

Innovating a Better Way to Work



Global Corporate Social Responsibility Report

Issued: November 2019





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Letter from the President & Chief Executive Officer

The world of work is constantly changing. Through every evolution, it consistently creates a space for people from all walks of life to come together and achieve common goals. That principle guides ADP as a trusted partner providing human capital management technology to employers around the world. From hire to retire and full-time to freelance, people are at the center of everything we do, and we are grateful for the opportunity to design a better world at work for everyone.

From our humble beginnings as a New Jersey startup more than 70 years ago, we have expanded to become one of the world's largest business-to-business outsourcers with 58,000 associates worldwide. Today, ADP serves approximately 810,000 clients in 140 countries and territories. Our progress over time means we have the experience and scale to perfectly tailor solutions for businesses of all sizes, across all industries.

Diversity and inclusion are business imperatives that drive innovation and productivity. This philosophy remains a priority for us as a good corporate citizen and technology leader for the global workforce. We know that ADP's diverse, talented associates fuel the innovations that enable our success. As a company, we are committed to their health and well-being, as they are the hearts and minds driving our work and contributing to the global community. We are dedicated to nurturing and developing people, while creating a level playing field for all talent to reach their full potential.

We also play 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 inclusion in the workforce for the benefit of all workers and the businesses they support.

ADP also embraces our role in giving back and generating a lasting, positive impact on the communities in which we work and live. Along with 180 CEOs, we signed a public corporate purpose statement that pledges our commitment to the fair and ethical treatment of all of our stakeholders. 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 associate success around the world.

At ADP, we see business success and the needs of citizens and communities as inextricably linked—forces that must be in balance in order to drive and achieve forward progress. We also firmly believe that business can—and should—have a positive impact on the world. That's why we constantly strive to embed socially responsible principles and practices into everything we do. Above all, we're excited about the future and are committed to continue making positive contributions that will benefit the world in which we live in today and future generations alike.

Sincerely,



Carlos Rodriguez
President and CEO



"ADP also embraces our role in giving back and generating a lasting, positive impact on the communities in which we work and live."

Governance

ADP delivers on its brand promise through a culture of ethics, compliance and good governance. Our commitment to doing the right thing is integral to our business strategy and operating principles, and forms the foundation of 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 living up to our own high expectations.



Our Board

Our [Board of Directors](#) is committed to sound [corporate governance practices](#) that provide our shareholders with meaningful rights and foster strong independent leadership in our board room. We firmly believe that creating sustainable long-term value for shareholders is enabled through such strong governance practices and [open dialogue through continuous direct engagement](#).

Risk and strategy oversight

Our Board of Directors provides [oversight with respect to the Company's enterprise risk assessment and integrated risk management activities](#), which are designed to identify, prioritize, assess, monitor and mitigate the various risks confronting the Company, including risks that are related to the achievement 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, with management responsible for the execution of our business strategy.

ESG governance

Our Board of Directors is squarely focused on the sustainability of our business for the long term. In line with this focus, the [nominating/corporate governance committee](#) oversees the Company's environmental, social and governance (ESG) policies and programs.

The committee receives periodic reports and updates from ADP's Chief Diversity, Inclusion and CSR Officer (CSRO) and reports back on these matters to the full Board. Our Board has complete and open access to our CSRO.

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.



Message from the Chief Diversity, Inclusion and CSR Officer

ADP's Chief Diversity, Inclusion and CSR Officer (CSRO) reports to the Chief Human Resources Officer and provides leadership and direction on key corporate social responsibility issues, including ESG and sustainability-related matters. The CSRO spearheads our ESG Steering Committee and works in partnership with executives and teams across the Company to create and drive our CSR strategies, policies, initiatives and processes.



It is with deep appreciation that we bid farewell to Rita Mitjans. During her legacy as CSRO, ADP made great progress in continuing to build a diverse and inclusive workforce and impacting the communities we serve. The initiatives Rita lead, in alignment with our core values, helped strengthen our culture. As she retires, we are pleased to announce our incoming CSRO, Aisha Thomas-Petit. [Read Bio](#)

ESG Steering Committee

Aisha Thomas-Petit

Chief Diversity, Inclusion and CSR Officer

[Read Bio](#)

Sreeni Kutam

Chief Human Resources Officer

[Read Bio](#)

Stuart Sackman

Corporate Vice President, Global Shared Services

[Read Bio](#)

Michael Bonarti

Corporate Vice President, General Counsel and Secretary

[Read Bio](#)

Roland Cloutier

Corporate Vice President, Global Security

Dorothy Wisniowski

Vice President, Assistant Corporate Secretary

Christian Greyenbuhl

Vice President, Investor Relations

Dawn Verrinder

Program Leader, Corporate Social Responsibility

Ethics and compliance

We are proud of our culture and [values](#)—they are critical factors in our ongoing success. Our first core value, “Integrity is Everything,” sets the tone for our Company, and is one of our competitive differentiators.

Important policies that guide ADP include:

- [Code of Business Conduct & Ethics](#)
- [Code of Ethics for Principal Executive Officer and Senior Financial Officers](#)
- [Anti-Bribery Policy](#)
- [Insider Trading Policy](#)
- [Modern Slavery Statement](#)
- [Vendor Code of Conduct](#)

Global ethics

The Global Ethics Team offers ADP associates training, advice, counsel and support on all aspects of the Code of Business Conduct and Ethics and Anti-Bribery Policy. Global Ethics also conducts investigations of ethics matters and issues reported to 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 determines whether such risks are effectively managed and/or mitigated. Global Compliance’s activities both reduce the likelihood of non-compliance

with ADP Policies and applicable laws and contribute to ADP’s profitability and growth by supporting compliance as a centerpiece of our products and services.



Integrated assurance and risk management

All assurance functions, which include global compliance and global ethics, take an integrated, comprehensive approach to risk management. It is 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 encourage ethical behavior and manage and govern risk in order to protect the Company's brand and reputation and grow shareholder value.

Facilitating our clients' compliance

For examples of how we've designed compliance into our products and services, visit our [Employment Tax and Compliance](#) and [Health Compliance Solution](#) pages.

Ethics and compliance trainings

All ADP associates are trained annually on our [Code of Business Conduct & Ethics](#), with 100 percent participation

and completion in FY'19. In addition, we conduct specialized trainings specific to our associates' roles. This training is supplemented by awareness programs and initiatives such as intranet 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 substantial expertise in tax administration and many other areas of employment-related administrative matters. We contribute to sound government policy by educating policymakers.

For example, to help mitigate the rise of income tax "refund theft," ADP worked closely with the IRS to pioneer and pilot a new IRS Form W-2 "verification code," which enables the IRS to independently validate W-2 data reported on individual income tax returns, and we advised congressional tax-writing staff as to the feasibility of earlier submissions of employer W-2 reports. Similarly, ADP actively supports electronic filing programs to improve accuracy and efficiency of government tax collections.



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

By changing how people work, technology has introduced many new challenges to protecting privacy. Processing personal information of our Clients 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 prioritize individuals' privacy and data protection across our products and services. This is why thousands of multinational enterprises and millions of employees and workers worldwide entrust ADP with their most sensitive personal information.

As a company having to comply with privacy legislations 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 designed a [governance structure](#) for our privacy program that embeds data privacy in every level of our organization, as well as in every product we design. This includes:

- Global Data Privacy team—Spearheads privacy efforts across our organization

- Privacy Leadership Council—Comprised of cross-disciplinary professionals including representatives from our business units
- Privacy Stewards—Designated business leaders that take on management responsibilities for the controlled processing of your personal data within each ADP business unit and function

Our [Global Privacy Program](#) is central to our approach to protecting our Clients' data and revolves around the following privacy principles:

• 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 technology.

• Data Minimization and Access Control

We collect and use only the minimum personal data necessary to achieve the business purpose for which your data was collected. While ADP processes personal data, 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, which enable us to hold an inventory of our processing activities.



- **Standardized Record Information Management**

Across 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 meet our data security and privacy standards. Our vendor assurance process enables ADP to assess its vendors prior to entering into a contract with them. Our vendors are contractually required to comply with ADP's privacy principles.

Binding corporate rules, approved by the EU

As of March 2018, ADP ranks among an elite group 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 on 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 way to safeguard the transfer of personal data out of the European Union (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 are ready to operationalize a U.S. privacy program based on the requirements of the California Consumer Privacy Act and other upcoming state-level privacy laws.

Privacy and data protection trainings

As global privacy rules and legislation change, we make sure our associates are equipped with the tools and training they need to comply with relevant laws. ADP Associates and contingent workers are trained on the appropriate use and handling of personal data. We employ a variety of tools, techniques and programs to embed security into our associates' and contingent workers' day-to-day professional and personal lives.

"Implementing Binding Corporate Rules illustrates our commitment to protect personal data in accordance with the standards required in the EU, regardless of where the European data is processed, accessed or hosted."

—Carlos Rodriguez, President and Chief Executive Officer, ADP

Global security

Today's digital landscape means limitless possibilities, and also complex security risks and threats. 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 pro-actively assist in addressing issues before they become incidents.

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 at the forefront of our business.



By collaborating with key government and industry partnerships, memberships and alliances, ADP uses threat-led intelligence to stay ahead of the risks.

Recognition for security excellence

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

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

When you're passionate about what you do, people notice

ADP's proactive and comprehensive security program is award-winning—from our leadership to our technology and everything in between.

24/7/365 global protection and advanced threat monitoring via our multiple, state-of-the-art Critical Incident Response Centers, which are located around the globe.

