Creating a Helpful and Hopeful World

Global Corporate Social Responsibility Report
Issued: November 2020

2020 **Global Corporate Social Responsibility Report**

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Letter from President/CEO

The world of work relies on people having the tools, environment, and opportunity to do their best work. At ADP, we proudly share our dedication to unlocking potential for our clients, our people, and our global communities.

When ADP first started supporting businesses more than 70 years ago, our founders established values to guide our decisions. Today, those core values drive everything ADP does and central among them are *Integrity is Everything* and *Each Person Counts*. Our 58,000-person workforce builds and drives our technology and expertise... and they make it possible to provide cutting-edge tools and world-class service to more than 860,000 clients in more than 140 countries.

Drastic shifts in today's world exposed a heightened **need to address diversity, equity and inclusion** at work and beyond. When social unrest and renewed calls for racial justice echoed across the U.S. and the world – ADP listened. As a global business leader, we have a responsibility to respond thoughtfully and to ensure we are part of the solution.

Our experience is consistent with the research: diverse workforces drive innovation and lead to better corporate performance. Beyond the business case, 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 are committed to attracting and retaining **the world's greatest talent**; building diverse, inclusive teams; and being the kind of workplace where work aligns with passion. We embrace this philosophy at all levels of our Company, from entry level to management and executive positions.

ADP also plays a vital role in **helping our client organizations take care of their employees**. Our clients entrust us to help them more effectively manage, deploy, compensate and serve the human resource needs of their people, while also handling and protecting their most sensitive data. With this trust comes

great responsibility – a responsibility we take very seriously. We believe we have a duty to enable diversity and inclusion to flourish in the workforce for the benefit of all workers and the businesses they support.

ADP also embraces our role in giving back to and **generating a lasting, positive impact** upon the communities in which we work and live. Corporate social responsibility (CSR) is a core principle within ADP values, and it encompasses everything from corporate governance, ethics and environmental stewardship to diversity, philanthropy and promoting employee success around the world.

This edition of ADP's Annual Corporate Social Responsibility Report details with greater transparency our alignment to **global sustainability and diversity goals**. As we advise other companies to tackle these issues within their organizations, we want to share our journey as a good corporate citizen and technology leader for the global workforce.

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**.

Sincerely,

Carlos Rodriguez
President and CEO

When social unrest and renewed calls for racial justice echoed across the U.S. and the world – ADP listened. As a global business leader, we have a responsibility to respond thoughtfully and to ensure we are part of the solution."

Governance

ADP delivers on its brand promise through a culture of <u>ethics</u>, <u>compliance and good governance</u>. Our commitment to operating responsibly is intrinsic to our business strategy and is the principle philosophy behind the products we design for our clients. This culture starts 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 confronting 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 a board and committee level, while management teams are responsible for the execution of our business strategy.

ESG governance

Our Board of Directors is directly focused on the long-term sustainability of our business. In line with this goal, the nominating/corporate governance committee oversees the Company's environmental, social and governance (ESG) policies and programs. The committee receives regular updates from ADP's Chief Diversity, Inclusion and CSR Officer (CSRO), 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 topics. Our Board has complete and open access to our CSRO, who spearheads our ESG Steering Committee to lead our 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.

Ethics and Compliance

We are proud of our culture and <u>values</u>—they are the foundation of our ongoing success. Our primary core value, "Integrity is Everything," sets the tone for our Company, and is one of our competitive differentiators. Essential policies that guide ADP include:

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

Global ethics

ADP's Global Ethics team offers our associates training, advice, counsel and support on all aspects of the Code of Business Conduct and Ethics and Anti-Bribery Policy. In addition, Global Ethics conducts investigations into ethical matters and issues reported through ADP's Ethics Helpline and supports the General Counsel in reporting to the Board of Directors and Audit Committee.

Global compliance

The Global Compliance team identifies and prioritizes compliance risks, and decides if they are suitably 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

Audit Committee

Oversight of the compliance program

General Counsel
(Chief Compliance Officer)

Overall responsibility for the compliance program

Corporate Compliance Committee

Executive committee support, oversight and guidance to the program

Global Compliance

Day-to-day operational responsibility for the compliance program

Compliance Committees

Day-to-day management implementation and reporting at business unit/function level

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.

Facilitating our clients' compliance

ADP designs products and solutions to help our clients meet their compliance obligations. This includes delivering updates and best practices on the latest legislative and regulatory developments, through the ADP SPARK blog and the ADP Workplace Spotlight webinar series. 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 trainings

Every year, each associate completes our Code of Business Conducts & Ethics training, with 100% participation and completion in FY'20. 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 many other areas of employment-related administrative matters. We contribute to sound government policy by educating and collaborating with policymakers. For example, ADP worked with the Treasury Department and Small Business Administration on guidance needed to implement the Paycheck Protection Program under the 2020 CARES Act; and with the Internal Revenue Service to establish required employer reporting and tax credit requirements associated with the Families First Coronavirus Response Act (FFCRA) 2020 and Employee Retention Credits under the CARES Act. Similarly, ADP worked with state agencies in CT, MA, OR and other states to design employer reporting and tax payment systems to support newly enacted paid sick leave and family leave programs.

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 has changed how people work and has introduced new challenges to safeguarding everyone's privacy. Processing personal data while staying on top of the mounting compliance challenges of privacy and data protection is one of our founding principles. As a service provider, we make individuals' privacy and data security a priority for all of our products and services. 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 developed a governance structure for our privacy program that ingrains data privacy at every level of our organization and in every product we design. This includes:

- Global Data Privacy team — Spearheads privacy efforts across our organization
- Privacy Leadership Council — Made up of cross-disciplinary professionals including representatives from our business units
- Privacy Stewards — Designated business leaders that manage the controlled processing of your 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 have adopted a set of principles and processes to govern our ethical use of newer technologies such as artificial intelligence or 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, workers, 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 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 hold an inventory of our processing activities.

- **Standardized Record Information Management**
  At ADP, our record retention schedules govern the proper retention for every category of record that ADP maintains and when the 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 with them.

Binding corporate rules, approved by the EU

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 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

Emerging privacy advancements and goals

Privacy changes are also underway in the United States. We are actively monitoring these changes and have operationalized a U.S. privacy program based on the California Consumer Privacy Act requirements and other upcoming 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 they need 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 into our associates' and contingent workers' day-to-day professional and personal lives.

Remote privacy during COVID-19

Keeping both our associates and our clients' data safe is essential, especially during these trying times. To address both issues, work from home security processes are embedded in our Security and Privacy policies and standards. ADP limits access to our clients' employee data to the ADP associates who are currently supporting the respective client. Additionally, we utilize technical controls such as data encryption and Network Access Control (NAC) to address the risk of unauthorized access. Our remote network requires the use of IPSEC VPN connectivity with two-factor authentication for connection. ADP requires all confidential information to be encrypted on all remote computing devices.

Global Security

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

ADP's converged security organization has dedicated teams of security specialists who monitor for cyber security threats, fraud attempts and business resilience incidents 24/7/365 to proactively assist in addressing issues before they escalate.

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. By embedding multiple layers of protection into our products, business processes, and infrastructure, 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.

WISE – Women in Security Enterprises

As part of ADP's Diversity & Inclusion strategy, we try to create diverse teams across all facets of our operations. This can be particularly difficult for divisions that are traditionally male dominated. Our Global Security Organization (GSO) recognized this challenge and created Women in Security Enterprises (W.I.S.E.) to better engage with ADP's security-focused female associates. The W.I.S.E. program seeks to connect women in security-related fields to empower and support each other in advancing their careers. The program has grown to include almost 90 associates in its first year, and is poised to expand in the near future.

Business continuity

With the world experiencing unrivaled uncertainty and disruptions due to COVID-19, ADP's commitment to keeping services and operations running smoothly is essential, now more than ever. Our goal is to identify and mitigate any technological, environmental, process, or health risks that may prevent the delivery of our products and services to our clients. To accomplish this, we expanded upon our Business Resiliency Program, an integrated framework that establishes our mitigation, preparedness, response, and recovery process. To learn more, please visit our toolkit.

Recognition for security excellence

We've been recognized with some of the top awards in our industries. Awards received at ADP include:

- "Security Magazine" 2019 and 2018, Security 500 (ranked #5 in the Information Technology category)
- 2020 and 2019 CSO50 Award Winner

Innovation

At ADP, we design with people in mind. By basing our products and services on our clients' needs, we create solutions together from the ground up. It's a challenge we love.

ADP's innovation strategy

As the creator of the payroll outsourcing industry, innovation is synonymous with ADP. Our strategy is simple: We innovate by anticipating the future of work, the future of human capital management and the future of pay to meet the evolving and unique needs of our clients and their workers. Our approach to innovation doesn't end at products and services; it also extends to delivery methods for clients. We were first-to-market with HCM mobile apps, putting our value directly into our clients' hands.

Our investments in innovation have grown by double digits in recent history, and the results speak for themselves. We've built Innovation Labs that host clients, listen to their needs and create the interfaces that help them reach their goals. Our ADP Research Institute® publishes world-class, data-driven studies and reports, continually building our understanding of how the modern-day workplace is evolving.

Our innovations around HCM focus on three different aspects. First, ADP provides clients with insights about their workforce, helping them better manage their human capital in new and unexpected ways. Second, we strive to advance the client-worker experience by enriching the user experience with intuitive controls and anticipatory problem solving, allowing the client to create solutions instead of managing problems. Finally, ADP delivers innovation by creating customized HCM ecosystems to suit each client's individual needs, resulting in a unique solution that isn't offered elsewhere. With innovation, we're transforming how great work gets done.

COVID-19 Response

In response to COVID-19, we produced a variety of solutions to help our clients navigate the pandemic and to prepare for recovery. We implemented over 1,000 feature changes in response to 2,000 legislative updates across 60 countries, and achieved record Net Promoter Scores in June 2020 as a result of this elevated level of service. To learn more, please see our COVID-19 Employer Preparedness Toolkit and Return to Workplace Solution.

Women in STEM

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We innovate by anticipating the future of work, the future of human capital management and the future of pay to meet the evolving and unique needs of our clients and their workers.

Modern trends driving our innovation

ADP's extensive experience navigating the ever-evolving workplace allows us to build adaptive tools that help our clients work better. The following are the key trends and how ADP is addressing them.

