colleges and Universities, Hispanic Serving Institutions and other diverse campuses engage students at all stages of the student lifecycle to help develop a diverse talent pipeline. Multiple Pathways Initiative: Aligned with OneTen, this program identifies best practices to promote skills-based hiring and makes recommendations for participating organizations, like ADP to promote these practices and other talent acquisition processes that increase diversity. Diversity & Inclusion Talent Task Force: This program was developed to ensure equitable representation at all leadership levels for under-represented talent.

United Nations Sustainable Development Goals Index

SDGs	Definition	How ADP Contributes
 <p>10 REDUCED INEQUALITIES</p>	<p>10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p>	<p>Diverse slates and panels: ADP has leveraged diverse slates, both gender and under-represented groups, to improve DE&I for years at the leadership level, and has expanded the use of diverse slates to all job levels.</p> <p>ADP Foundation: We continually investigate new ways to use our business to meaningfully improve people's lives, and through the this foundation we are partnering and investing in organizations that help fight inequality around the world.</p>
 <p>13 CLIMATE ACTION</p>	<p>13.2: Integrate climate change measures into national policies, strategies and planning</p>	<p>Investing in greenhouse gas reductions: ADP continues to invest in energy reduction initiatives that improve efficiency and decrease our emissions.</p> <p>LEED certifications: In addition to our existing LEED certified buildings, we are pursuing LEED certification (or equivalent) at a selection of our new buildings.</p> <p>Purchasing renewable energy: Wherever economically and geographically viable, we investigate opportunities to purchase renewable energy.</p>



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