

# UKG Environmental, Social, and Governance (ESG) Policy

At UKG our purpose is people™. Our people-centered culture seeks to empower and inspire greatness so that we can care for each other, our families, our customers, and our communities. Conscientious Environmental, Social, and Governance (ESG) activities are critically important to us and our stakeholder groups and will help define our future success as a company. This Policy, together with our [Environmental Policy](#), [Human Rights Policy](#), [Code of Conduct](#), [Third Party Code](#), and other operational policies, demonstrates our commitment to ESG practices and operations. Specific metrics, alongside governance we have put in place around the core pillars of our ESG program, hold us accountable and allow transparent assessment as to how UKG is performing against our commitments.



Chris Todd,  
Chief Executive Officer, UKG

## Scope of Our Commitment

We firmly believe in doing right by doing good — for our employees (U Krewers), our customers, and our communities. When people feel valued, that their job has meaning, and that they belong, their innovative and engaged spirit is unlocked and they’re empowered to tap into their unique talents for the good of others. Our ESG efforts speak directly to the UKG ethos that our purpose is people. We work to incorporate ESG criteria in our processes to make more informed, responsible, and socially conscious decisions. We recognize that, as an industry leader, we are uniquely positioned to facilitate positive change by acting legally and ethically, reducing our environmental footprint, respecting individual privacy rights, and maintaining robust data security practices, respecting human rights, maintaining our labor practices, engaging in responsible sourcing, and by delivering high quality, innovative products. We also believe that we can serve as a catalyst for action by our partners.

The UKG ESG initiative is a key component of our commitment to our employees, our customers, and our communities. We know that transparency is critical to sharing our values, partnering with our stakeholders, and continually increasing our social impact. With the commitment to transparency and oversight, we underpin ESG thinking within our overall strategy and leverage the expertise of leaders throughout the company via a robust governance structure. This Policy describes our commitment to establishing and continually improving our ESG practices throughout the organization, being transparent about our successes and shortcomings, and telling you where to go if you have questions or to report concerns. Learn more about our ESG program in our latest [Global Impact Report](#).



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## ESG Practices Throughout the Organization

*Our ESG program serves to coordinate and optimize activities we manage in support of our beliefs, identify opportunities to grow and strengthen our commitments and demonstrate the positive impacts we make through measurable progress and tangible results.*

### Environmental

We care deeply about our environmental impact and our responsibility to take care of the world in which we live and work. UKG aims to reduce greenhouse gas (GHG) emissions, conserve energy, minimize waste, reuse, and recycle materials, and improve employee health and safety — where feasible — to minimize our impact on the environment. Our approach is outlined in our [Global Environmental Policy](#).

- **Climate Change:** We recognize that climate change presents a challenge to all of us and as such, dedicated UKG teams are focused on deploying programs designed to mitigate climate change while allowing us to conduct our business with respect for the right to a clean, healthy, and sustainable environment. UKG strives to continually measure, manage, and minimize energy use and resulting GHG emissions by expanding our programs and evaluating our progress through internal and external voluntary audit processes each year.
  - **Our Office-Based Footprint:** Our environmental principles, including [green-cleaning initiatives](#), permeate the management of our physical workspaces. As part of our standard set of processes, we work closely with landlords on building maintenance and preparedness for anticipated chronic changes in climate, such as increased temperatures and decreased water availability. We actively partner with building managers to enhance our vision of an energy-efficient space that does not cause harm to the environment.
  - **Our Cloud-Based Footprint:** In addition to supporting our own goal of reducing UKG's carbon emissions, our SaaS (software as a service) products and services, continued investment in the transformation towards cloud computing, virtual server expansion, and more energy-efficient methods for data backup and data purging enable our customers to be much more energy efficient, ultimately supporting client climate change-related strategies.
- **E-Waste:** Though UKG primarily operates in the cloud, it's important to also focus on reducing our electronic waste (or e-waste), including recycling of electronic equipment. Current efforts include optimizing our business applications and storage, continually evolving cloud-data lifecycle management, and relying on more energy-efficient data centers.
- **Waste:** As part of our sustainability initiatives, we strive to maintain our facilities and responsibly operate our business. Our efforts to reduce and minimize solid waste as well as increase recycling and waste diversion are ongoing — as are our efforts to identify and decrease our consumption of natural resources.

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## Social

We believe that we can only achieve business success when we support and empower people, from employees and customers to investors and partners, as well as the communities we serve across the globe. To bring our people-driven purpose to life, we have established both internal and external programs designed to create an engaging, supportive, and equitable environment for all.

- **Customer Satisfaction and Success:** Our spirit of continuous innovation is inspired by a deep understanding of what UKG customers and their people need most to be happy and thrive. We care deeply about our customers' long-term success, and we build meaningful relationships that evolve with their needs and priorities, which is why we are committed to continuously investing in our customer experience (CX).
- **Diversity, Equity, Inclusion, Belonging, (DEI&B) and Social Impact:** We believe DEI&B are business imperatives, and our overall strategy focuses on more than hiring, developing, and retaining a diverse, global UKG workforce. We encourage a culture of belonging, fostering an inclusive environment that celebrates differences and maximizes innovation. We know that diversity and inclusion strengthen teams, and we work every day to foster a culture of trust, empowerment, equity, and belonging.
  - **Diversity, Equity, Inclusion, Belonging, (DEI&B):** Uniquely valuing our U Krewers, customers, and partners helps us realize our corporate purpose. DEI&B at UKG starts with making our company a place where unique identities and perspectives are not only welcomed but also sought out, celebrated, and well represented. Our work continues as we champion a culture of trust, equity, and belonging for all people and a workplace where all employees have abundant opportunities to grow. To be a true leader in DEI&B and empower our U Krewers and customers to thrive, we must also drive positive change by investing in and partnering with organizations that work to build a diverse and inclusive future for every individual.
  - **Social Impact:** At UKG, we firmly believe in supporting our communities. Throughout the year, we partner with a variety of nonprofits, participate in philanthropic initiatives, and provide charitable support worldwide. Every day, we are focused on helping people across the areas of health, human services, and education.
  - **Supplier Diversity:** Our commitment to DEI&B also extends through our supply chain. We recognize that a diverse supply chain helps represent local markets, and we depend on these suppliers' contributions to support our teams and serve our customers around the world.
- **Talent and Culture:** We could not do what we do without the incredible commitment, passion, and work of our talented U Krewers. Delivering world-class solutions that help organizations better serve their people all starts with the ways we care for our people. Around the world, we have practices in place to ensure all U Krewers can flourish at every stage of their careers, from pre-hire to retirement,