Data center certifications

- ISO 9001: Quality Management—ensures we provide consistent quality and meet the needs of customers and other stakeholders
- ISO 27001: Information Security Management—includes legal, physical, and technical controls; ensures we follow ADP's security policies, confidentiality, availability and integrity of data

Innovation

At ADP, we design for people. By working at the forefront of our clients' needs, we anticipate trends and create solutions together. It's a challenge we love.



ADP's innovation strategy

At ADP, innovation is not just about our products and services, but also about how we deliver them to the client. Being innovative is part of our DNA. We gave birth to the payroll outsourcing industry and were first-to-market with mobile apps, putting our value in the palm of our clients' hands, making their daily work easier. Our innovation strategy is simple: We innovate by anticipating the future of work, the future of HCM and the future of pay in order to meet the evolving and unique needs of our clients and their workers.

Our investments in innovation have grown by double digits over the last several years, and the results speak for themselves. We've built [Innovation Labs](#) that host clients, listen to their needs and build the interfaces that help them succeed. Our [Research Institute](#) is expanding our understanding of how the modern-day workplace is evolving, publishing world-class studies and reports. With innovation, we're transforming how great work is done.



Our innovation strategy is simple: We innovate by anticipating the future of work, the future of HCM and the future of pay in order to meet the evolving and unique needs of our clients and their workers.

Current trends driving our innovation

ADP understands the trends driving the evolving workplace, allowing us to build adaptive tools that help our clients work better. Here's a look at key trends and how ADP is addressing them.

Evolution of work

The growth of the gig economy and the emergence of agile organizations are major factors in the changing workplace.

- Our [WorkMarket](#) product helps our clients hire, organize and pay freelancers strategically and efficiently, and manages them through an entire project lifecycle.

Evolution of pay

80 percent of employees prefer direct deposit and real-time pay. In addition, increasing numbers of workers would like to choose how often they get paid. Understanding preferences like these is critical to attracting and keeping key employees.

Through our products and services, we have insight into how people get paid, and how they spend. ADP has a unique ability to deliver pay and financial wellness solutions to end users, putting us at the forefront of the evolution of pay.

- [Global Cash Card](#) is an industry-leading HCM and digital payment platform that enables person-centric, on-demand pay vs. loans against future earnings.
- [Wisely](#) is our new financial wellness app that empowers workers to gain control of their financial life.

Evolution of HR

While the world of human resources is becoming more analytical and data driven, companies are increasing focus on talent development and employee engagement.

- [DataCloud](#) is a powerful data analysis tool that allows 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.



Evolution of business

While the workforce continues to globalize, organizations are faced with tightening labor markets and growing regulatory pressures.

- [Celergo](#) was strategically acquired by ADP in 2018. ADP Celergo offers managed payroll services through a platform to simplify and help ensure accurate sourcing, managing, and delivery of payroll services for mid-sized organizations across multiple countries.
- [ADP GlobalView](#) helps to process payroll on time and accurately for large enterprise global workforces. Multi-country organizations get the benefit of local experts who know the language while meeting country-specific compliance rules.

Evolution of tech

ADP research shows that today's global companies use more than 30 applications or vendors to fulfill their HCM needs. At the same time, we are witnessing the rise of artificial intelligence (AI) across enterprises.

- [ADP Marketplace](#) currently hosts 280+ apps that help clients automate their HR processes.
- 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 are already using AI-driven machine learning in a variety of use-cases across the entire client lifecycle, while carefully researching and testing further applications.

StandOut: Accelerating Performance Through Engagement

Employee engagement is increasingly seen as an essential element of a highly productive, agile organization of the future. To support this, we have implemented [StandOut](#), an employee engagement and performance management tool that makes it easier for team leaders to understand and unlock the full potential of their team members' strengths. This platform recognizes that today's employees often work beyond their departments, in dynamic, cross-functional and self-forming teams while also facilitating coaching and team leadership. [See our accelerating performance section for more details.](#)



CLIENT EXPERIENCE

Service
Support
Implementation



EMPLOYEE EXPERIENCE

Executive & Manager Insights
Conversational User Interface
Financial Wellness



SECURITY

Fraud Prevention
Identity Prevention



Facilitating our clients' sustainability performance

By focusing on solutions for emerging trends, ADP is also addressing some of the most pressing issues facing the world today. Thanks to our *always designing for people* approach, we have a unique opportunity to influence the experience and well-being of our clients' employees. Our products help organizations measure and improve their HR performance, particularly related to diversity and engagement. We also address environmental aspects of business operations where possible. As of December 2018, 49 percent of ADP's Small Business Solutions clients are enrolled in paperless programs, up from 5 percent in 2014. As we further our investments in innovation, we are very excited to continue solving emerging sustainability challenges.

All of our HR products help our clients become more inclusive by analyzing their demographics. Some features are particularly noteworthy:

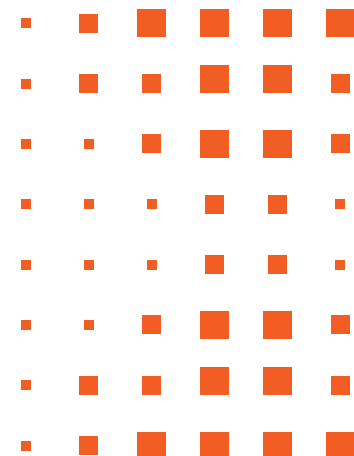
- **Vantage**, our all-in-one solution for strategic human capital management, now features a visual search capability that helps companies reduce unconscious bias in the hiring and promotion process. Users can perform a blind resume search, prioritizing the best-fit candidates based purely on skill-fit for the role, while hiding name, geography, school or other characteristics.

- **Pay Equity Explorer** uncovers inequitable payment for the same job. Its unique approach allows the user to understand the data behind such discrepancies, whether there are appropriate reasons and if corrective action should be taken.
- Our **Next Gen HCM solution** was designed to embrace a more fluid, team based structure. By providing teams access to AI-driven insights, we empower them to make data-driven decisions. Leaders can meet the unique needs of their organization and help drive performance. Global organizations can curate HR and employee experiences by selecting apps and capabilities from 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 easily and cost-effectively to support changes in their business strategy.



- **Next Gen Pay** is ADP's next generation Global Payroll platform that has been built to support the needs of our clients all over the world. Given the trends in the market around the evolution of work and pay, it provides clients with a tool that supports their future needs, due to its flexible, scalable and configurable platform. ADP Next Gen Pay has been built natively in the Public Cloud leveraging the latest technologies, including Artificial Intelligence (AI) and Machine Learning (ML) to improve the quality of our services and implementation times. Its person-centric approach allows workers of any type to be paid as soon as they have earned their wages, even at the end of their journey, in a fully compliant manner.

- **Next Gen Tax Engine** is the backbone of our tax compliance solutions. With greater automation and real-time information, the engine's built-in protections help with compliance, exposing where errors might exist and reducing opportunities for tax agency notices to occur. It was designed for scale, handling both high- and low-value transactions, and offering more client choice in payment settlement options.



Associates

Our long-term business success is closely linked to our commitment to creating an environment in which our associates thrive. We believe in a competitive, inclusive and diverse workforce that represents the communities we serve. This is vital in building a company where our employees feel valued, welcome, and can achieve their full potential.

[Learn more about Life at ADP.](#)



Diversity and Inclusion

Our diversity and inclusion philosophy is simple: We cultivate a culture that embraces all forms of gender, race, ethnicity, age, sexual identity and orientation, veteran status and ability. We embrace this philosophy at all levels of our Company, from entry level to management and executive positions. We believe an engaged, inclusive and diverse workforce attracts top talent, galvanizes our creativity, drives innovation and leads to better corporate performance. Our diversity efforts are simply the right thing to do ethically and economically.

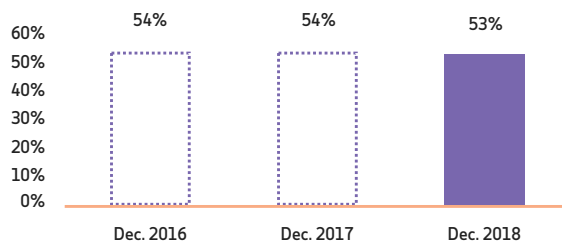
To learn more, please visit our [website](#).

Global workforce demographics

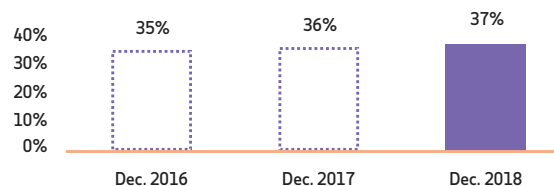
Our tens of thousands of ADP associates reflect the cultural diversity of the markets we serve. In 2018, women represented 53 percent of ADP's global workforce, our minority female workforce is growing, and more than 40 percent of our managers are women.



