



Our Beliefs

We are a global technology company providing human capital management solutions, and as the leader in our industry we recognize the importance of environmental stewardship and our responsibility to uphold the highest standards of care, quality and consideration of the global community. We run ADP for the long term, which has allowed us to build a strong track record of investing and adapting our operations to improve our resource efficiency and reduce our impact on the environment.

In line with these beliefs, increasing energy efficiency and reducing GHG emissions associated with our operations have remained central goals for our environmental sustainability program. As a software and services company, our primary source of GHG emissions is our global office footprint. While these emissions are relatively modest, we believe that modernizing and streamlining our operations reduces our environmental impact and drives efficiency, innovation and ultimately, long-term value-creation for all of our stakeholders.

Our Process

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 reviews with the Board our emission reduction matters, including our progress towards fulfilling related commitments, as well as climate change mitigation and adaptation through key programs and policies, ensuring that our business operations are resilient to climate change impacts. Our ESG Steering Committee, spearheaded by our Chief Diversity and Talent Officer, leads the ADP management team in its ESG efforts. This Steering Committee is comprised of senior leaders at ADP who work in close collaboration with other members of senior management, as appropriate, to manage environmental-related issues affecting the Company, including progress against our targets. For example, the Steering Committee coordinates with our Global Real Estate and Facilities Organization, which is driving the analysis and identification of energy consumption trends in our worldwide footprint and identifying and implementing opportunities and initiatives to reduce our GHG emissions.

The Company is also embedding ESG, including climate matters, into its Enterprise Risk Management program, to identify, assess, monitor and mitigate risks that could impede our objectives related to the Company's initiatives and targets.

Our Targets and Our Initiatives

In 2021, we pledged to achieve net zero GHG emissions across Scopes 1, 2 and 3 by 2050. We are now committing to reduce our absolute global Scope 1 & 2 GHG emissions 25.2% by 2025 and 50% by 2030, each from a 2019 base year, which we believe is consistent with the Paris Agreement goal to limit global warming to 1.5°C.

To achieve these goals, we plan to invest in renewable energy, efficient infrastructure and sustainable alternatives. While we view this as an iterative and evolving process, our strategy and related roadmap of initiatives are initially focused on the following areas:

- Ongoing adoption of onsite solar energy
 - We have several locations planned for installation in the U.S.
- Direct procurement of renewable energy
 - Certain of our offices in Spain (solar) and the Netherlands (wind) operate on 100% renewable energy. We are exploring additional locations, where geographically feasible
- Optimizing our facilities structure, including replacing legacy equipment
- Enterprise-wide print reduction initiatives
- Utilizing virtual power purchase agreements for emissions we are not able to reduce directly

We are also focused on fuel-efficient vehicles for our sales fleet and researching opportunities for a potential fleet electrification pilot as well as increasing the number of EV charging stations at our office locations. We continue to improve our GHG inventory data collection and management processes. Historically, we have disclosed the employee commuting, business travel, and downstream transportation components of our Scope 3 GHG emissions. We are undertaking an analysis of our full Scope 3 inventory to better understand our value chain impacts and anticipate that we will set a Scope 3 reduction target once that inventory assessment is complete. Among other things, we have begun to engage with our vendors around their own emissions management programs as an initial step to understanding our Scope 3 purchased goods and services emissions.



Going forward, we intend to provide annual updates on the progress against our initiatives and these targets on our company website.