Evolution of pay

Rapidly changing market dynamics are changing the HCM payments landscape. Worker expectations are influencing employers and HCM providers to offer flexible choices to receive wages, customize payment instruments and options, and enable financial wellness solutions that help workers achieve their financial goals and maintain worksite productivity. ADP's offerings give workers control on how they get paid (e.g., paycards, direct deposit, etc.), how quickly pay is delivered, and the ability to collect earned wages between pay cycles, while maintaining compliance with regulations. Through payments-related products and services, we also gain insight into how people spend, putting us on the cutting edge of the evolution of pay and positioning us to enable employers to deliver financial wellness solutions to workers.

- **Wisely** is an industry — leading suite of cost-effective, efficient payment solutions that delivers convenience, security, and financial wellness for workers, while ensuring employers can compliantly pay in all 50 states.

Evolution of HR

By leveraging HCM products that scale quickly across the globe, clients can improve the agility of employee interactions through insightful analytics. ADP's team-based solution is key in helping our clients solve for how work is happening.

- **Our Next Gen HCM** solution was designed to embrace a fluid, team-based structure. By making insights driven by artificial intelligence (AI) accessible, we empower teams to make data-driven decisions. Leaders can then meet the unique needs of their organization and help drive performance. Global organizations can tailor HR and employee experiences by selecting apps and capabilities from both ADP and third parties, without sacrificing data integration, security or scalability. With Next-Gen HCM's cloud-native, low-code technology platform, organizations can adapt, extend and scale their solution quickly and cost-effectively to support changes in their business strategy.

Evolution of business

While the workforce continues to globalize, organizations are faced with tightening labor markets and growing regulatory changes. Trying to navigate the culmination of all regulatory updates across multiple countries can be daunting to employers, especially during these trying times when solutions are needed quickly.

- **ADP DataCloud** is a powerful data analysis tool that enables companies to leverage the world's richest, most accurate dataset: anonymized data from 30 million workers in more than 90,000 organizations across the United States. For instance, companies can benchmark data to find the most qualified candidates and develop a competitive compensation package in line with industry standards. ADP DataCloud was honored as the winner in the 2020 AI Breakthrough Awards for the "Best AI-based Solution for Data Sciences" category, earning praise for breaking through the crowded field of AI to drive industry growth.

- The ADP Coronavirus (COVID-19) Employer Preparedness Toolkit was designed to help clients navigate the challenges they and their workforce are facing.

Evolution of tech

ADP 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 Artificial Intelligence (AI) across enterprises.

- **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.

- Large volumes of HCM transactions provide ample opportunities for automation, and ADP is pioneering the field of AI robotics and machine learning for HCM. We have evolved from using AI-driven machine learning in a variety of use-cases across the entire client lifecycle, to a new HCM system designed to create a work-life assistant that is always on and always learning, delivering insightful advice and organizing our client's work life, with simplicity.

Enhancing our clients' HCM landscape

By focusing on solutions for emerging trends, ADP is addressing some of the most pressing issues facing the world today. With our "always designing for people" approach, we have a unique opportunity to improve the experience and well-being of our clients' employees. Our products help organizations quantify and enhance their HR performance, particularly related to diversity and engagement. The better our clients understand their unique HCM landscape, the better the solutions we can create. Some features are particularly noteworthy:

• **Vantage**, our all-in-one solution for strategic human capital management, features a visual search capability, helping companies reduce unconscious bias in the hiring and promotion process. Users can perform a blind resume search, prioritizing the best-fit candidates based purely on skill-fit for the position, while hiding all other personal information.

• **ADP GlobalView** helps clients with large, global workforces process payroll on time and accurately. Multi-country organizations get the benefit of local experts who know the language while helping them meet country-specific compliance laws.

• **Pay Equity Storyboard** helps employers identify potential inequities in pay for the same job. Its unique approach gives the user tools to understand the data behind such discrepancies, so that employers can investigate valid reasons for the pay differential or take corrective action.

• **Next Gen Pay** is ADP's next generation Global Payroll platform, built to support our clients worldwide. Given market trends around the evolution of work and pay, it provides clients with a tool that supports their future needs thanks to its flexible, scalable and customizable platform. ADP Next Gen Pay has been built natively in the Public Cloud leveraging the latest technologies, including AI and Machine Learning (ML) to improve our service quality and implementation times.

• **Our Next Gen Tax Engine** is the foundation of our tax compliance solutions. With greater automation and real-time information, the engine's built-in protections help with compliance, exposing errors and preventing tax violations. It was designed for scale, handling both high- and low-value transactions and offering more client choice in payment settlement options.

As a leading global provider of cloud-based HCM technology solutions to employers around the world, we have continued to process payroll and tax obligations and provide other HCM services to our clients, despite the unexpected challenges that our clients and their employees around the world are facing in light of the COVID-19 pandemic. ADP's efforts have been focused on providing information and tools to help clients understand and navigate the governmental relief that has been adopted globally. As the global economy and landscape continues to evolve for our clients, whether due to legislative changes or other factors, ADP is committed to supporting our clients to help them navigate these challenges.

Associates

We built our purpose on a simple premise: That a company's most valuable assets are its people. Designing a better way to work is both our purpose and passion. It's what drives us. And it can't happen without a strong commitment to valuing, growing, and engaging our people.

LEARN MORE ABOUT LIFE AT ADP 🔗

Diversity And Inclusion

At ADP, we believe the best ideas thrive in an inclusive environment that values diverse perspectives. We want to be a place where everyone is appreciated for who they are. That's why we make diversity and inclusion the cornerstone of our one-of-a-kind culture.

Since October 2017, our CEO Carlos Rodriguez has been a signatory for the CEO Action for Diversity and Inclusion Pledge. This pledge demonstrates how diversity & inclusion are top priorities at the company and exemplifies the buy-in from ADP leadership. This helps our organization to be recognized as an industry diversity & inclusion champion and leader.

We embrace gender identity and expression, race, ethnicity, nationality, age, sexual orientation, veteran and disability status. Associates from entry level through executive leadership have a deep sense of belonging.

To learn more, please visit our website.

CEO ACTION PLEDGE ⟶

Aishwarya, Application Developer, Virginia

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"I had my first child after I joined ADP and going through maternity leave was a breeze! And, after the maternity leave, the company also offers a separate parent-child bonding leave. I can confidently say that ADP provides the perfect work-life balance. They always put people first. All of the teams I have worked with here treat women with equality and respect their talent (a trait that is often hard to find in today's corporate world)."

We encourage our associates to utilize Marcus Buckingham's Strengths Against Racism, where individuals can learn how their strengths can be applied to stop racism.

ADP's Commitment to
Uniting on Diversity, Equity,
and Equality
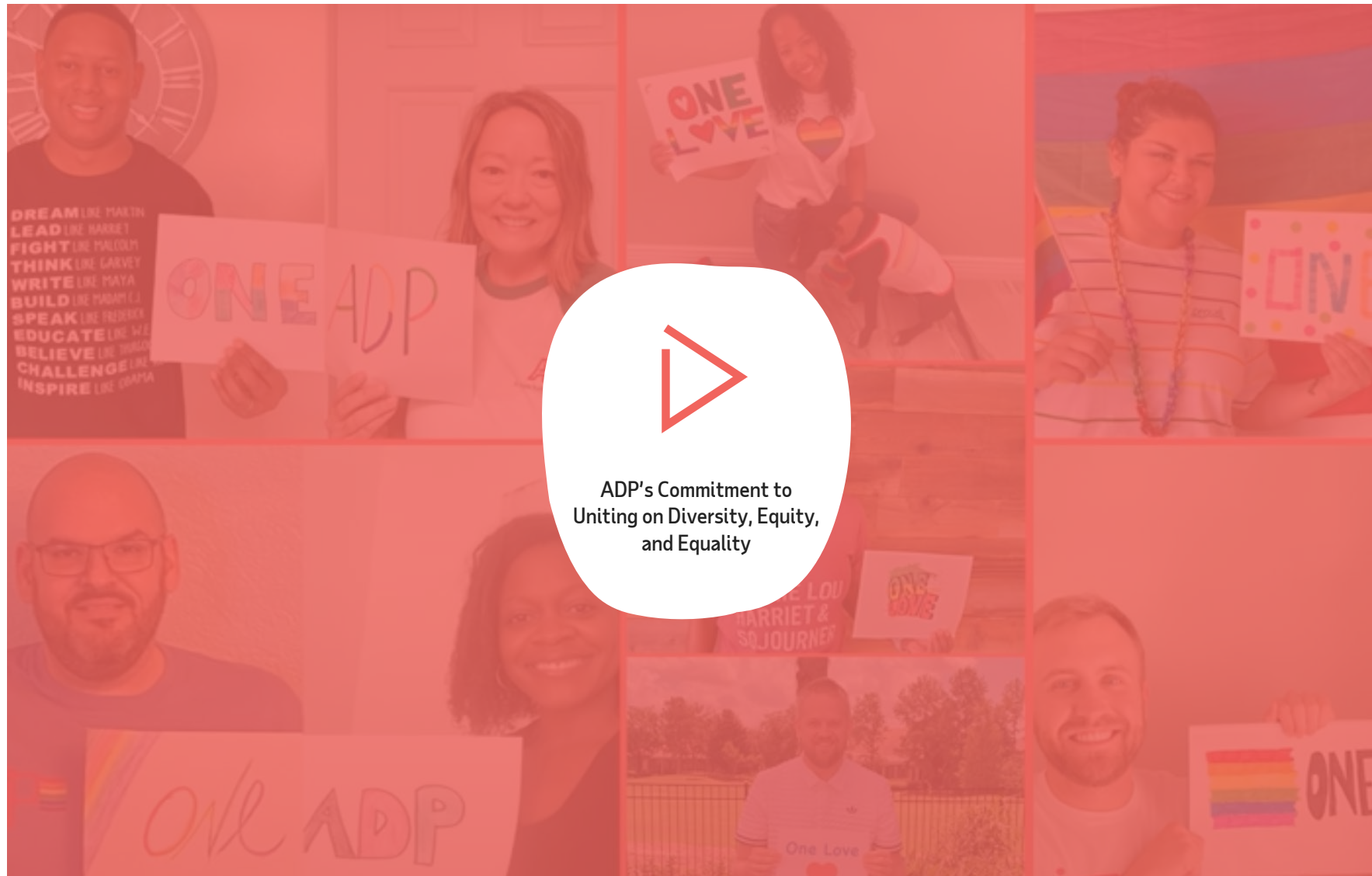
The best organizations embody an inclusive culture that extends beyond the D&I function. Their leaders drive performance and innovation by demonstrating to their employees and to the world that people belong and are integral to the organization's purpose."