Female Workforce Demographics (Global)



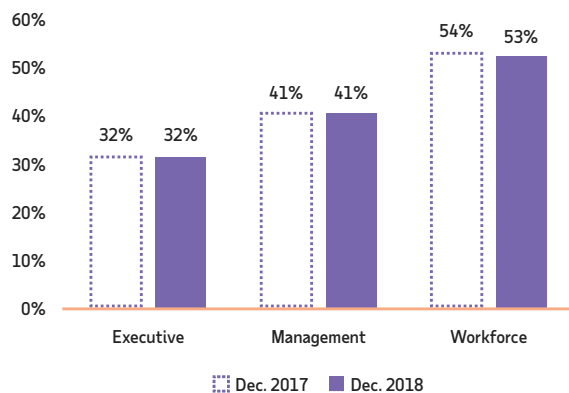
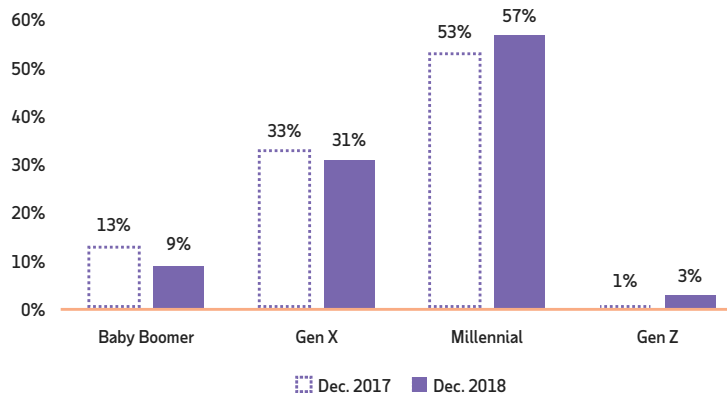
Minority Workforce Demographics* (U.S. only)



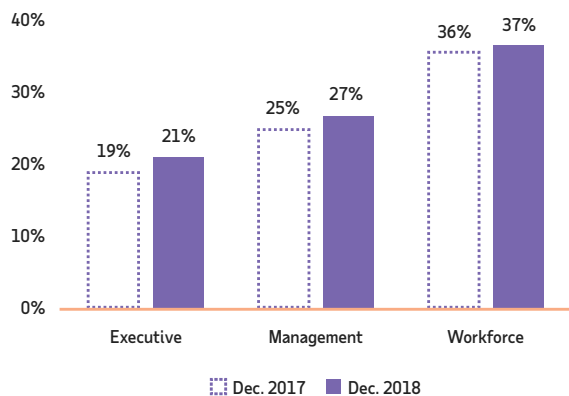
*Minority includes the following EEOC categories (U.S. Only):
Black/African American, Hispanic, Asian, American Indian, Native Hawaiian

“The business case for diversity is about ensuring that all employees have the opportunity to contribute, grow and thrive, because the population we serve and those who consume ADP products are diverse.”

—Rita Mitjans, ADP's Chief
Diversity, Inclusion and
CSR Officer Retired

2018 Female Demographics (Global)**2018 Generation Demographics***

*Baby Boomer 1946-1964, Generation X 1965-1979, Millennial 1980-1995, Generation Z 1996-present

2018 Minority Demographics* (U.S. only)

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



Women and minorities in executive roles

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

Therefore, we have set directional targets that support our business objectives and allow us to measure progress. In 2016, we issued three-year targets for female (33 percent) and minority (20 percent) representation in executive positions. As of December 2018, we've nearly reached the target for women (32 percent) and exceeded our target for minorities (21 percent).

ADP is one of the most-admired companies in the marketplace for the advancement of senior female executives. While we recognize that there is more ground to cover, we also know that it gets harder to make progress the better you do. It is with pride and confidence that we announce our new targets for executive roles for 2019 to 2022:

35%

Female representation

22%

Minority representation

Workforce initiatives

Fair and equal hiring practices

Gender Decoder

ADP takes great care to ensure we do not discriminate against anyone in hiring. In 2018, we deployed Gender Decoder, software that enables us to use gender-neutral language and pronouns for job descriptions. We have already updated the descriptions for our most commonly hired positions and will continue to update all others.

Diverse slates and panels

For our leadership positions, director-level and above, we now require that our recruiters provide a diverse slate of candidates. We also ensure that diverse interview panels are evaluating the qualifications of our candidates to minimize unconscious bias in the interview process.

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.



Approximately 45 percent of college interns hired are diverse.

Doing our part to support “pay equity”

On average, women in the United States collectively earn only [83 percent](#) of what men earn. Lower levels of pay for women appear universally, regardless of education, experience, industry, and profession. ADP’s research suggests that incentive pay, especially at time of hire, is a key contributor to this gender pay gap. This may be due to societal norms/expectations, unconscious (or conscious) bias and employer practices such as using prior salary history to determine compensation. These factors can unintentionally prolong the impact of gender discrimination that began years earlier with prior employers.

In July 2018, ADP announced a proactive stance to pay equity and is 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 are also working with our colleagues outside the U.S. to examine the feasibility of expanding this practice globally.

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, ADP’s African American and Black Business Resource Group, offer a Multicultural Leadership Development Program designed to advance minority talent and host the annual [Black Enterprise Women of Power Summit](#).

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, in accordance with local laws, are all-inclusive and awarded to any domestic partner—a major milestone development in 2018.

[Human Rights Campaign](#)

In 2018, for the ninth consecutive year, ADP received a 100 percent rating on 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.

In addition, ADP also signed the Corporate Equality Pledge, an initiative by the HRC to help pass the Equality Act, which would provide the same rights and basic protections to LGBTQ people as other protected groups under the law.

We proudly hire veterans

We highly value the specific skillsets veterans bring to the table and are eager to offer them fulfilling career opportunities. To learn more about how we make veterans feel welcome, and awards we have received for these efforts, please visit our [veterans website](#).



Business resource groups

Our business resource groups (BRGs) are voluntary groups of associates that help shape our culture and support key business initiatives. They are instrumental in allowing us to make everyone feel welcome and included. They also increase awareness, advance business objectives and support the recruitment and professional development of multicultural groups.

Active BRGs in 2018 included:

- Thrive (for associates with visible and invisible disabilities, added in 2018)
- Adelante (Hispanic)
- Elevate (Asian)
- Cultivate (Black/African-American)
- PRIDE (LGBTQ)
- Military Strong (Military)
- Inspire (Innovation)
- Generations (Multigenerational)
- iWIN (International Women's Inclusion Network)
 - WiSL (Women in Sales Leadership)
 - Empower (Women in Technology)
- Women in Leadership (Executive Women)



From 2013 to 2019, membership in the BRGs has grown six-fold from about 2,000 members to more than 13,000 as of June 2019. Engagement measures of BRG members is also higher than non-members, indicating the important role that these organizations play in our associates' lives.

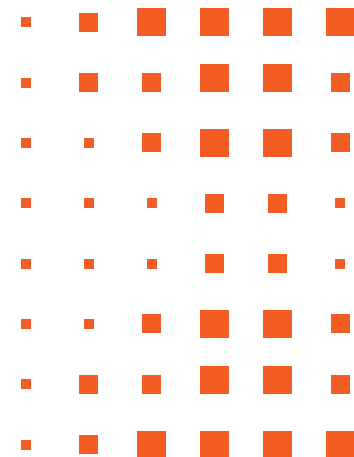
Diversity and inclusion trainings

To make sure new associates are connected to our culture of inclusion and diversity from the start, we introduce our diversity initiatives and CSR program during our onboarding sessions. Diversity and Inclusion training is also a core component of our leadership development program.

Formal training for our associates and leadership includes:

- Anti-harassment
- Patterns of Unconscious Bias in Talent Management
- Advancing Inclusion and Overcoming Bias

Our business resource groups are instrumental in educating their colleagues as well. In 2018, our Pride group launched a series of [10 LGBTQ educational videos](#) about workplace related topics.



Talent recruitment and retention

At ADP, we are constantly building an environment where all our associates contribute to our success and live their best life. We offer a wide range of benefits, flexible work options and health and wellness programs, and our commitment to a diverse and inclusive workforce helps attract the great talent we seek.

Benefits

Our associates enjoy a competitive benefits package. While exact benefits vary by employee and region, they typically include health care coverage, retirement programs with Company matching contributions, free wellness services, tuition reimbursement and more. We particularly emphasize benefits that support our associates' individual and family needs (parental leave, adoption/fertility benefits and programs to support caregivers). Benefits we enhanced in 2018 include:



PAID PARENTAL LEAVE

In addition to 6 weeks of paid maternity leave, paid parental leave extended from 2 to 4 weeks in the U.S.



CHILDCARE

Back-up childcare and parental care



LOAN REPAYMENT

A student loan repayment program



EMPLOYEE ASSISTANCE

An employee assistance program in France

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.

ADP was again recognized in 2018 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](#).



In 2018, ADP Associates in the U.S. had an average tenure of 7 years, well above the U.S. Bureau of Labor Statistics average of 4.2 years.

For a more comprehensive list of our benefits, please visit [Life at ADP](#).

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. We are committed to designing and implementing programs that help associates 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

In 2018, we added two new features to our ADP medical plans. We introduced Livongo, a diabetic management program, and integrated RxSavings Solution, a program designed to save associates' money on their prescription medications.

Wellness centers

We began offering onsite health centers in 1992 and have since expanded to 12 sites across the U.S. Associates appreciate and value this benefit, with more than 70 percent capitalizing on their availability. Of survey respondents, there was an over 95 percent satisfaction rating. Wellness centers are also available in some countries outside of the U.S.



95+%

Satisfaction rating
at U.S. Wellness
Centers

Training and development

The ability to offer insightful expertise is one of our core values. Developing the skills and knowledge of our employees not only benefits the Company and our associates, it provides unmatched value for our clients.

