

2022 HIGHLIGHTS &
FUTURE VISION

Environmental, Social, & Governance (ESG) Initiative

At UKG, our purpose is people. As the largest U.S.-based private enterprise software company, we are in a **unique position to make a difference in the world around us and to help build a better future for all people.**

Our [ESG initiatives](#) are a key component of our commitments to our employees, our customers, and our communities. To help build toward a better future for all people, **UKG has strengthened our corporate promises and we have held ourselves accountable by sharing our ESG goals and targets, publicly committing UKG to make informed, responsible, and socially conscious decisions** by incorporating ESG criteria into how we work. Check out what we're working toward, the resulting outcomes, and our future goals in more detail via the [2022 UKG Global Impact Report](#).

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ESG is core to the work we do every day at UKG and ties directly to our purpose: people. We know that our commitment to ESG will only enhance the culture we create for our U Krewers, the experience we create for our customers, and the support we provide to our communities around the world.

Chris Todd, CEO at UKG



Our ESG Priorities

In 2022, UKG **developed our first set of ESG targets**, aligned with the United Nations (UN) Sustainable Development Goals (SDGs) where we is best positioned to contribute. These forward-thinking targets are ambitious but realistic, and we have held ourselves **accountable to progress, achieve, and/or surpass each pillar** in a timely manner.



Environmental



Social



Governance

The results from the assessment helped define our areas of strategic focus, which are as follows:

Climate Change

- The reduction of internal and external company climate impact and resulting strategies for measuring, managing, and minimizing energy use and greenhouse gas emissions.

E-Waste

- The efforts to responsibly dispose of electronic waste and increase electronics recycling and waste diversion.

Waste

- The minimization of solid waste consumption and production, and the increase of recycling and waste diversion efforts.

Diversity, Equity, Inclusion, Belonging, and Social Impact

- The global strategic initiatives related to ensuring equity of representation, opportunity, compensation, and wellbeing for all team members. Accelerate social equity, opportunity, and impact, through global philanthropic initiatives and volunteerism for our employees, customers, and communities.

Talent and Culture

- The initiatives related to employee satisfaction, recruitment, talent retention, and company culture.

Customer Satisfaction and Success

- The programs related to long-term customer success and satisfaction with products, services, and relationships.

Governance and Business Ethics

- The practices — including our core values, code of conduct, and governance structure — related to corporate governance and operating ethically and with integrity.

Privacy and Data Protection

- The policies, practices, and protocols to protect and manage the collection, retention, and use of sensitive, confidential, and personally identifiable data.

Cybersecurity

- The policies, practices, and protocols to protect IT infrastructure, networks, and devices to secure customer and user data.

Our Environmental Responsibility



We care deeply about our environmental impact and our responsibility to take care of the world in which we live and work.

Our recent and ongoing efforts to **reduce our environmental footprint** include both our own corporate output and the sustainability and environmental practices of our trusted suppliers and vendors.

90%+ of UKG customers are cloud-based, contributing to reduction of physical material and optimizing energy efficiency.

1,700,000 kilowatt-hours (kWh) in estimated annual electricity savings resulting from optimized office-based footprint.

31,141 pounds of recycled e-waste, which equals a reduction of 895.16 pounds of toxic metals in landfills.

Looking Forward:

Our primary long-term goal is to achieve net-zero emissions across UKG by 2040 from a base year of 2022.

Our Social Commitment to People



When we are united and empowered to tap into our unique talents, everyone — our business, communities, countries, and world — benefits.

UKG encourages a culture of belonging and fosters an inclusive environment that celebrates differences and maximizes innovation. Giving is core to our culture, and we continue to use our platforms and resources to help others. These efforts help us work toward a world that cares for and empowers all people and protects our planet.

158% increase in employee resource group (ERG) membership with the launch of the UKG Belonging and Engagement Center.

96% of senior executives participated in active discussions about diversity, equity, inclusion, belonging, (DEI&B) and social impact after the launch of the Unified Foundational Learning program.

83% employee engagement score from our annual employee engagement survey.

Based on 2022 employee engagement survey

~5,000 customers, partners, and thought leaders in attendance (in person and virtual) at our annual customer conference, UKG Aspire — record attendance.

\$6 million invested in philanthropic initiatives and other programs impacting our global communities, which includes:

- **\$4 million** in philanthropic commitments to directly support critical causes benefiting more than 170 nonprofit organizations in the areas of health, human services, and education, helping facilitate the vital work they do every day to care for people across our global communities.
- **\$2 million** in additional financial support for nonprofits from programs throughout UKG, including our Close the Gap pay equity initiative and other DEI&B partnerships.

Looking Forward:

Our near- and long-term goals around equity of representation, social impact, supplier diversity, and customer experience.

Our Corporate Governance and Accountability Promise



We operate under the UKG corporate values of **United, Kind, and Growing**.

These values underpin our corporate governance charter and our commitment to **conducting business legally, ethically, transparently, and with integrity** everywhere in the world we operate. Compliance is more than a check-the-box exercise. It's embedded in our culture. To us, compliance means acting with integrity, doing the right thing, and living our UKG values. Every day.

99% completion rate for Code of Conduct training. U Krewers also participate in training on a broad range of topics, including anti-bribery and corruption, anti-money laundering, data privacy and security awareness, and workplace harassment prevention.

96%+ employee participation in data privacy and security education.

Established an AI Compliance Committee with legal and product representation.

Improved policy management by:

- Formalizing a regular policy review process.
- Enhancing the UKG Security Policy, which includes security requirements for the identification, protection, detection, response, and recovery of UKG technologies, facilities, and data.
- Updating our Global Environmental Policy to align with key focus areas and goals.
- Implementing the UKG Green Cleaning program to reduced hazardous chemicals, allergens, and pollutants.

Looking Forward:

In 2023, we intend to formalize and enhance our AI policies, while continuing to engage with third-party experts to ensure we appropriately address new and upcoming AI legal requirements.

We know that our commitment to ESG will only enhance the culture we create for our people, the experience we create for our customers, and the support we provide to our communities. For these reasons, we continue to advance our commitments and remain transparent on our progress to positively impact on our long-term value and further establish UKG as one of the world's greatest people companies.

FOR MORE INFORMATION, PLEASE VISIT
WWW.UKG.COM/ESG OR EMAIL US AT ESG@UKG.COM.



Our purpose is people

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