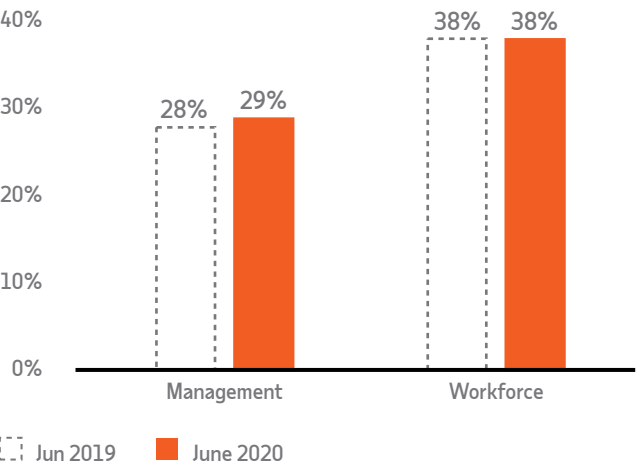*Bob Lockett, Chief Diversity and Talent Officer*

Global workforce demographics

Our tens of thousands of ADP associates reflect the cultural diversity of the markets we serve. In June 2020, women represented 53% percent of ADP's global workforce, with our minority female workforce growing, and 42% percent of our managers are women.
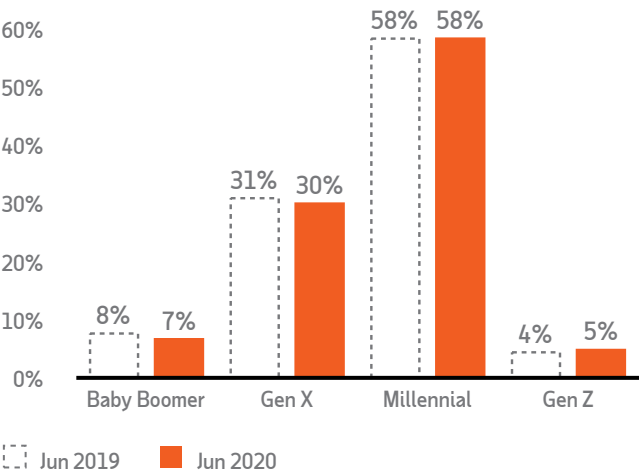
2020 Female Demographics (Global)

Management: Jun 2019 42%, Jun 2020 42%
Workforce: Jun 2019 53%, Jun 2020 53%

☐ Jun 2019   ■ Jun 2020
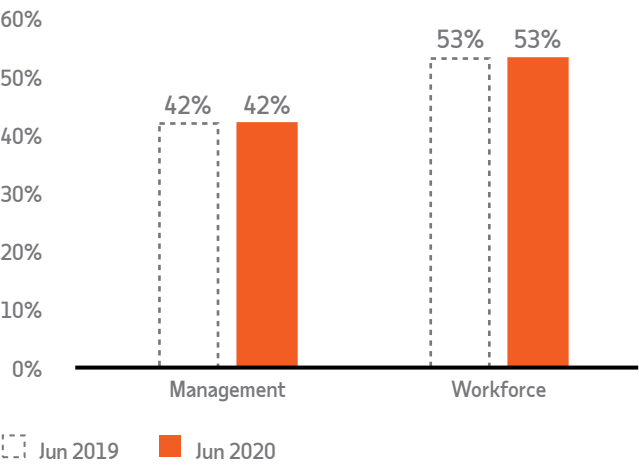
2020 Minority Demographic* (U.S. Only)

Management: Jun 2019 28%, June 2020 29%
Workforce: Jun 2019 38%, June 2020 38%

☐ Jun 2019   ■ June 2020

*Minority includes the following EEOC categories (U.S. Only): Black/
African America, Hispanic/Latino, Asian, American Indian/Alaska Native,
Native Hawaiian/Other Pac Islander, Two or More Races

Generation Demographics (Global)

Baby Boomer: Jun 2019 8%, Jun 2020 7%
Gen X: Jun 2019 31%, Jun 2020 30%
Millennial: Jun 2019 58%, Jun 2020 58%
Gen Z: Jun 2019 4%, Jun 2020 5%

☐ Jun 2019   ■ Jun 2020

(U.S. Only)	Jun 2019		Jun 2020	
	Management	Workforce	Management	Workforce
American Indian/ Alaska Native	0.2%	0.2%	0.2%	0.2%
Asian	7%	8%	8%	8%
Black or African American	7%	12%	7%	11%
Hispanic or Latino	11%	15%	11%	15%
Nat Hawaiian/ Oth Pac Islander	0.2%	0.4%	0.2%	0.4%
Two or More Races	3%	3%	3%	3%
White	69%	57%	67%	56%
Not Specified	3%	5%	3%	5%
OVERALL MINORITY	28%	38%	29%	38%

Women and minorities in executive roles

The business case for workplace diversity is simple: By establishing a culture of inclusion, businesses gain intrinsic rewards and improved results.

Therefore, we have set directional targets that 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 female and minority representation in executive positions.

As we approach 2021, we are pleased to announce that we reached our 2020 executive goal of 33 percent female representation as of June 2020 and increased our minority representation to 23 percent, 3 percent above the 2020 executive goal.

Workforce initiatives

Targeted development

Business resource groups

Our business resource groups (BRGs) are voluntary groups of like-minded associates that help shape our culture and foster engagement and talent development. They are instrumental in allowing us to make everyone feel welcome and included. They are also invaluable drivers of talent acceleration, talent referrals, increased retention, and facilitate entry to diverse markets.

BRGs are experiencing explosive growth at ADP. In 2019, global membership grew by 28% to 14,350 members, and 23% of ADP associates are now affiliated with at least one BRG. 30 new chapters were added in the United States and additional chapters have expanded into Canada, LATAM, APAC and Europe. During 2019, ADP launched a disabilities BRG to shape a culture that enables

associates and those connected with disabilities to achieve their full potential. The importance of BRGs for ADP's business objectives and our associates' fulfillment at the job cannot be underestimated as 31% of employee referrals came from BRG affiliated associates, and both leaders and members of BRGs are promoted at a significantly higher rate than non-affiliated associates.

BRG Connect

BRG Connect is a pilot technology-enabled mentoring program that was launched by BRGs in 2019. During the pilot, 727 mentoring connections were made – the largest mentoring cohort ever at ADP - and close to 3,000 hours of mentoring recorded. The program was a huge success and will be expanded for availability to all BRG affiliated associates.

Advancing Women in Leadership (AWL)

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 opportunities to senior leadership.

Creating an inclusive workplace

Disrupt bias, drive inclusion initiative

To date, we've trained our Executive Committee members and over 800 of our hiring leaders around the United States on unconscious bias, with plans to expand across the enterprise in 2021. Training includes how unconscious bias affects talent decisions and how it can be minimized by modeling inclusive behaviors. In addition, training on inclusive leadership and allyship was provided to 480 leaders; with another 750 leaders receiving lean-in training during crisis. During 2020, ADP created an enterprise taskforce focused on hiring, development, promotion and pay retention for people of color.

2022 U.S. EXECUTIVE GOALS

35%
Female Representation

23%
Minority Representation

ACTIVE BRGs IN 2019 INCLUDED:

Thrive (Disabilities)

Adelante (Hispanic)

A.S.I.A (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)

Fair and equal hiring practices

To help fill the recruiting pipeline with culturally diverse candidates, ADP continues to build and renew partnerships with Historically Black Colleges and Universities (HBCU), Hispanic Serving Institutions, and other diverse campuses around the country. Further, ADP works with community partnerships to increase our pipeline in underserved communities for roles that do not require a college degree.

Hiring for success

Our Talent, Performance and Acceleration team launched Hiring for Success — a new training course designed to teach managers how to interview the right way. It reinforces the messages of unconscious bias training and recommends diverse interview panels as best practice for each open requisition.

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 to achieve our goals. Beginning in 2020, to mitigate the risk of similarity bias that may favor those who think, act, or look like the hiring manager, we rely on diverse interview panels and diverse slates. We still select the most qualified candidate for each role, but these tools minimize bias and systemic barriers for women, people of color and other historically marginalized or underrepresented groups including people with disabilities, LGBTQ+, and Veterans.

Supporting working mothers

In 2020, ADP was named one of the 100 Best Companies to work for by Working Mother® Magazine for the fourth time.

Doing our part to support "pay equity"

During the early stages of COVID-19, the global economy started to shrink due to business closures and a decrease in consumer spending. As the economy began to recover, wages started to increase back to pre-COVID levels. However, wages did not increase evenly across demographics. In a recently published article from the ADP Institute, it became clear that women's wages were not increasing at the same rate as men's wages.

At ADP, we are deeply committed to fair and equitable pay as it is critical to creating an inclusive and engaging culture to nurture and develop all associates so they can reach their full potential. We make pay decisions based on skills, job-related experience, the market value of the job, and performance.

As of July 2018, ADP took a proactive stance in no longer asking candidates for prior pay history anywhere in the U.S., not just where legislation to ban salary history has been enacted. We also implemented the salary history ban in Canada in 2019, and we continue to work with our colleagues outside of the U.S. and Canada to examine the feasibility of expanding this practice globally.

We also continue to build on our focus on global pay equity gap and better leadership representation of women globally and underrepresented groups in the U.S.

Promoting multicultural women

ADP is especially proud of our programs and policies that enable us to successfully recruit, retain and professionally advance multicultural women. We sponsor Cultivate, our African American and Black Business Resource Group, and have been a proud host of the annual Black Enterprise Women of Power Summit for six years. Each year, our businesses sponsor approximately 40 African American women leaders to participate. In addition to the Summit, ADP organizes a follow up Cultivate Your Career leadership development event for the current-year summit cohort, as well as members of Cultivate, designed to advance multicultural talent.

Men as allies

Spearheaded by an Executive Committee member with a deep commitment to gender parity, ADP launched its Men as Allies program in late 2019. Key program goals are to engage men by including their voices in D&I and equity solutions, and to create a global sponsorship network of male influencers committed to advancing women and minorities in leadership. In early 2020, a first focus area was identified: advocate for and sponsor high-performing women of color at the Manager level and help them get promoted to Director-level roles. Our Men as Allies network supports programs like Advancing Women in Leadership in providing career insights, advocacy and sponsorship.