Trainings

To ensure that our associates are ready for now and tomorrow, we invest heavily in trainings. These include:

- **Basic training:** The ADP HCM Basic Certificate allows our associates to gain the knowledge and skills necessary to establish our value proposition, address clients' HCM issues and deliver a consultative approach.
- **Customer experience:** Our Telephone Excellence training uses industry-leading best practices such as emotional intelligence training, which enables our associates to create engaged and consistent customer experiences.
- **Data Privacy and compliance:** In 2018, we augmented our compliance learning to proactively meet new requirements in the EU and global marketplace. We added course content to reinforce new data privacy and security measures and enhanced our code-of-conduct course.
- **Diversity and inclusion:** We provide training at every stage of our associates' careers, from entry-level to leadership positions.

Other key educational opportunities include trainings on remedial skills, safety, sales, IT skills and more. These courses are implemented through innovative presentation methods including in-person, peer-facilitated and virtual classroom modalities. Measures are taken pre- and post-learning to help us identify improvements, learning and return on investment.

Career development

We recognize that career growth and development are top engagement drivers for our associates. Therefore, we provide easy access to on-site and online world-class training and professional development programs for associates to increase productivity and personal satisfaction. Career development opportunities include:

- Ongoing 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



During 2018,
72 percent of
ADP associates
participated in
instructor lead
training.

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 Español Para Ti.

ADP's **DriveYourCareer** program allows associates to include mobility and career preferences as part of their career profile. In turn, managers use this information to have productive discussions with associates about their career growth. We also created Centers of Excellence to enable synergies between business units and expand career opportunities in several local regions.

Accelerating Performance

We encourage our team leaders to give frequent attention and guidance to their team members rather than simply providing occasional "feedback," which can come across as negative or demotivating. Since 2018, team leaders receive specific coaching tips from [StandOut](#), our new employee engagement tool, based on the tool's assessment of each team member.

[StandOut](#) is also changing annual performance reviews at ADP. Instead of one annual meeting, we hold quarterly debrief conversations, informed by regular short performance assessments that allow managers to quickly evaluate their team members' performance.

Co-ops and internships

We recruit and evaluate students from 70+ colleges and national partners for full-time positions. We offer both [co-op and internship opportunities](#) that give them industry exposure and a chance to learn about our Company culture and operations.

Mentorship programs

These relationships provide invaluable guidance for new hires and help them unlock their full potential within the Company. We encourage new employees to find a mentor early in their career at ADP and support experienced associates in offering mentorships. Business Resource Groups are a great resource for establishing mentor connections.

myVoice

Following the transition of our employee engagement measurement to StandOut, ADP initiated an annual culture survey, myVoice, which provides associates an opportunity to share their opinions on important topics, including ethics, social responsibility, innovation and leadership, among others. Eighty-one percent of our associates participated in the survey. Overall, ADP's culture ranked 75 percent favorable with ethics and social responsibility ranking highest.



Awards and recognition

[World's Most Admired Companies](#) (2006–2019)

Fortune Magazine

[NAFE Top Companies for Executive Women](#) (2018)

Working Mother® Magazine

[Bloomberg Gender Equality Index](#) (2018–2019)

Bloomberg

[100% Corporate Equality Index Rating](#) (2010–2019)

Recognizing ADP as a best place for Lesbian, Gay, Bisexual and Transgender (LGBT) employees to work

Human Rights Campaign Foundation

[America's Best Employers for Diversity](#) (2018–2019)

Forbes Magazine

[Top 100 Innovators in Diversity & Inclusion](#) (2018)

Mogul

[Best Places to Work in Information Technology](#)

(2010–2017)

Computerworld® Magazine

[Best Companies for Multicultural Women](#) (2016–2019)

Working Mother® Magazine

[Top 50 Companies for Diversity](#) (2016–2019)

DiversityInc® Magazine

[Corporate Inclusion Index](#) (2016–2018)

Hispanic Association on Corporate Responsibility (HACR)

[100 Best Companies](#) (2016, 2018–2019)

Working Mother® Magazine

[Training Top 125](#) (Top Companies for Training, 2011–2019)

Training Magazine

[Top 100 Companies for remote, part-time and flexible jobs](#) (2018)

flexjobs.com

[Top 10 Companies for Working Mothers India](#) (2018)

Working Mother® Magazine and AVTAR



For more information about awards and recognition, visit our [website](#).

Community

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



Philanthropy and volunteering

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 do business.

ADP Foundation

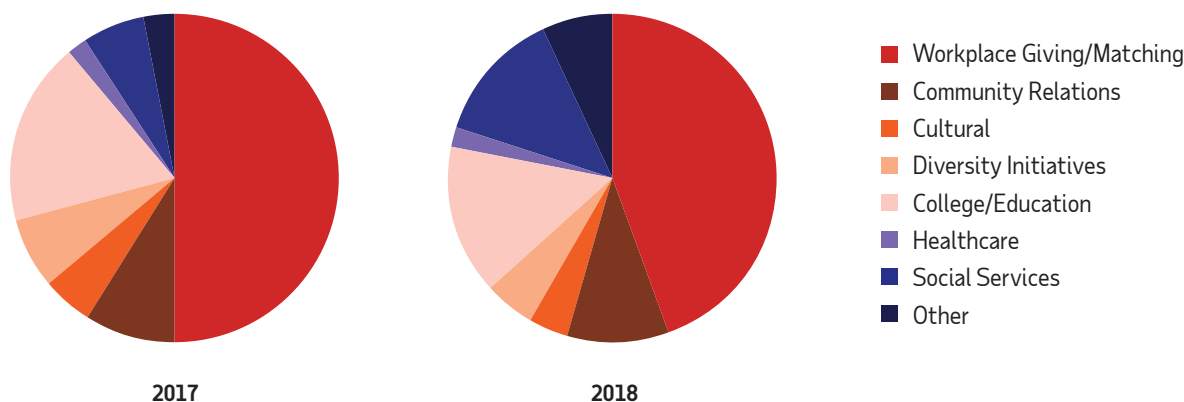
The ADP Foundation is the heart of our corporate social responsibility (CSR) initiatives. It amplifies the impact of associate giving to causes that align with our values and corporate social responsibility focus areas.

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



ADP Foundation Contribution Allocation



In 2018, the ADP foundation matched \$4.5M of associate charitable donations, an increase of 11% compared to 2017.

Supporting education and employability

We believe that improving employability is core to sustaining our business. By helping people around the world access the skills and opportunities they need to succeed, we are not only building a stronger foundation for our Company, but also for society and the world economy.

We provide 50 scholarships annually for college-bound children of ADP associates, through the Henry Taub Scholarship Program. Since the inception of the program, The ADP Foundation has awarded more than \$5 million. In addition, we also offer scholarships to select colleges and universities that target academically strong minority students with financial need. The ADP Foundation provided more than \$1.5 Million for education-based grants and scholarships during the 2017–2018 academic year.

Advancing women in STEM

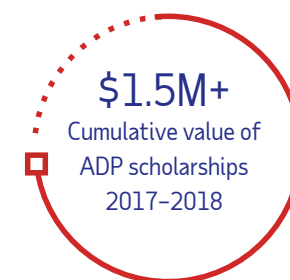
Women are significantly under-represented in the high-paying field of science, technology, engineering and math (STEM). ADP is doing its part to address this

discrepancy by providing scholarships, internships, mentoring and professional development opportunities to empower women pursuing STEM careers. ADP partners with organizations like [AnitaB.org](#), [Fairygodboss](#), [Women in Technology](#) and [Catalyst](#) to help us attract qualified women to STEM jobs and other roles. We also support [Girls Who Code](#), an organization that introduces STEM education early in the career pipeline.

Beginning in 2018, the ADP Foundation initiated additional annual scholarships totaling \$200,000 for students with specialties in STEM.

MIDAS: Making an impactful difference at school

Since being established in 2008 by ADP India, MIDAS has expanded from 5 schools to its current partnership with the Pratham Educational Foundation, supporting 20 schools. MIDAS remodels and transforms schools in India, creating early childhood education programs, primary and upper literacy classes and computer courses. MIDAS has impacted over 20,000 students, 150 of them with special needs. The program has been brought to 65 schools across 80 communities in Hyderabad and Pune.



Beginning in 2018, the ADP Foundation initiated additional annual scholarships totaling \$200,000 for students with specialties in STEM.

Humanitarian initiatives

We believe that every person deserves a safe, satisfied and fulfilling life, and that starts with meeting basic needs. ADP is proud to actively address the issue of hunger around the world.

The ADP Foundation has donated more than \$2.5 million to Feeding America's network of food banks throughout the U.S. since 2008. In 2018, we reached a major milestone in our support of [Rise Against Hunger](#). ADP associates have now packed over one million meals for impoverished people in Cambodia, Haiti, El Salvador, the Philippines, Uganda, Vietnam and Zambia. In 2018 alone, 1,500 ADP associates helped package more than 300,000 meals.

The ADP Foundation and our associates also give time and money to Habitat for Humanity, a long-standing partner since 2003. In 2018, ADP donated \$175,000 and helped build homes alongside the future homeowners.

Employee giving

ADP's myGiving online tool allows associates to donate to their choice of thousands of charitable organizations. ADP associates in the U.S. can also participate in our Matching Gift Program, in which donations to eligible nonprofit organizations are matched up to \$5,000 per associate per calendar year. Executive Committee members are eligible to up to a \$20,000 match, while executive level leaders are matched up to \$10,000 for their donations. In 2018, associate donations, including matches, totaled \$7.3 million, which represents a 22 per cent increase over the last two years.