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and the moments that matter in between. Our goal is for their UKG experience to make them better in every possible way.

## Governance

At UKG, we operate under our corporate values of United, Kind, and Growing. These values underpin our corporate governance charter and our commitment to conduct business legally, ethically, transparently, and with integrity everywhere in the world where we do business. Compliance is embedded in our culture. It's more than a check-the-box exercise. To us, compliance means acting with integrity and living our UKG values.

U Krewers demonstrate these values when they read policies and standards, participate in training, and speak up when something doesn't feel right. We know that acting with integrity builds trust, and by upholding our values consistently, we earn and maintain trust, foster a culture of accountability, protect our reputation, and demonstrate that our purpose is people.

- **Cybersecurity:** UKG is committed to preserving the confidentiality, integrity, and availability of all physical, electronic, and informational assets as they relate to our enterprise networks, cloud solutions, and services. We are also committed to protecting our products and services from security threats, whether internal or external, deliberate, or accidental.
- **Governance and Business Ethics:** We are committed to doing the right thing for our employees, customers, partners, and communities we serve around the globe. We actively work to earn and maintain trust by showing consistency between our words and actions and by taking personal and collective responsibility for the decisions we make and the outcomes that follow. As part of this commitment, we have built a comprehensive library of policies, trainings, educational tools, and governance structures that are designed to help employees understand, embrace, and live our values and standards of expected behavior and to uphold our legal obligations.
  - The UKG [Code of Conduct](#) applies to all employees worldwide. Every U Krewer is required to acknowledge our Code of Conduct when they join UKG and annually thereafter.
  - The UKG [Human Rights Policy](#) highlights our commitment to respecting internationally recognized human rights in our operations, which includes those of our own employees, those in our supply chain, our products, and our communities.
  - UKG [complies](#) with modern slavery-prevention laws, including the Modern Slavery Act 2015 (U.K.) and the Modern Slavery Act 2018 (Australia).
- **Supply Chain Management:** We believe in developing and maintaining a culture where our partners support and practice our values, including abiding by our [Third Party Code](#). This Code outlines our expectations regarding anti-discrimination, modern slavery prevention, union membership, fair treatment, compensation and working hours, anti-corruption and gifting, confidentiality, intellectual property rights, privacy, grievance channels and non-retaliation, workplace safety, environmental responsibility, health and safety training and communication, and responsibly sourced materials.

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- **ESG Governance:** The UKG ESG Program has high-level oversight by our Board of Directors with executive accountability to the UKG Chief Legal Officer. The UKG ESG Operations Team is responsible for the day-to-day management of the Program and the implementation of this Policy.
- **Privacy and Data Protection:** Privacy and data security are top priorities for UKG and our customers. We are committed to providing direct, timely, and relevant information about our privacy, data security, and compliance practices. We continue to enhance communication with customers through our ESG transparency site.

## Transparency and Information Sharing

UKG is committed to promoting and sharing programs, progress, targets, and results with both internal and external stakeholders and communities, while creating opportunities for open dialogue and participation. In addition to maintaining an environment where candid communications are the expectation, we see mechanisms for reporting concerns as an important tool for identifying potential impacts. To be consistent with our commitment, we will report on our implementation of this Policy, our salient risks, and our efforts towards continuous improvement through our Global Impact Report, published statements (e.g., Privacy, Modern Slavery, etc.), and on [ukg.com](https://ukg.com).

## Benchmarking and Metrics

We are committed to holding ourselves accountable while ensuring we continually enhance our programs and future reporting efforts in alignment with recognized sustainability frameworks including, but not limited to, the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD), the United Nations Global Compact (UNGC), and the United Nations Sustainable Development Goals (UN SDGs). We intend to continue to participate in recognized, third-party ESG-centric questionnaires, including EcoVadis, CDP, and Sedex. We are also committed to performing periodic materiality assessments to inform our ESG priorities and initiatives.



### Questions/Reporting Concerns

If you have questions about our ESG Program, ESG practices, or this Policy, contact [esg@ukg.com](mailto:esg@ukg.com). If you know or suspect that this Policy has been violated, report it promptly to [ComplianceOfficer@ukg.com](mailto:ComplianceOfficer@ukg.com) or the [UKG ReportingLINE](#) (reports may be made anonymously where permitted by law).

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## Version History

Version #	Version Date	Effective Date	Policy Owner	Approver	Audience
1.0	March 2022	April 01, 2022	Compliance & ESG Operations	Peter Acton	All UKG employees
1.1	May 2023	June 30, 2023	Compliance & ESG Operations	Peter Acton	All UKG employees