LGBTQ inclusion

All-inclusive benefits
With the passage of the marriage equality act, companies started giving benefits to married LGBTQ couples. At ADP, we go further. Our benefits are all-inclusive and awarded to any domestic partner—a major milestone development in 2019.

Human Rights Campaign
In 2020, for the twelfth 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.

We proudly hire veterans

ADP highly values the unique perspectives, dedication, adaptability, and leadership qualities veterans bring to the table. We strive to give them and their spouses a career they can be proud of. We designed several initiatives to attract veterans to ADP, ease them into their new positions and help them succeed. 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 ADP's close proximity of OneADP 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 to find new careers.

Kristofer, Sr Inside Sales Rep

Leading our Veteran BRG makes my work at ADP even better. I'm excelling at my core position and I have something else very special inside ADP – a group that I can go with a meaningful shared purpose. Through community events, we are able to help other Veterans who are not yet transitioned or maybe having a hard time. Giving back in this way is important for me.

I love ADP. The company has treated me so well not only personally but professionally, all the way around. We're encouraged to grow, to fly. We can be ourselves. And, if we need help, there is always someone here to help you. We're a family.

Our business resource group for veterans, "Military Strong & Allies," provides veterans with invaluable networking opportunities as well as opportunities to continue to serve their communities. In 2019, the BRG also participated in BRG Connect. Newly hired veterans, who are members of our military resource group, can now formally be matched with an experienced associate from our existing military population or others from across ADP. The mentor will assist them with their specific needs as they transition to a corporate job. In addition to our unique company culture, we believe mentoring has helped ADP maintain a very low 13.6% voluntary turnover rate for our veteran population within the United States in 2019.

Hiring veterans is only one way that ADP supports veterans. We also partner closely with non-profit organizations that assist this community. One example is FourBlock, a non-profit that works with student veterans who are exploring future career options. ADP is also an important partner to the Johnny Mac Soldiers Fund, which honors military service and sacrifice by providing scholarships to veterans and military family members, especially to children of our nation's fallen or disabled. Within the last year, ADP has begun a partnership with Bunker Labs, an organization committed to helping veterans start their own businesses. As part of our partnership, we have sponsored and hosted events and provided Human Capital Management (HCM) education to veteran business owners. In addition, we also provide discounts for ADP HCM solutions to the businesses working with Bunker Labs. We have won several awards for our supplier diversity program's support of veteran owned businesses, including a 2020 Military Friendly Supplier Diversity Award.

To learn more about how we make veterans feel welcome, and awards we have received for these efforts, please visit our veterans website.

Diversity Partnerships

ADP builds and nurtures partnerships with diverse external organizations that encourage action, learning, and collaboration. External partners are leveraged by our ADP BRGs, Executive Sponsors and Diversity Champions.

ADP has external diversity partnerships with 16 different organizations, across all diversity groups. The partnerships offer resume databases, events and networking opportunities/job boards.

Alongside our robust diversity and inclusion strategy, we leverage partnerships with research and benchmark organizations to establish best practices and influence the evolution of diversity, equity and inclusion.

"I had the opportunity and honor to organize events advancing gender equality and the empowerment of women, on topics such as domestic violence and fighting breast cancer, in partnership with other Diversity groups. I am very proud to work for a company in which gender equity is encouraged. Hearing from employees and even from clients that we are helping change the lives of girls and women is so gratifying. We are definitely stronger together."

Paula, Member of IWIN, Brazil

Talent Acquisition and Retention

Great companies are built by great people. Our talent strategy aims at attracting and retaining ambitious, passionate and overall top talent to continue to grow our diverse and unique culture. The wide range of benefits, flexible work options and health and wellness programs we offer contribute to an environment where all our associates add to our success and live their best life.

At ADP since 1988

Sue, Technical Editor, New Jersey

"My amazing journey at ADP began 32 years ago! Since then, I've held five positions in five different organizations, including IT, Marketing, and Sales, and earned a bachelor's degree and two certifications. ADP offers so much in terms of growth and encourages success in all forms. They hire and retain the best associates, which in turn creates the great work environment we've come to know. You can always expect to feel respected, valued, and important here."

Great companies are made by great people

Our collaborative culture, leadership that provides purpose, and the direction and inspiration of our associates, who live and breathe our ADP values, allow us to be an employer of choice year after year. With just shy of 21,000 new associates globally, 2019 was our biggest hiring volume year yet. During FY 2020, ADP Associates in the U.S. had an average tenure of 7 years, well above the U.S. Bureau of Labor Statistics average of 4.1 years.

12.6%
Voluntary associate turnover rate
(As of June 30, 2020)

Internship programs

To fill our pipeline with the best and brightest young talent, we have internship programs enterprise-wide globally. By immersing students into ADP's culture, we can identify mutual fits with an end goal of full-time employment after graduation. 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.

Mina, Marketing Analyst

"I had such an incredible intern experience at ADP, from the work that I was doing to my team. Being able to collaborate with them and truly have an impact on the business unit I was working on really made me feel important and wanted. I chose to stay here because I feel important at ADP. When you're looking for a job it's hard to find a corporation and a set of people that make you feel like you matter."

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. In 2019, we offered the following new or enhanced benefits:

• Paid Parental Leave – We expanded benefits for US associates by an additional 2 weeks providing mothers and fathers up to 4 weeks of paid parental leave. This is separate from traditional leave for mothers

• Back-up Child Care and Adult Care – We introduced a program through Bright Horizons where an associate could receive up to 10 days of back-up care per year at centers for well children, or in-home care for well or mildly ill children and in-home adult and elder care

• Student Loan Repayment Program – We offered a program through Tuition.io where eligible associates could receive a $50 contribution each month from ADP towards their own student loan debt or their child's student loan debt, for up to 4 years

In addition, we expanded benefits eligibility to include same-sex and opposite-sex domestic partners for medical, dental, vision, Group Universal Life, Group Legal, Critical Illness and ADP's Voluntary Wellness Program. So, although those benefits are not new, they are new to a portion of ADP's population and their dependents.

Perks, perks and more perks

Medical	Life Insurance	Career Development	Commuter Savings	Dental
Mentoring	ADP Federal Credit Union	Vision	Match 401K	Tuition Reimbursement
Employee Stock Purchase Plan	Home & Auto Insurance	Legal Service Plans	Annual Flu Immunization Program	Charitable Contribution Match
Holidays, Personal Days, Vacation	Paid Volunteer Time Off	Corporate Discounts	Wellness Offerings	

Flexible work options

ADP empowers its 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. This includes flexible scheduling, flexible locations and in-house resources such as day care centers.

During these uncertain times, working remotely while staying connected is more important now than ever before. We leverage a suite of collaboration tools such as WebEx to keep our global workforce connected. ADP is proud of the tools and methods we provide to our associates, so that they can continue their important work despite current events.

ADP was again recognized in 2019 as one of the Top 100 Companies for remote, part-time and flexible jobs by Flexjobs.com. **To see all of our awards and recognitions, please visit our website**

myMoment Recognition Program

myMoment gives associates the opportunity to say thanks to each other and recognize those who go above and beyond to make ADP a great company. This platform is social, mobile and global. It lets associates nominate others, redeem rewards and stay connected through the social awards news feed — all accessible on the myMoment homepage and by mobile devices.

Safety, health and wellness

ADP has a long tradition of promoting health, wellness and safety within our culture and embracing 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
- 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

Beyond our medical plans, initiatives around physical and mental health vary across regions, but can include:

Physical wellness

- personal health checks
- annual sports fests
- regular exercise classes
- nutrition and fitness expert visits offering free consultation and programs
- a "Benefits Caravan" where associates can receive free consultations from physicians from different fields of expertise
- a job bicycle leasing program

Mental wellness

- employee assistance programs
- free therapy sessions to associates who require counselling and mental health assistance
- mindfulness, massages and yoga classes
- year-round CSR program that allows associates to volunteer and donate to charitable causes close to their heart.

ADP sent nearly its entire workforce (~58,000) to work from home within one week in mid-March — all but essential workers. This was no small feat but was accomplished with relative efficiency and ease. Since the pandemic began, ADP's Executive Committee has sent out weekly messages to all global associates, updating them on the most current information and reassuring everyone that the company has done all it can to protect their health and safety.

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 investment in team members to teach skills necessary to succeed and grow their careers.

The ADP talent journey begins with onboarding supported by extensive training and mentorship. Associates are encouraged to get to know our culture by learning about our diversity and inclusion focus and our "Integrity is Everything" approach. To further enhance performance and career development, ADP associates have access to a wide range of professional and functional skills training well beyond their on-boarding period. All associates at ADP are also encouraged to join Business Resource Group communities 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 strength-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

Career and Talent Development

We know that career growth and development are top engagement drivers for our associates. ADP's strategy is to enable our associates to move forward towards accomplishments that excite and energize them while simultaneously elevating the company.

As a strengths-based organization, ADP believes all associates have unique strengths and capacity to grow. We focus our development conversations on how associates can best leverage their strengths. During regular check-ins in our StandOut

Sonia, Inside Sales Manager

Sonia is an inside sales manager at ADP, where she wears many hats and performs varying roles. She says, "Before ADP, I worked for a local non-profit. I had never worked in sales before, so when I applied to ADP, I was nervous that I wouldn't get the job or be a good fit because of my lack of experience. I'm very glad ADP thought differently! ADP is big on training, too, so when I first started I got extensive live/virtual training. I was also assigned my own personal mentor. I love that ADP gives us all of the necessary tools to be successful."

platform, managers and associates connect weekly about work priorities, how work activities make associates feel, and how managers can remove obstacles and barriers to work progress.

All ADP associates can access development resources and guidance through our internal myCareer site. Grounded in a clear Career Growth & Development (CG&D) philosophy and framework, our CareerDriver platform provides a simple access point based on where an individual is in their unique career journey. Further meeting associates where they are, the learning resources are varied – written guidance and articles; interactive worksheets; videos, recordings and webinars; plus 10 different instructor-led career courses offered monthly. We encourage associates to look for development experiences in addition to formal learning. These can include (but aren't limited to): cross-functional exposure, leadership roles in Business Resource Groups, taking on additional responsibilities and/or stretch assignments.

Our professional skills program was enhanced through on-demand and self-paced learning paths on topics such as business acumen, client service, time management, teamwork and collaboration, communication and career management.