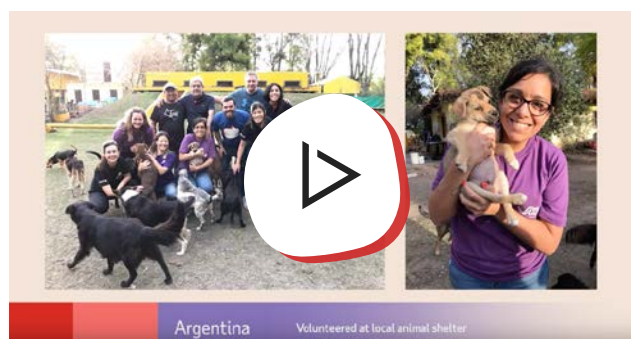
In 2018 alone, 1,500 ADP associates helped package more than 300,000 meals.

Employee volunteering

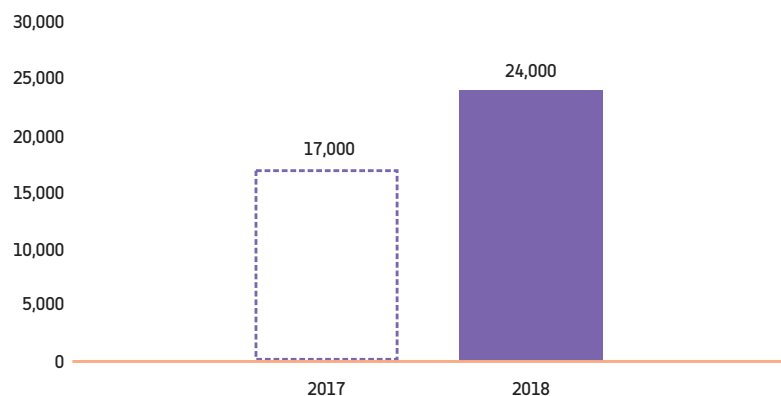
Our associates report that they feel more engaged and purposeful when they can use their skills to benefit causes they care about. So, we do our best to encourage and reward their work as active citizens and foster their contributions to their communities.

In 2018, our associates around the world completed more than 100 volunteer initiatives during our global Month of Caring in May. Over 12,000 associates volunteered 24,000 hours and donated over \$530,000 to more than 1,200 charitable organizations.

In the U.S., we also have a Volunteer Paid Time Off Program that gives associates eight hours of paid time off per year to engage in community service during a regular workday. In 2018, associates volunteered 52,500 hours, a 16 percent increase compared to 2017.



Year over Year Volunteer Hours



In 2018, associates volunteered 52,500 hours, a 16 percent increase compared to 2017.

Supplier diversity

We recognize that creating partnerships with diverse suppliers, including women, veterans and the LGBTQ community, is a powerful business advantage and an opportunity to recognize the world we want to live in.

Making progress

ADP's Supplier Diversity Program had a successful year in 2018. Our achievements included:

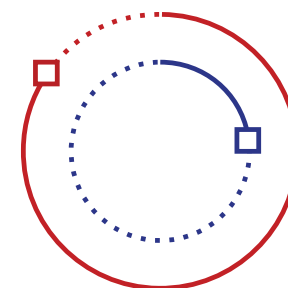
- In 2018, diverse spend was 22 percent of procurement spend, an increase of 2 percent from 2017.
- 84 percent diverse spend increase from 2015 to 2018
- In 2018, overall diverse spend increased 6 percent year over year.
- 2018 Tier 2 spend increased by 31 percent, compared to 2017.

Many diverse businesses are small businesses—some of which are also ADP clients. Supplier mentorship at ADP features one-on-one work, group discussions and summits to help new and existing suppliers improve their ability to do business with a large corporation.

Our supplier diversity goals

We are pleased with the progress we've made and want to keep moving the needle. Our goals for 2020 are:

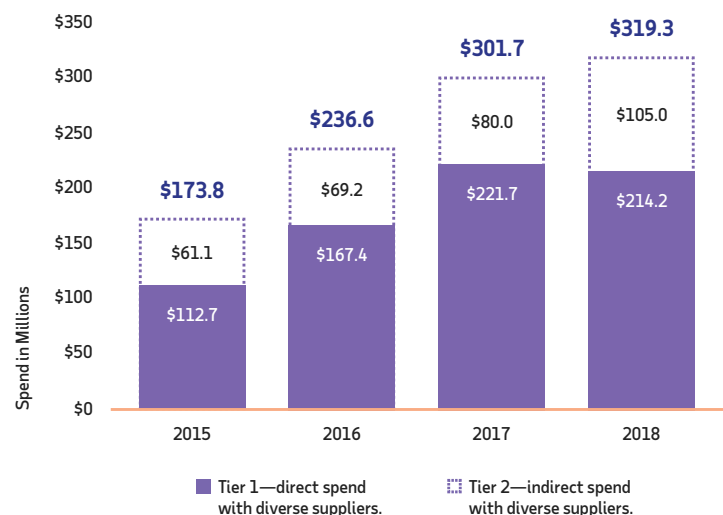
- Increase diverse supplier spend by 10 percent
- Onboard up to 10 new diverse suppliers
- Increase business with LGBTQ suppliers



84%
Diverse spend
increase from
2015 to 2018

22%
Supplier
diversity
spend in 2018

**Supplier Diversity Spend
Fiscal Year over Year (U.S. Only)**



Elevating communities around the world

Following our mission to support the communities where we live and work, ADP is committed to making meaningful contributions to leading charitable organizations. In particular, our global offices and teams have found unique ways to contribute to their local communities. We'd like to highlight some of these initiatives.

Netherlands

At ADP Netherlands, we're always looking for ways to help our community. We actively support charities and encourage individual, associate-driven philanthropy through various initiatives and programs.

Donate a Day

Donate a Day was developed by ADP Netherlands in cooperation with UNICEF in 2016 in response to the 93 million vacation days that go unused annually. This initiative encourages employers to allow employees to donate the value of a vacation day to a cause of their choice.

With only one donated day, UNICEF can provide eleven children clean drinking water for a year, save two children from malnutrition, or provide 140 vaccines. In 2018, ADP Netherlands raised \$165,000 in partnership with four of our clients for UNICEF.

Other examples of our 2018 initiatives included:

- Making new parent kits for struggling parents with Stichting Babyspullen, and organizing a fundraiser for baby garments to amplify our impact.



In 2018, ADP Netherlands raised \$165,000 in partnership with four of our clients for UNICEF.

India

ADP India has a comprehensive CSR program called *Tarang* (a wave). With the motto of working “Together for a Better Tomorrow,” Tarang aims to create a wave of positive change in society. We believe that our communities will develop by empowering women, and providing quality education and employment skills to children.

In 2018 approximately 5,600 associates spent more than 6,500 hours helping more than 45,000 individuals and supporting 19 different charity organizations. Our efforts involved:

- Helping students through our Making an Impactful Difference at School program, which gained ADP recognition as the Best Company for Educational Initiatives in 2018 by Hyderabad Software Enterprises Association.
- Installing two safe water ATMs in Hyderabad, benefitting around 8,000 people.
- Hosting a blood donation drive, where 93 associates gave enough blood to save 279 lives.

- Sponsoring “Jog for a Cause” to fundraise for the United Way health charity.
- Rebuilding orphanages in the state of Kerala, which was hit with its deadliest flood in almost a century, helping over 400 children rebuild their lives.
- Our *Jeevika* initiative provides financial independence to women from some of the most impoverished communities of Hyderabad and Pune by offering training in vocational skills such as stitching, sewing and henna art. Over the last year, approximately 140 women have been trained at these centers.



Spain

Throughout the year, our team in Spain worked hard to assist those in need through volunteering and fundraisers. For example, we helped by:

- Hosting multiple fundraisers for the Spanish Association Against Cancer, raising almost \$2,500. Our Games Against Cancer event was recognized as the “Best Social Presence” action in 2018.
- Teaming up with Red Cross for our Win as One charity event, where we invited all our associates to prepare and donate 150 necessity packs for at-risk children and families.
- Supporting 50 employees in planting 54 trees, setting up a specialized irrigation system and installing 20 shelters for bats in a nature reserve as part of our Carbon Emission Offset project.

Canada

Our efforts in Canada supported diversity and inclusion, with programs designed for all people in the community. In 2018, we upheld this mission by:

- Supporting Chez Doris, a day shelter that provides refuge for women.
- Organizing and hosting a fundraiser for Youth Without Shelter’s breakfast program, which gave students the nutrients they need to thrive.
- Volunteering at Moisson Montreal, a charitable organization that provides food donations to those in need.

- Giving lessons, instruction and mentorship to local students in May and June through Junior Achievement, the largest youth business education organization in the country.
- Supporting Fondation du Dr. Julien, a foundation dedicated to ensuring vulnerable children have access to social pediatric care, which improves their health and helps them develop their full potential.

France

Our charitable efforts in France focused on empowering people, now and into the future. Through volunteering and donations, we fostered an inclusive workforce internally and externally, prepared the next generation of workers, and helped our vulnerable populations. We accomplished this by:

- Hosting a charity race across France that raised \$36,000 for children battling cancer.
- Organizing and hosting an “Olympic Games” fundraiser for multiple organizations that help France’s youth.
- Connecting impoverished students with more than 30 working mentors through our Youth Program Challenge.
- Hosting a charity sale to raise funds for Children of Mekong, an organization focused on helping the children of Southeast Asia.



Czech Republic

From donations to blood drives, our Czech offices work hard to elevate their communities. In 2018, our major philanthropic efforts included:

- Donating time and money to the House of Three Wishes, a local organization that supports children in need.
- Hosting a charity run for both Svetlaska, a blind community, and TeriBear, an organization helping disadvantaged children.
- Organizing a biannual blood drive through local hospitals, so our associates could donate from the office.
- Collecting meal vouchers for Open Heart, an organization dedicated to supporting mothers in need.