Twice a year we put on our CG&D Rally, a 1-hour live event broadcast globally to all associates. In 2020, our spring Rally was cancelled due to the pandemic. We more than made up for that in August, putting together our first ever 24-hour CG&D Rally – with 2 live broadcasts featuring our CEO, CHRO and Head of ADP Research Institute – as well as instructor-led career courses around the clock and on-demand video content from our business units, functions and BRGs.

In addition to regular manager/associate discussions, ADP also conducts formal talent planning conversations. Called Talent Touchpoints, these organizational conversations focus on associates who need new experiences or roles to further develop their careers. The goal of these discussions is to define and agree on

Salvador, Tech Support Analyst

"It was not until StandOut arrived that I felt excited about HOW to approach my growth and development at ADP. I struggled at my previous jobs because I just kept going for what I thought was a move up due to a raise in pay or a higher role, instead of looking to find a role that played to my strengths and gave me the opportunity to grow naturally.

Now I am hopeful about my career and have seen the direct results of the program with a move to a new role, which I enjoy more every day."

Carol, Senior Director, Leadership Development and Talent Development Operations

As a leader, StandOut has totally transformed the way I approach the work aligned to each team member. Instead of assigning work by role, I assign the work the team needs to get done according to each team member's strengths. My team is happier and more fully engaged as a result of this.

next steps which may include a new role, assignment of a mentor, or providing an individual with a stretch assignment. We leverage an ADP created HR application called T3 to digitize discussion data to drive accountability and connect needs across the organization.

Accelerating performance through StandOut

StandOut powered by ADP is an innovative talent engagement and activation platform. We started deploying it at our own company in 2018. Less than two years later, our global workforce has been immersed in this new strength-based approach to talent and performance management - with huge success. The tool is built on an initial strength assessment of each team member, supported by weekly check-ins, identifying 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.

StandOut has also changed annual performance reviews at ADP. Instead of one annual review and rating, we hold quarterly debrief conversations, informed by regular, brief performance assessments that allow managers to quickly evaluate their team members' performance. The platform allows us to eliminate cascading goals and formal performance rating calibration while maintaining our Pay for Performance culture.

We find that StandOut adoption is positively associated with employee engagement and commitment to ADP.

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 2020, it was extremely important to hear our associates' thoughts on working at ADP. The results were overwhelmingly positive, with an overall culture score of 81% favorable, reflecting an increase of 6% over the prior year. In addition, during 2020, we were delighted to learn that Comparably ranked overall culture at ADP as an A+.

In addition, career development opportunities include:

• Skill-building programs
• Leadership development programs
• Development and cross–business unit exposure
• Knowledge Pay programs offering financial incentives for specific certifications
• Leadership roles in Business Resource Groups

Onboarding for Excellence

Guide yourself through an exciting time at ADP with interactive activities and help from your team and mentor.

Professional Skills

Learn more and what it takes for your role and to succeed in a professional environment.

Role Specific Training

Spruce up your skills and domain expertise to ensure you're always on top.

Career Pathing

Own your career and take advantage to your future opportunities with internal resources available at ADP associates.

Skill Builders is part of our continuous learning program. Led by high-performing ADP employees, it helps our associates round out their personal brand, and enables networking and shared experiences across business units. Active topics include emotional intelligence, Managers' Worst Nightmares and Espanol Para Ti.

Leadership development

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

Our newly integrated leadership development strategy applies to "exploring leadership" all the way through to Executives and is based on three core principles:

- creating development journeys vs. single training events to foster behavioral change
- 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

As an example, we reimagined our Leader of Leaders program from a three-day event to a 6 week journey for Leader of Leaders. This learning experience is designed to help leaders build self-awareness, strong internal relationships, establish a leadership model that is unique to their strengths, and achieve better decision-making using systems thinking.

Enterprise Learning

Enterprise Learning (EL) is the functional learning and performance division at ADP. We focus on developing associate capability through product and skills training and performance support. We also provide clients with training and performance support to facilitate their ability to gain full value from our products. Thus, EL congruently supports and complements the learning needs of internal associates, business partners (e.g., those integrating their products into ours), and clients while staying true to our mission of helping learners thrive as products, technologies, and business practices transform.

Redesigning training with AI

In 2019, we invested in a robotic process automation (RPA) for our Enterprise Learning program. This process took tasks that traditionally required manual input, and automated them, saving 11,336 hours of work.

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.

Success Story: Matt, Director Learning Innovation and Analytics:

Matt was named among Training magazine's top 5 emerging training leaders for 2019. Through his role, Matt helped deliver two priority initiatives for ADP's Enterprise Learning:

- Recommended adding embedded learning to select ADP products, to provide click-by-click training for clients, directly in the workflow to reduce disruptions
- Helped design and manage the implementation of learning-impact studies that EL now uses to quantify the impact of our training efforts on client and associate experiences

- **In-product learning** — We embed guided walk-thrus within ADP's products that provide instructional support to clients and associates in-the-flow of work, thus reducing effort while affording them the opportunity to learn how to get optimal use out of our products while completing their day-to-day tasks. These walk-thrus can be added or updated quickly, so we can 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.

We also support the learning needs of associates through instructor led training in both classroom and virtual environments. One example is our Learning Café, which offers virtual live and on demand mini-learning experiences to all associates quarterly with in-person sessions being offered on an as-needed basis at ADP locations. The virtual and in-person sessions cover a wide range of upskilling topics, including product knowledge, process, tools, technology, and interpersonal skills. Course offerings change each quarter and are selected by determining what topics the business needs associates to know and which topics associates have asked that we offer. The Learning Café is fully voluntary and its growing in popularity. In fact, more than 3,000 associates attended trainings offered during our last 2-day event, proving that associates have a desire to opt-in.

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 9,000 Sales associates comprised of direct sales, sales leaders and sales support.

Our focus on Modern Sales includes 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 sales force 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 learning 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, ADP places huge emphasis on sales training 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 class work for developing leaders, new leaders and executive leaders, they engage in role supportive, timely and relevant On-Demand classes, Connection calls and Leadership Mentoring sessions to fine tune their leadership skills.

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

Recognitions

- World's Most Admired Companies (2006–2020) – *Fortune* Magazine

- 100% Corporate Equality Index Rating (2009-2020) – *Human Rights Campaign Foundation*

- Bloomberg Gender Equality Index (2018-2020) – Bloomberg

- America's Best Employers for Diversity (2018-2020) – *Forbes* Magazine

- Top 50 Companies for Diversity (2016-2020) – *DiversityInc®* Magazine

- 100 Best Companies (2016, 2018-2020) – *Working Mother®* Magazine

- Best Companies for Multicultural Women (2016–2020) – *Working Mother®* Magazine

- Diversity Best Practices Inclusion Index - *Working Mother®* Magazine

- Corporate Inclusion Index (2016 - 2020) – Hispanic Association on Corporate Responsibility (HACR)

- Top 100 Companies for remote, part-time and flexible jobs (2018-2020) – flexjobs.com

- Training Top 125 (Top Companies for Training, 2011–2019) – *Training* Magazine

- Top 10 Companies for Working Mothers India (2018) – *Working Mother®* Magazine and AVTAR

- 50 Best Companies for Diversity (2016-2018) – *Black Enterprise®* Magazine

For more information about awards and recognition, visit our website.

Community

The heart of our business is centered around acting responsibly. ADP is only as strong as the communities in which we operate. By elevating our communities, we support vital causes and services, and construct a foundation for our business to continue thriving.
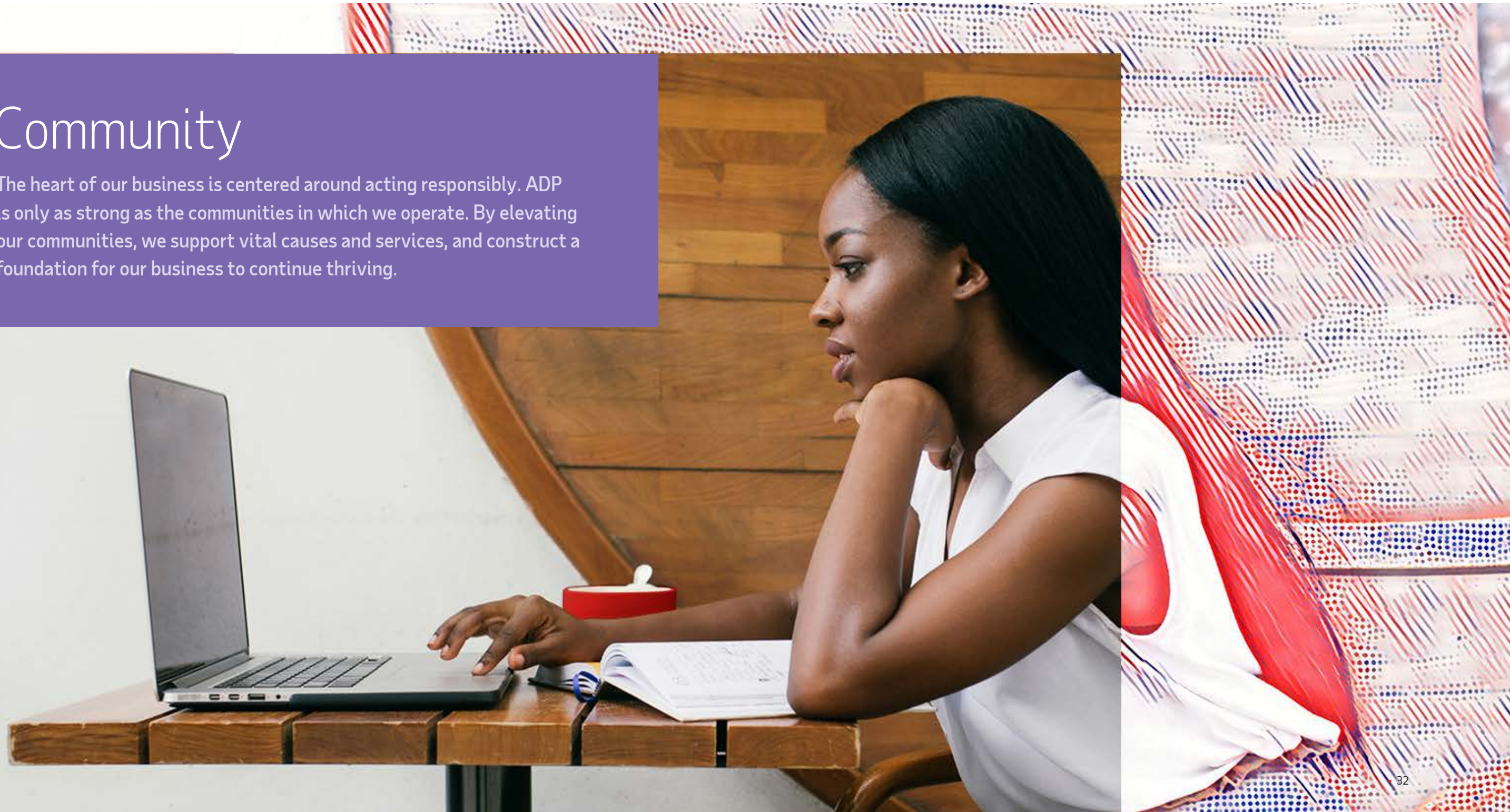
Philanthropy and Volunteering

The world of work relies on people having the tools, environment, and opportunity to do their best work. At ADP, we proudly share our dedication to unlocking potential for our clients, our people, and our global communities.

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. With the rise of recent social unrest across the US, we are now more committed than ever to pursuing inclusive philanthropic efforts.

ADP Foundation

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
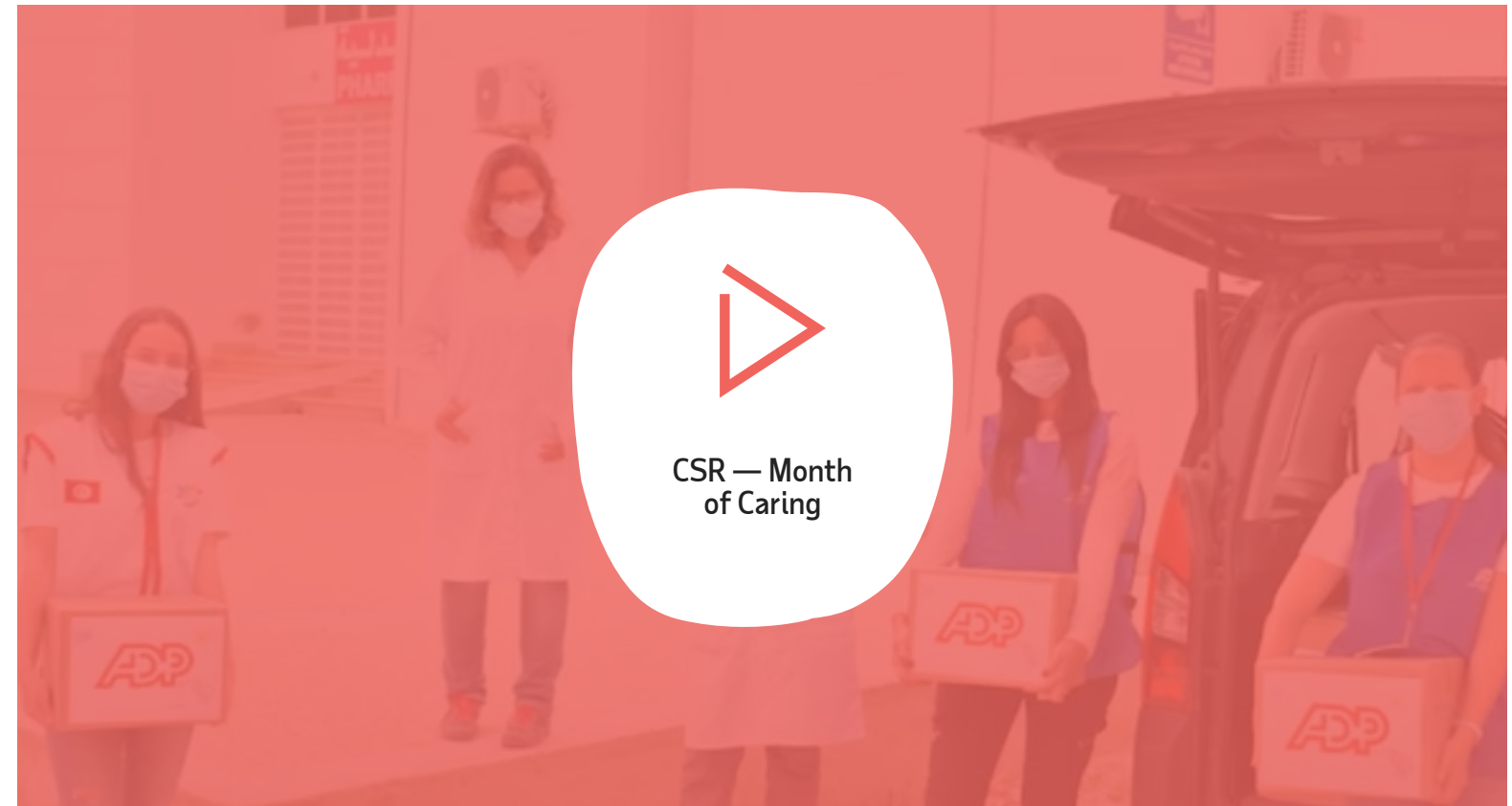
CSR — Month of Caring

TOTAL VOLUNTEER HOURS ACROSS THE US:

In 2019 our associates volunteered **51,914 hours**, or **2,163 days** of their time to non-profits in the US

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.

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

Making progress

ADP's Supplier Diversity Program continues to grow with proven success. Our FY 2020 achievements include:

• Overall FY 2020 total: $340.7M
• 14% of overall procurement spend with diverse suppliers
• 40% increase in spend with African American owned businesses
• 34% increase in spend with Hispanic American owned businesses
• 23% increase in contingent staffing spend
• $1.3M in savings attributed to using 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.

Looking ahead

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

COVID-19 has caused significant disruptions to the global supply chain, negatively impacting many small businesses. Some small businesses saw their revenue stream disappear; others pivoted to expand services to support COVID-19 relief. During these trying times ADP has relied on some of our diverse suppliers to help support and provide Personal Protective Equipment (PPE) and other needed essentials to allow ADP associates to work from home and safely return to the office successfully. We have offered payment term adjustments to help get our diverse suppliers paid more quickly so they can continue to run their day-to-day operations.

ADP thanks all of its healthcare clients and all those who provided unwavering support and services during the global pandemic.

	FY 2018	FY 2019	FY 2020
Total	$319.3	$335.7	$340.7
Tier 1	$105.1	$94.9	$98.7
Tier 2	$214.2	$240.8	$242.0
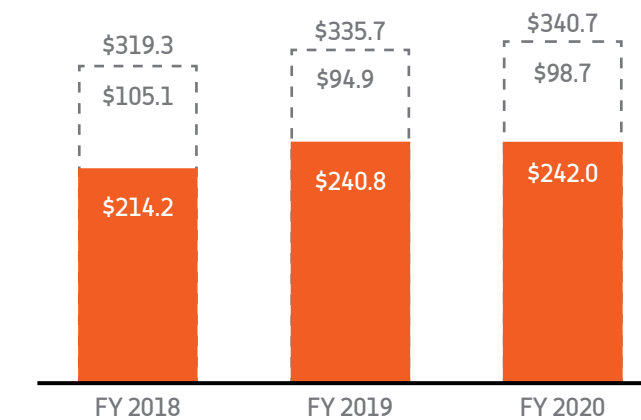
⬚ Tier 1 — direct spend with diverse suppliers.
■ Tier 2 — indirect spend with diverse suppliers.

We Support Sustainable Development Goals Around the World

Continuing our mission to support the communities where we live and work, ADP is committed to making the world a better place. To help make this a reality, we have mapped our most significant philanthropic efforts against three of the United Nations Sustainable Development Goals (SDGs) to show how our global offices and teams have found unique ways to contribute to their local communities. Our most notable contributions are around access to education, creating sustainable cities and championing gender equality. Here is how we're working to make a difference:

SDG 4: Quality Education

ADP values the education of our associates as well as those in our communities. Here is how we are contributing to the individual targets for SDG4:

4.1 Providing quality primary and secondary education

- MIDAS – Making an Impactful Difference at School
  - Founded in 2009, our MIDAS program seeks to bring quality education and learning opportunities to disadvantaged youth in India.

- ONE ADP Educational Partnerships
  - We partner with local elementary schools and colleges to host classes on topics including STEM, management, human resources and diversity & inclusion programs.

4.4 Providing and developing relevant job skills

- Internship programs
  - We have a variety of internship programs at over 12 universities and colleges around the world that help students prepare for a career in HCM.

- Global product and technology programs
  - The HCM Academy programs help drive innovation and develop the pipeline for the next generation of technology leaders.

4.5 Eliminate gender disparities in education and ensure equal access to all levels of education

- Women in Business program
  - Our Women in Business program, which can be found at multiple colleges and universities, encourages and develops women in the traditionally male-dominant business sector.

4.6 Promoting literacy and numeracy for youth and adults

- Book drives for local schools
  - Our colleagues in Tunisia organized a book drive for the benefit of a local primary school. In addition, they provided school supplies to help children in disadvantaged families. The team even built a new library for the students, all from scratch!

SDG 11: Sustainable cities and communities

We are proud of our efforts to reduce our environmental footprint, ensure everyone is respected and valued, and encourage new behaviors that benefit the individual and their community.

11.2 Safe, accessible, sustainable transportation

- Revised air travel policy
  - Early in 2020, we introduced our revised air travel policy. The policy covers specific actions travelers can take to minimize their footprint as well as partnered airlines that utilize fuel efficient fleets.

11.4 Safeguarding the world's cultures and heritages

- Cultural business resource groups
  - We are proud of our extensive selection of business resource groups. While there are many types, we have multiple BRGs built around different cultures from around the world. These BRGs help bridge cultural gaps, promote each culture individually, and provides a safe space for its participants.

11.6 Reduce environmental impacts per capita

- Sustainable cafeteria utensils
  - Wherever possible, our cafeterias replaced traditional plastic cutlery and utensils with biodegradable alternatives that get composted after use, instead of heading to a landfill.

- Phase-out Styrofoam
  - We have removed all Styrofoam cups and containers and replaced them with reusable or biodegradable alternatives.

SDG 5: Gender equality

At ADP, we believe diversity and inclusion programs are crucial resources for the company, not requirements on a checklist. To attract talented and diverse individuals, we extend our gender equality efforts to transgendered individuals and gender-non-conforming persons, instead of focusing on the traditional male-female paradigm that's currently present in the SDG verbiage. This is not only the moral thing to do, it's good for our business.