Great Britain

In 2018 at ADP GBR, we organized 63 events, had 153 associates volunteer 894 hours, and donated over \$45,000 to charities. We were recognized for our efforts, receiving the Business Contribution to the Community Award for 2018, given by the Runnymede Council. Our time was spent:

- Volunteering to help children with disabilities and their families at the White Lodge Center.
- Promoting our “Move in May” event to fundraise for children fighting cancer.

- Raising awareness and funds for the homeless.
- Helping maintain the grounds at St. Peter’s Hospital and the National Trust.

Tunisia

At ADP Tunisia, we work hard to help those less fortunate or in difficult situations by providing critical resources. From students in school to hospital patients, we helped others in 2018 by:

- Providing blackboards to schools in disadvantaged regions.
- Organizing and hosting a Blood Donation Day, where 30 of our associates stepped up and donated.
- Organizing a food collection for Ramadan Basket, a charity that supports vulnerable families during the holy month of Ramadan, enabling us to feed 42 families for a month.
- Collecting warm clothes and blankets during our Warm Winter Action, allowing us to provide winter appropriate attire to 21 families.



In 2018 at ADP GBR, we organized 63 events, had 153 associates volunteer 894 hours, and donated over \$45,000 to charities.

Italy

Our associates in Italy made great strides in creating a more diverse and inclusive community. In 2018, we engaged by:

- Supporting iWIN (International Women's Inclusion Network) initiatives to improve female inclusion and empowerment at ADP.
- Volunteering and fundraising for the World Food Programme.

China

Our philanthropic efforts in China focused on the medical issues afflicting our most vulnerable populations. Our 2018 initiatives included:

- Hosting the Charity Night Bike Ride, a fundraiser for children with congenital heart disease.
- Sponsoring associates across five teams in biking 8 km to raise funds for the Shanghai Baby's Home, a charity that provides orphans with needed surgical care.
- Celebrating Earth Day by promoting recycling in and around our offices.

Brazil

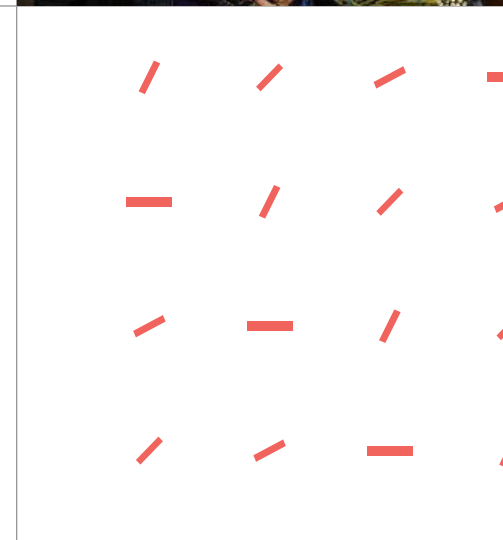
Our corporate social responsibility efforts in Brazil included:

- 625 lbs of food donated during the FIFA World Cup to Grandma & Grandpa Nursing Home.
- Sponsored #Girls for IT through Junior Achievement Brazil, introducing girls aged 17–22 to information technology.

Philippines

In the Philippines, ADP's 2018 initiatives were focused on education:

- Over 800 associates participated in Rise Against Hunger, providing students with meals.
- Donated 600+ back packs and school supplies, 65 pairs of school shoes and sponsored 10 college students.



Environment

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



Energy and greenhouse gas reductions

We are committed to improving energy efficiency in our facilities and reducing our greenhouse gas emissions associated with energy usage, vehicle fleets and air travel. ADP's main sources of greenhouse gas emissions are our office and data center facilities, and our current goal is to reduce emissions by 10 percent by the year 2020 in the United States through investments in efficiency and conservation.

Climate change and ADP

Climate change could have several potential impacts on our business. These include weather-related events interrupting business operations, supply chain disruptions, disruptions to our clients' businesses and possibly regulatory changes. Our ability to anticipate these impacts and take mitigation steps has clear implications for our business.

Energy conservation

Throughout 2018, ADP invested in energy reduction initiatives that improved efficiency, reduced energy demand and decreased our Company's contribution to climate change. Some examples include the installation of LED lighting; implementing new Building Management Systems (BMS) to automate control of ventilation, lighting and heating/cooling systems efficiency; and repairing heating water valves. In aggregate, our conservation efforts are estimated to have reduced our 2018 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 2018 emissions, visit CDP's website [here](#).

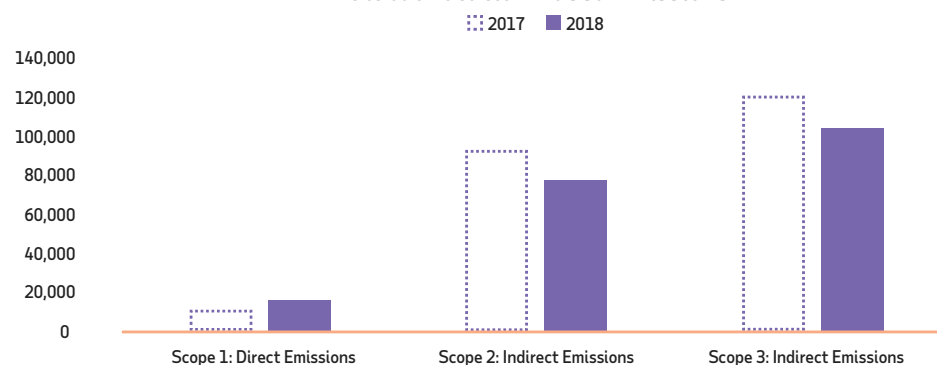
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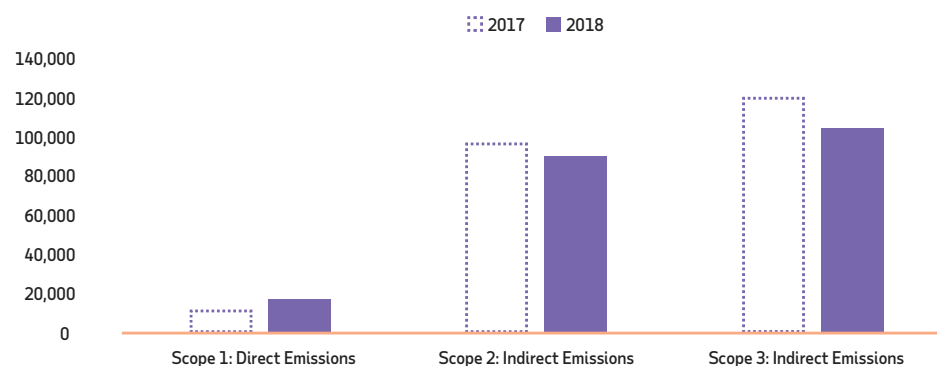
Emissions reduction

In 2018, ADP improved its data collection and management, and for the first time we are able to release both our 2018 and 2017 greenhouse gas scope 1, 2 and 3 emissions. ADP's direct emissions slightly increased from 2017 and 2018 while indirect emissions (scope 2 and 3) decreased.

Global Location-Based Emissions

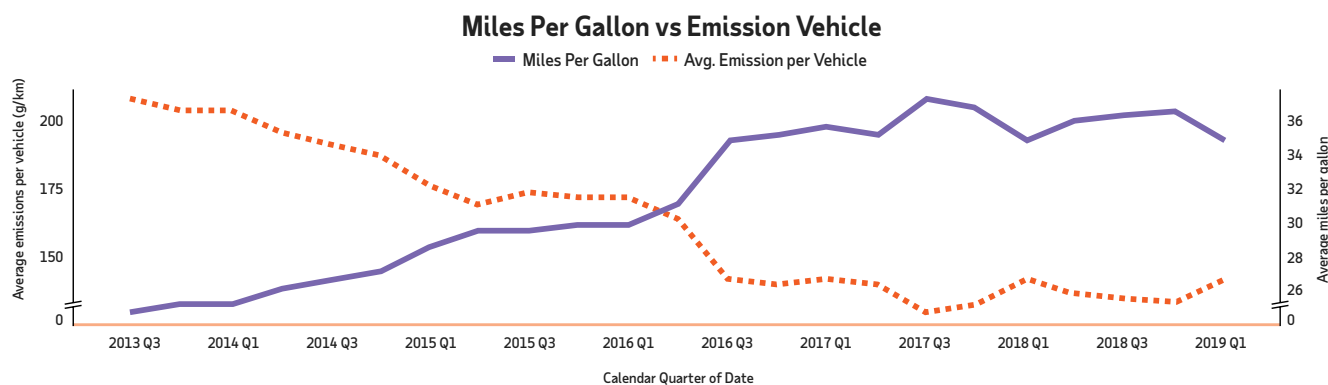


Global Market-Based Emissions



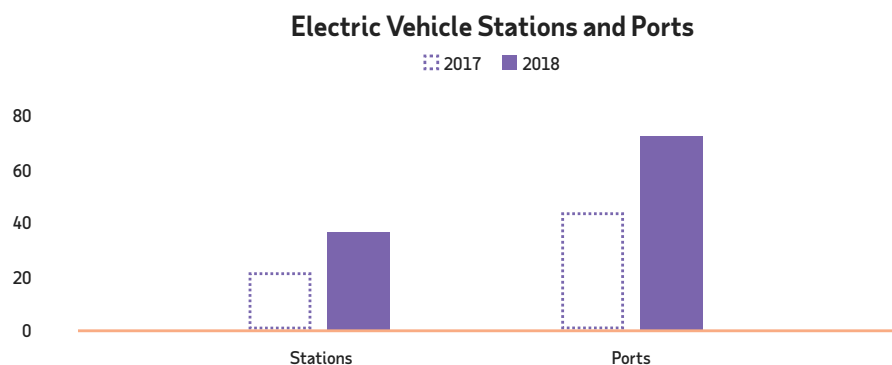
Fleet

As part of our commitment to reducing our greenhouse gas emissions, ADP is replacing 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 2018, our fleet emitted 11,000 metric tons of carbon, which represents approximately 5 percent of our total greenhouse gas emissions. This figure is accounted for in our scope 1 emissions in the figures on page 42.



Electric vehicle charging stations

In addition to ensuring access to public transportation and bike racks, ADP is increasing the availability of electric vehicle charging stations at our facilities. Part of all new lease negotiations include discussions between our Real Estate team and landlords regarding the possibility of installing electric vehicle (EV) charging units. From 2017 to 2018, the number of charging stations and ports increased, from 22 to 37 and 44 to 73, respectively.



In 2019, ADP is investing in upgrading all EV charging units in our portfolio. The new units will provide information on GHG emissions avoided and other information about EV usage at ADP. To accommodate the 150+ registered ADP electric vehicle drivers in the U.S., ADP plans to install four additional EV charging units.

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, it is still operating at 90 percent capacity. ADP will continue to look for opportunities to use alternative fuel technologies, like fuel cells and solar energy, in the future.

Building with LEED certification

ADP endorses and pursues certification according to the Leadership in Energy and Environmental Design (LEED) green building certification program in our construction projects whenever feasible. Projects built in accordance with LEED's guidance are more efficient and environmentally sustainable, thereby reducing costs and minimizing environmental impacts.

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 will continue to rationalize our data center network as we offload some ADP-hosted workloads. ADP has decommissioned 20 data center facilities since 2015, contributing to a reduction in carbon footprint.

LEED Gold

**Augusta, Georgia
(original building)**

One ADP Drive

**Chelsea Labs,
New York City**

135 West 18th Street

Pasadena, California

55 South Lake Street

LEED Silver

El Paso, Texas

7650 San Felipe Drive

Norfolk, Virginia

One Commercial Place

**Augusta, Georgia
Expansion**

One ADP Drive

Waste management

Paper

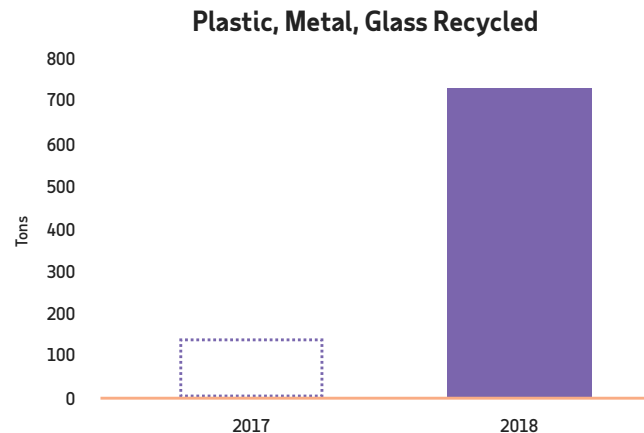
As a payroll and HR services provider, paper waste has historically been a major aspect of our environmental footprint. After recognizing the opportunity to reduce waste for both our clients and our own business, we began offering digitized services and launched paper waste reduction initiatives. Requests for electronic services in our Small Business Solutions division have increased from 5 percent in 2014 to 49+ percent in 2018. Additionally, since ADP's 2017 global "All Shred Campaign," paper shred has decreased by 14 percent, due to a reduction in print in the U.S. In all locations, ADP recycles paper through the shred program, and we rejuvenated the campaign in 2019 to include all paper based materials with new training on recycling.

Construction debris

ADP continues to require that construction debris from ADP buildings be recycled. Although we did not have any new construction projects in 2018, several buildings were updated. During the decommission process, workstations and unsalvageable items (that could not be donated) were recycled.

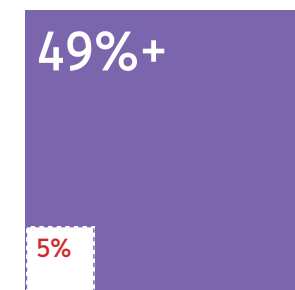
Plastic, aluminum and glass recycling

All ADP buildings include designated recycling containers and we encourage all associates to partake in minimizing our waste footprint. In 2018, ADP continued its large-scale recycling efforts, increasing associate participation by 70 percent from 2017. This translated into a 3.2x increase in plastic, aluminum and glass recycling and +500 tons of materials recycled.



This data is for 38 ADP managed sites, which represent two-thirds of the square footage real estate portfolio reporting plastic, metal and glass recycling.

Increase in Electronic Services in Small Business Solutions Division



2014 to 2018

+500 tons

A 70 percent increase in associate participation translated into a 3.2x increase in plastic, aluminum and glass recycling and +500 tons of materials recycled.

Electronic waste

ADP partners with an electronic waste recycler/reseller to reuse or recycle all components of our electronic waste. Prior to recycling, the data is removed from the electronics, which are then returned to the vendor when the lease expires. In 2018, ADP recycled 225 tons of electronic waste.

Gift-in-kind donations

During 2018, ADP continued to donate furniture and office supplies no longer needed to nonprofit organizations. In 2018, we donated 2,108 items valued at over \$110,000, resulting in the diversion of 10 tons of waste in the United States.

Cafeteria sustainable products

ADP requires our cafeterias and bistros to use sustainable products whenever feasible. Disposable serviceware is made from biodegradable materials, and cutlery is made from recycled plastic material. Three of our cafeterias have Food Waste Pulping Machines, contributing to ADP's mission of reducing our environmental impact. In 2018, we continued to prohibit all Styrofoam products and began recycling all cooking grease.



All of ADP's non-U.S. locations use biodegradable flatware.



Green initiatives

We organize green initiatives to encourage ADP associates to participate in ADP's sustainability efforts. In 2018, we continued the energy-reduction "Turn Off Monitors Campaign," donations of excess office supplies and furniture, and virtual meetings to engage associates around the world. We also publish a monthly newsletter describing various Company sustainability efforts.

ADP's corporate social responsibility group partners with local engagement volunteers to plan sustainability activities that benefit the community. These include making donations when we renovate or vacate our buildings, planting trees, working with Habitat for Humanity, cleaning waterways, and ride sharing programs.



FTSE4Good

GRI Index

In developing ADP's global corporate social responsibility report, we performed a benchmarking analysis to determine and prioritize our disclosures regarding the environmental, social and governance (ESG) activities and initiatives within our organization. We also prioritized alignment with our business strategy and priorities, namely:

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

Further, we evaluated our disclosures deemed to be priorities for our business and stakeholders against the Global Reporting Initiative (GRI) standards.

Our multi-dimensional approach to prioritizing our ESG areas of focus first draws from our talented pool of associates who have an astounding breadth of knowledge as it pertains to HCM, risk management and sustainable operations. We also benefit from engagement with other stakeholders such as clients, investors, suppliers, communities, policymakers and both governmental and non-governmental organizations. 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 Series | GRI Sub-series | GRI Disclosure # | GRI Disclosure Title | Source |
|----------------------------|----------------------------|------------------|--|---|
| 102 General Disclosures | 102—Organizational Profile | 102-1 | Name of the organization | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf |
| 102 General Disclosures | 102—Organizational Profile | 102-2 | Activities, brands, products, and services | https://www.adp.com/what-we-offer/products.aspx |
| 102 General Disclosures | 102—Organizational Profile | 102-3 | Location of headquarters | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf |
| 102 General Disclosures | 102—Organizational Profile | 102-4 | Location of operations | https://www.adp.com/worldwide-locations.aspx and also https://www.sec.gov/Archives/edgar/data/8670/000000867019000021/q4fy1910kwithexhibits.pdf#page=3 |

| GRI Series | GRI Sub-series | GRI Disclosure # | GRI Disclosure Title | Source |
|----------------------------|----------------------------|------------------|--|---|
| 102 General Disclosures | 102—Organizational Profile | 102-5 | Ownership and legal form | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf |
| 102 General Disclosures | 102—Organizational Profile | 102-6 | Markets served | https://www.sec.gov/Archives/edgar/data/8670/000000867019000021/q4fy1910kwi-theexhibits.pdf#page=3 |
| 102 General Disclosures | 102—Organizational Profile | 102-7 | Scale of the organization | https://s23.q4cdn.com/483669984/files/doc_financials/annual/2019/ADP-10K.pdf |
| 102 General Disclosures | 102—Organizational Profile | 102-6 | Markets served | https://www.sec.gov/Archives/edgar/data/8670/000000867019000021/q4fy1910kwi-theexhibits.pdf#page=3 |
| 102 General Disclosures | 102—Organizational Profile | 102-7 | Scale of the organization | https://s23.q4cdn.com/483669984/files/doc_financials/annual/2019/ADP-10K.pdf |
| 102 General Disclosures | 102—Organizational Profile | 102-8 | Information on employees and other workers | Page 19 of CSR Report |
| 102 General Disclosures | 102—Organizational Profile | 102-9 | Supply chain | Page 34 of CSR Report |
| 102 General Disclosures | 102—Strategy | 102-14 | Statement from senior decision-maker | Page 3 of CSR Report |
| 102 General Disclosures | 102—Strategy | 102-15 | Key impacts, risks, and opportunities | https://s23.q4cdn.com/483669984/files/doc_financials/annual/2019/ADP-10K.pdf |
| 102 General Disclosures | 102 - Ethics and Integrity | 102-16 | Values, principles, standards, and norms of behavior | Page 4 of CSR Report |
| 102 General Disclosures | 102—Ethics and Integrity | 102-17 | Mechanisms for advice and concerns about ethics | Page 7 of CSR Report and also https://www.adp.com/about-adp/corporate-social-responsibility/ethics.aspx#V |
| 102 General Disclosures | 102—Governance | 102-18 | Governance structure | https://www.sec.gov/Archives/edgar/data/8670/000120677419003299/adp3610941-def14a.htm#CorporateGovernance |
| 102 General Disclosures | 102—Governance | 102-19 | Delegating authority | Page 6 of CSR Report |