5.1 End all forms of discrimination against marginalized genders

- Patterns of unconscious bias training
  - Our recruiters are trained and equipped to uncover their individual unconscious biases during the hiring process. By understanding diversity and inclusion best-practices as well as utilizing appropriate tools, unconscious bias can be diminished in hiring procedures.

5.4 Recognize and value unpaid domestic work

- Parental leave policies
  - We provide more time off for new parents than the industry average, offered to fathers and mothers. We believe it is crucial to the longevity of our associates' tenure to support new parents as much as possible.

- Childcare programs
  - At certain locations, we provide onsite childcare for our associates.

5.5 Equal opportunities for leadership positions

- Promoting multicultural women
  - We are especially proud of our programs that help us recruit, retain, and advance multicultural women. We do this through multiple BRGs and other initiatives.

- Women in sales leadership BRG
  - A business resource group dedicated to fostering women as leaders in sales positions

- Women in executive leadership BRG
  - Another business resource group dedicated to fostering women as leaders in executive positions

5.6 Universal sexual and reproductive health access

- Health insurance packages
  - Our comprehensive health insurance package includes fertility management and eligible employees can select a medical plan that provides services for medically necessary, transition-related care.

- Parental leave policies
  - We provide our associates with competitive parental leave times.

5.A Reforms for economic equality

- Company demographics
  - Through insightful data analytics, ADP tracks hiring and advancement trends across associate demographics, creating programs to improve metrics.

5.B Enable and promote empowerment through I.T.

- Pay Equity Storyboard
  - A virtual tool we designed to uncover inequitable payment for the same job

- Empower BRG
  - Our women in technology BRG, providing training and guidance to women seeking to advance their career in technology

- Advancing women in S.T.E.M.
  - With women being under-represented in STEM fields, we launched numerous initiatives and programs to encourage and provide opportunities for women looking to enter the field

5.C Enforceable legislation for gender equality

- Anti-harassment policies
  - ADP has a zero tolerance policy for harassment

Environment

At ADP, environmental sustainability and stewardship are integral to both our corporate social responsibility program and our business strategy. We are continuously evaluating which environmental issues are most relevant to our business and offer opportunities for us to make a purposeful impact. We also believe that creating sustainable products and streamlining our operations drives efficiency, innovation and ultimately, long-term value-creation.

BEGreen for environmental communications

The ADP GoGreen logo has been replaced with our new BEGreen identifier. This icon appears on all ADP projects globally that have a significant environmental component. This not only translates to facility efficiency and clean-up related projects, it applies to all efforts, such as curbing the volume of on-site printing, turning off electronics, savings on travel, and offering digital services to our customers.

Whether the effort is energy conservation, printing with a conscious, product development, recycling, donations or emissions diversion, this new identifier will alert readers to the fact that this project, event, or ADP service, is making a mindful effort to BEGreen.

Energy and greenhouse gas reductions

Increasing energy efficiency and reducing greenhouse gas emissions associated with our operations are central goals for our environmental sustainability program. ADP's main sources of greenhouse gas emissions come from our offices and data centers, and we are on track to reach our current goal to reduce emissions by 10% by the end of calendar year 2020 in the United States through investments in efficiency and conservation.

Climate change and ADP

Climate change is an increasingly urgent topic that could have significant impacts on our business, and the world. These impacts from climate change include weather-related events interrupting business operations, supply chain disruptions, disruptions to our clients' businesses and potential regulatory changes. Our ability to anticipate and mitigate these impacts has clear implications for our business.

Energy conservation

Throughout 2019, ADP invested in energy reduction initiatives that improved efficiency, reduced energy consumption and decreased our emissions. Some examples include installing LED lighting, implementing new Building Management Systems (BMS) to increase building efficiency, and a revised travel policy. In total, our conservation efforts are estimated to have reduced our 2019 electricity consumption by about 3 million kilowatt hours, and will continue to reduce our annual consumption by 5 million kilowatt hours. ADP annually reports to the Carbon Disclosure Project (CDP) regarding its emissions-reduction initiatives. For more information on these efficiency projects and our 2019 emissions, visit CDP's website here.

LED lighting projects in France and India

Our operations in France and India went through an intensive lighting-replacement project in 2019. France recently completed implementing LED lighting in our Nanterre facility, which covers over 12,000 m2. While France recently completed this project, India saw considerable energy savings from similar efforts, with over 234 MWh of energy and 187 MT CO2e saved across their operations in 2019.

Greenhouse gas emissions

In 2019, ADP continued to improve its Greenhouse Gas (GHG) Inventory data collection and management process by relying less on estimations of emissions in favor of the application of improved calculation methods. This marks the 3rd year we will be reporting our greenhouse gas emissions in all 3 scopes. Despite our efforts to reduce our global emissions, they slightly increased from 2018 to 2019 due to the expanded and increased visibility of ADP's global operations that provided input for our annual GHG reporting.
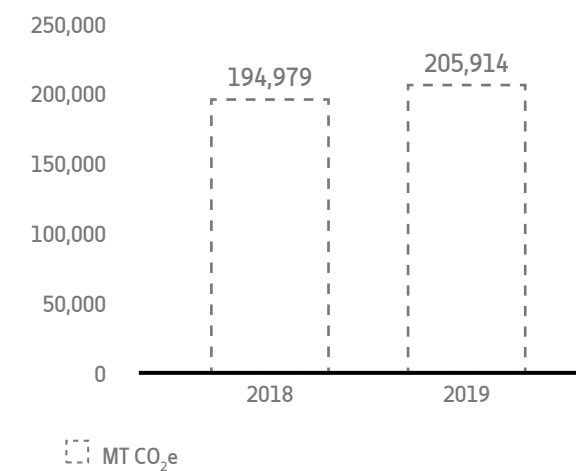
Global Scope 1 emissions

MT CO_2e
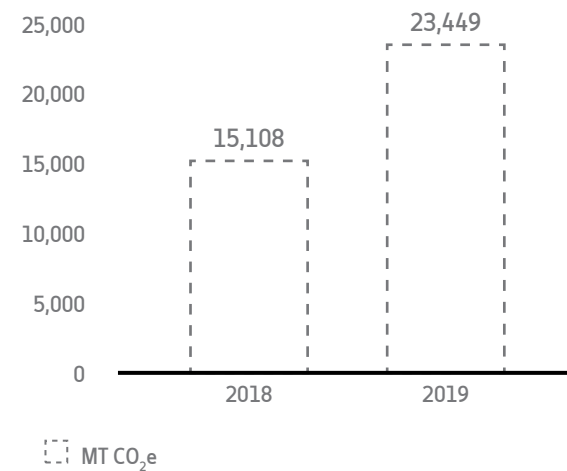
Global Scope 2 emissions

Location based MT CO_2e   Market based MT CO_2e
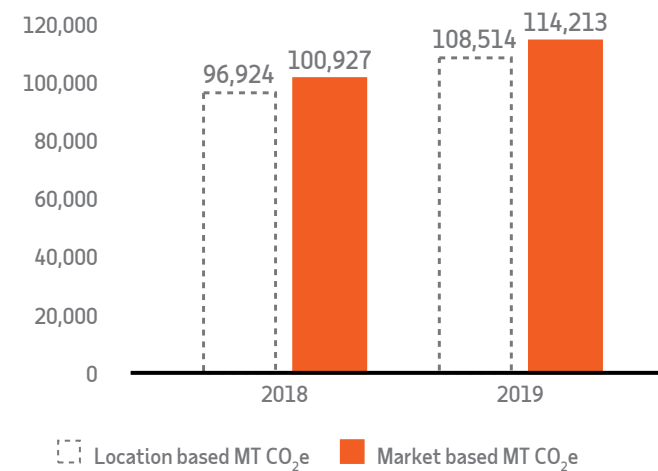
Global Scope 3 emissions

MT CO_2e

Fleet

As part of our commitment to reducing carbon emissions, ADP is updating its vehicle fleet with fuel-efficient vehicles. As a result of the improvement in ADP's data quality, we are now able to provide an emissions figure for our vehicle fleet: In 2019, our global fleet emitted 5,678 metric tons of carbon, which accounts for approximately 2% of our total greenhouse gas emissions.

Unified electric vehicle charging stations

With the conversion to ChargePoint EV charging units in 2019, we are now be able to capture GHG savings in real-time. To date, ADP has installed 73 charging ports located in 12 owned properties. Our goal is to increase this number to 100

ports over the next two years. When considering ADP location choices, the Real Estate Team also factors in access to public transportation, bicycle racks and storage and access to public EV charging stations in the area.

TwoGo carpooling expansion

ADP India is launching a new exciting internal tool called TwoGo, a ride-sharing application that allows our associates to carpool to work easier. The program is currently offered at operations in Spain and England. The TwoGo app is making our everyday commuting pleasant and smooth. It plays a significant role in reducing CO2 emissions by sharing cars instead of using one vehicle per associate, effectively halving emissions commuting and sometimes even more, depending on vehicle occupancy.

Renewable and alternative energy

To further reduce ADP's emissions footprint, we've invested in fuel cell technology that generates energy without water or greenhouse gas emissions. In 2018, the fuel cell in La Palma, California slightly decreased electric output; however, starting in 2019 and continuing to today, the cell is operating at 100% capacity. ADP will continue to look for opportunities to use alternative fuel technologies, like fuel cells and solar energy, in the future.

ADP also investigates opportunities to purchase renewable energy wherever it is economically viable. Our operations in Barcelona, Spain operated on 100% renewable energy supply in 2019! We will continue to investigate where we can use renewable energy to reduce our emissions further.

Waste Management

Paper

Since our core business revolves around payroll and HR services, paper waste has historically been a significant component of our environmental footprint. After recognizing the opportunity to reduce waste for both our clients and our own business, we started to offer digitized services and launched paper waste reduction initiatives. Within North America, approximately 85% of clients were paperless in 2019.

Construction debris

ADP continues to require construction debris from ADP projects be recycled.

In 2019, ADP did not have any new building greenfield construction projects. Some locations were vacated, moved and/or upgraded. During the decommission process, workstations and unsalvageable furniture (that could not be donated) were recycled.

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.