| GRI Series | GRI Sub-series | GRI Disclosure # | GRI Disclosure Title | Source |
|----------------------------|----------------|------------------|---|--|
| 102 General Disclosures | 102—Governance | 102-20 | Executive-level responsibility for economic, environmental, and social topics | Pages 5–6 of CSR Report |
| 102 General Disclosures | 102—Governance | 102-21 | Consulting stakeholders on economic, environmental, and social topics | Pages 5–6 of CSR Report |
| 102 General Disclosures | 102—Governance | 102-22 | Composition of the highest governance body and its committees | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf |
| 102 General Disclosures | 102—Governance | 102-23 | Chair of the highest governance body | https://www.sec.gov/Archives/edgar/data/8670/000120677419003299/adp3610941-def14a.htm#BoardLeadershipStructure |
| 102 General Disclosures | 102—Governance | 102-24 | Nominating and selecting the highest governance body | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf as well as https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf#page=24 and https://www.sec.gov/Archives/edgar/data/8670/000120677419003299/adp3610941-def14a.htm#DirectorNominationProcess |
| 102 General Disclosures | 102—Governance | 102-25 | Conflicts of interest | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf and also https://www.sec.gov/Archives/edgar/data/8670/000120677419003299/adp3610941-def14a.htm#CorporateGovernance |
| 102 General Disclosures | 102—Governance | 102-27 | Collective knowledge of highest governance body | Pages 5–6 of CSR Report |

| GRI Series | GRI Sub-series | GRI Disclosure # | GRI Disclosure Title | Source |
|----------------------------|----------------------------|------------------|---|---|
| 102 General Disclosures | 102—Governance | 102-28 | Evaluating the highest governance body's performance | Page 5 of CSR Report and also https://www.sec.gov/Archives/edgar/data/8670/000120677419003299/adp3610941-def14a.htm#BoardCompositionandDirectorSuccession-Planning |
| 102 General Disclosures | 102—Governance | 102-29 | Identifying and managing economic, environmental, and social impact | Page 5 of CSR Report |
| 102 General Disclosures | 102—Governance | 102-30 | Effectiveness of risk management processes | Page 5 of CSR Report |
| 102 General Disclosures | 102—Governance | 102-31 | Review of economic, environmental, and social topics | Pages 5–6 of CSR Report |
| 102 General Disclosures | 102—Governance | 102-32 | Highest governance body's role in sustainability reporting | Page 6 of CSR Report |
| 102 General Disclosures | 102—Governance | 102-33 | Communicating critical concerns | Page 7 of CSR Report |
| 102 General Disclosures | 102—Governance | 102-35 | Remuneration policies | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf |
| 102 General Disclosures | 102—Governance | 102-38 | Annual total compensation ratio | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf |
| 102 General Disclosures | 102—Stakeholder Engagement | 102-40 | List of stakeholder groups | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf#page=15 |
| 102 General Disclosures | 102—Stakeholder Engagement | 102-42 | Identifying and selecting stakeholders | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf#page=15 |
| 102 General Disclosures | 102—Stakeholder Engagement | 102-43 | Approach to stakeholder engagement | https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf#page=15 |
| 102 General Disclosures | 102—Stakeholder Engagement | 102-44 | Key topics and concerns raised | Page 27 of CSR Report and also https://s23.q4cdn.com/483669984/files/doc_financials/proxy/adp_courtesy-pdf.pdf#page=15 |

| GRI Series | GRI Sub-series | GRI Disclosure # | GRI Disclosure Title | Source |
|----------------------------|---|------------------|--|---|
| 102 General Disclosures | 102—Reporting Practice | 102-45 | Entities included in the consolidated financial statements | https://s23.q4cdn.com/483669984/files/doc_financials/annual/2019/ADP-10K.pdf |
| 102 General Disclosures | 102—Reporting Practice | 102-46 | Defining report content and topic Boundaries | Page 48 of CSR Report |
| 102 General Disclosures | 102—Reporting Practice | 102-47 | List of material topics | Page 48 of CSR Report |
| 102 General Disclosures | 102—Reporting Practice | 102-48 | Restatements of information | https://s23.q4cdn.com/483669984/files/doc_financials/annual/2019/ADP-10K.pdf |
| 102 General Disclosures | 102—Reporting Practice | 102-53 | Contact point for questions regarding the report | dawn.verrinder@adp.com |
| 102 General Disclosures | 102—Reporting Practice | 102-55 | GRI content index | Page 48–54 of CSR Report |
| 200 Economic | 201 Economic Performance | 201-1 | Direct economic value generated and distributed | https://s23.q4cdn.com/483669984/files/doc_financials/annual/2019/ADP-10K.pdf |
| 200 Economic | 201 Economic Performance | 201-2 | Financial implications and other risks and opportunities due to climate change | Page 40 of CSR Report |
| 200 Economic | 201 Economic Performance | 201-3 | Defined benefit plan obligations and other retirement plans | https://s23.q4cdn.com/483669984/files/doc_financials/annual/2019/ADP-10K.pdf |
| 200 Economic | 203 series Indirect Economic Impacts | 203-1 | Infrastructure investments and services supported | Page 30 of CSR Report |
| 200 Economic | 203 series Indirect Economic Impacts | 203-2 | Significant indirect economic impacts | Page 12 of CSR Report |
| 200 Economic | 204 series Procurement Practices | 204-1 | Proportion of spending on local suppliers | Page 34 of CSR Report |
| 300 Environmental | 301 series Materials | 301-1 | Materials used by weight or volume | Page 45 of CSR Report |
| 300 Environmental | 302 series Energy | 302-1 | Energy consumption within the organization | Page 43 of CSR Report |
| 300 Environmental | 302 series Energy | 302-4 | Reduction of energy consumption | Page 42 of CSR Report |

| GRI Series | GRI Sub-series | GRI Disclosure # | GRI Disclosure Title | Source |
|-------------------|----------------------------------|------------------|---|---------------------------------------|
| 300 Environmental | 305 series Emissions | 305-1 | Direct (Scope 1) GHG emissions | Page 42 of CSR Report |
| 300 Environmental | 305 series Emissions | 305-2 | Energy indirect (Scope 2) GHG emissions | Page 42 of CSR Report |
| 300 Environmental | 305 series Emissions | 305-3 | Other indirect (Scope 3) GHG emissions | Page 42 of CSR Report |
| 300 Environmental | 305 series Emissions | 305-5 | Reduction of GHG emissions | Page 42 of CSR Report |
| 300 Environmental | 306 Effluents & Waste | 306-2 | Waste by type and disposal method | Page 45 of CSR Report |
| 400 Social | 401 Employment | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Page 24 of CSR Report |
| 400 Social | 401 Employment | 401-3 | Parental leave | Page 24 of CSR Report |
| 400 Social | 403 Occupational Health & Safety | 403-2 | Hazard identification, risk assessment, and incident investigation | Page 25 of CSR Report |
| 400 Social | 403 Occupational Health & Safety | 403-3 | Occupational health services | Page 25 of CSR Report |
| 400 Social | 403 Occupational Health & Safety | 403-5 | Worker training on occupational health and safety | Page 25 of CSR Report |
| 400 Social | 403 Occupational Health & Safety | 403-6 | Promotion of worker health | Page 25 of CSR Report |
| 400 Social | 403 Occupational Health & Safety | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Page 25 of CSR Report |
| 400 Social | 404 Training & Education | 404-1 | Average hours of training per year per employee | Page 26 of CSR Report |

| GRI Series | GRI Sub-series | GRI Disclosure # | GRI Disclosure Title | Source |
|---------------|--------------------------------------|------------------|--|---|
| 400 Social | 404 Training & Education | 404-2 | Programs for upgrading employee skills and transition assistance programs | Page 26 of CSR Report |
| 400 Social | 404 Training & Education | 404-3 | Percentage of employees receiving regular performance and career development reviews | Page 27 of CSR Report |
| 400 Social | 405 Diversity & Equal Opportunity | 405-1 | Diversity of governance bodies and employees | Page 19 of CSR Report |
| 400 Social | 406 Non-discrimination | 406 | Management approach disclosures | https://www.adp.com/about-adp/corporate-social-responsibility/ethics.aspx |
| 400 Social | 413 Local Communities | 413-1 | Operations with local community engagement, impact assessments, and development programs | https://jobs.adp.com/life-at-adp/diversity-inclusion/ |
| 400 Social | 413 Local Communities | 413-1 | Operations with local community engagement, impact assessments, and development programs | Page 30 of CSR Report |
| 400 Social | 415 Public Policy | 415-1 | Political contributions | Page 8 of CSR Report |