Recycling awareness campaign

As the new BEGreen branding unfolded, our Corporate Real Estate team partnered with another cross-functional team and Brand Marketing to create new, simple signage to remind associates that ADP recycles. Our goal is to increase recycling of plastics, metals and glass and decrease trash co-mingling with recyclables in trash bins.

New signage was also placed at shred bins, encouraging all paper to be recycled. We often think of shred bins for confidential information only. However, ADP arranged with our shred vendor to recycle all paper placed in the shred bin — confidential or otherwise, including newspapers, magazines, pictures, paper file folders and more.

Coffee pod recycling

At many of our locations, ADP offers filtered water and hot beverages to our associates. In 2019, we introduced a program to collect and recycle "freshpacks" used in single-cup machines for hot beverages. The freshpack contents are composted while the freshpacks are sold and used to create objects such as park benches and tables. In 2019, ADP US recycled 22 tons or 1.3 million freshpacks!

Electronic waste

ADP partners with an electronic waste recycler and reseller to reuse or recycle our electronic waste components. Prior to recycling, all data is wiped from the electronics, then returned to the vendor when the lease expires. In 2019, ADP recycled 230 tons of electronic waste.

Gift-in-kind donations

In 2019, ADP continued to donate furniture and office supplies no longer needed to nonprofit organizations. In 2019, through our Project Refresh, we donated 3,049 items valued at $111,000, resulting in the diversion of nine tons of waste in the United States.

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. In 2019, we continued to prohibit all Styrofoam products and began recycling all cooking grease.

Green Initiatives

Updated air travel policy

In 2019, we updated our corporate travel policy to make it easy for our associates to book green traveling arrangements. With the updated policy and company resources, considering the environmental impact when traveling doesn't mean sacrificing comfort or productivity. ADP's airline partners include some of the biggest names in air travel and have green operations that lower emissions by utilizing fuel-efficient fleets, optimizing flight plans and reducing engine idling on tarmacs. When our associates book through ADP Travel, it ensures the use of travel partners that have been vetted for sustainable practices, savings and security.

In response to COVID-19, ADP limits all non-essential business travel to reduce exposure. To compensate for this lack of mobility, ADP offers all of our conferences online to prevent transmission events for associates, prospects and clients. These efforts also benefit from reducing our travel costs and environmental impact due to emissions.

Energy savings from building management systems in the Philippines

In the Philippines, our equipment operational optimization via building management systems (BMS) has helped manage the reduction of energy use across operations in the country. This new system is designed to react to the occupants' needs in real-time, so lighting, heating and cooling are delivered on an as-needed basis throughout the building, reducing overall energy use. In FY 2020, we saved 121,875 kWhr.

Tree planting and forest stewardship in Spain

Associates planted 54 trees and bush species native to the area in Barcelona, and these trees are expected to remove approximately 2,600 lbs. of carbon from the atmosphere every year. Volunteers also installed 20 nest boxes to support the local bat population. These native bats are a critical part of the ecosystem and are essential to managing the population of insects and other pests, including mosquitoes, leafhoppers, beetles, rootworm larva, moths, grasshoppers, scorpions, centipedes, ants, flies, and crickets.

Terrace garden in the Czech Republic

Listening to associate feedback, the Facilities Team at our Prague office turned a portion of the terrace on the 4th floor into an herb garden. Planted are a host of herbs which associates can pick and add to their diet. This garden promotes the sustainability of local and urban farming while serving as a pleasant outdoor area for our associates to enjoy.

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. ADP has decommissioned 24 data center facilities since 2015 and plans 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 1.5475 to 1.610 between 2018 and 2019. However, energy usage [Scope 2 (Location-Based)] emissions from these facilities decreased from 36,856.40 in 2018, to 30,762.64 in 2019, reflecting a 16% decrease!

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.

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	2020 10-K and also our list of worldwide locations
102-5	Ownership and legal form	2020 Proxy Statement
102-6	Markets served	2020 10-K
102-7	Scale of the organization	2020 10-K
102-8	Information on employees and other workers	Page 15 of CSR report
102-9	Supply chain	Page 34 of CSR report
102-14	Statement from senior decision-maker	Page 3 of CSR report
102-15	Key impacts, risks, and opportunities	2020 10-K
102-16	Values, principles, standards, and norms of behavior	Page 4 of this report
102-17	Mechanisms for advice and concerns about ethics	Ethics Helpline
102-18	Governance structure	2020 Proxy Statement
102-19	Delegating authority	Page 5 of CSR report
102-20	Executive-level responsibility for economic, environmental, and social topic	Page 5 of CSR report
102-21	Consulting stakeholders on economic, environmental, and social topics	Page 5 of CSR report
102-22	Composition of the highest governance body and its committees	2020 Proxy Statement
102-23	Chair of the highest governance body	2020 Proxy Statement
102-24	Nominating and selecting the highest governance body	2020 Proxy Statement
102-25	Conflicts of interest	2020 Proxy Statement
102-27	Collective knowledge of highest governance body	Page 5 of CSR report

GRI Index

GRI	Disclosure Title	Source
102-28	Evaluating the highest governance body's performance	Page 5 of CSR report and also 2020 Proxy Statement
102-29	Identifying and managing economic, environmental, and social impact	Page 5 of CSR report
102-30	Effectiveness of risk management process	Page 5 of CSR report
102-31	Review of economic, environmental, and social topics	Page 5 of CSR report
102-32	Highest governance body's role in sustainability reporting	Page 5 of CSR report
102-33	Communicating critical concerns	Page 6 of CSR report
102-35	Remuneration policies	2020 Proxy Statement
102-38	Annual total compensation ratio	2020 Proxy Statement
102-40	List of stakeholder groups	2020 Proxy Statement
102-42	Identifying and selecting stakeholders	2020 Proxy Statement
102-43	Approach to stakeholder engagement	2020 Proxy Statement
102-44	Key topics and concerns raised	2020 Proxy Statement
102-45	Entities included in the consolidated financial statements	2020 10-K
102-46	Defining report content and topic boundaries	Page 43 of CSR report
102-47	List of material topics	Page 43 of CSR report
102-48	Restatements of information	2020 10-K
102-53	Contact point for questions regarding the report	Dawn.Verrinder@adp.com
102-55	GRI content index	Page 44 of CSR report
201-1	Direct economic value generated and distributed	2020 10-K
201-2	Financial implications and other risks and opportunities due to climate change	Page 38 of CSR report
201-3	Defined benefit plan obligations and other retirement plans	See Note 10 in 2020 10-K
203-1	Infrastructure investments and services supported	Page 33 of CSR report
203-2	Significant indirect economic impact	Page 12 of CSR report

GRI Index

GRI	Disclosure Title	Source
204-1	Proportion of spending on local suppliers	Page 34 of CSR report
301-1	Materials used by weight or volume	Page 40 of CSR report
302-1	Energy consumption within the organization	Page 38 of CSR report
302-4	Reduction of energy consumption	Page 38 of CSR report
305-1	Direct (Scope 1) GHG emissions	23,449 MT CO_2e
305-2	Energy indirect (Scope 2) GHG emissions	114,213 MT CO_2e
305-3	Other indirect (Scope 3) GHG emissions	205,914 MT CO_2e
305-5	Reduction of GHG emissions	Page 38 of CSR report
306-2	Waste by type and disposal method	Page 40 of CSR report
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 23 of CSR report
401-3	Parental leave	Page 23 of CSR report
403-2	Hazard identification, risk assessment, and incident investigation	Page 23 of CSR report
403-3	Occupational health services	Page 23 of CSR report
403-5	Worker training on occupational health and safety	Page 23 of CSR report
403-6	Promotion of worker health	Page 23 of CSR report
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 23 of CSR report
404-1	Average hours of training per year per employee	Page 26 of CSR report
404-2	Programs for upgrading employee skills and transition assistance programs	Page 26 of CSR report
404-3	Percentage of employees receiving regular performance and career development reviews	Page 26 of CSR report
405-1	Diversity of governance bodies and employees	Page 18 of CSR report
406	Non-discrimination management approach	Code of Business Conduct & Ethics
413-1	Operations with local community engagement, impact assessments, and development programs	Page 33 of CSR report
415-1	Political contributions	Page 7 of CSR report

SASB Disclosure

Our responses to the SASB disclosures were written in an attempt to include as much of the requested information as possible. As this report reflects our first step in our SASB journey, only partial information is available at this time in some instances. 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 2020 ESG Metrics Sheet, 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	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. 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. 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. For more information on the scope and implementation of our practices related to user privacy, please see ADP's Privacy page. 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.	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	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. Given today's threat landscape, all large organizations are targeted by cyber-attacks. 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. 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. 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. For more information please see our disclosure on Incident Management in our Data Security & Data Center sections.	TC-SI-220a.1
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	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, CFO, CIO, CHRO (Chief Human Resources Officer), and General Counsel. The ADP operational risk management framework is based on the following industry standards: • 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). • Risk Analysis Approach: The Open Group Risk Taxonomy Standard (O-RT); The Open Group Risk Analysis Standard (O-RA). 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. For more information please see our Data Security page.	TC-SI-230a.2

SASB Disclosure

Recruiting & Managing a Global, Diverse & Skilled Workforce	Employee engagement as a percent	Please see the Training and Development on page 26 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 & Inclusion section on page 16 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 810,000 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

Highlights

TOTAL FY 2020 REVENUE:

$14.5 billion

Generated over $14.5 billion in revenue

ELECTRONIC WASTE RECYCLED:

230 tons

Diverted over 230 tons of electronic waste from landfills

PAPER RECYCLED:

2,165 tons

Our offices recycled 2,165 tons of paper

2020 AWARDS & RECOGNITION:

AnitaB.Org Top Company for Women Technologists

Diversity Best Practices

HRC Corporate Equality Index

India Great Places to Work

DiversityInc #4 Top Company for Diversity

% FEMALE BOARD COMPOSITION:

36%

36% female board composition
*as of November 2020

% FEMALE ASSOCIATES:

53%

In June 2020, women represented 53% of ADP's global workforce

% ASSOCIATES RECEIVING ETHICS TRAINING:

100%

of our associates receive annual ethics training

AVERAGE ASSOCIATE TENURE:

7 Years

On average, our associates stay with us for 7 years

TOTAL VOLUNTEER HOURS ACROSS THE US:

In 2019, our associates volunteered **51,914 hours**, or **2,163 days** of their time to non-profits in the US

BENEFITS:

Inclusive benefits

Health insurance

Parental leave for all associates