

2021 UKG ESG Report



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A Letter from Our President

At UKG, our purpose is people™. Every day, we're focused on empowering and inspiring people to greatness, so they have the support and resources needed to thrive. This focus begins with the way we treat our employees, our U Krewers, and extends to how we care for our customers, their people, and our local, national, and international communities.

This past year saw continued disruptions and uncertainties as we navigated an ongoing pandemic impacting millions of people across the world. At the same time, we continued to build on the momentum of our 2020 merger, which brought two incredible people companies together. Through it all, UKG remained committed to serving our people, customers, and communities. Because we know doing the right thing for people will always be the right thing to do.

Part of that commitment includes the expansion of our environmental, social, and governance (ESG) initiatives, which play a critical role in what we do every day and will help shape our long-term success as a global company. We are establishing and bolstering our ESG program across the organization, with significant investment and focus on diversity, ethics, compliance, and philanthropic projects.

This report covers our ESG strategies, activities, progress, metrics, and performance for 2021, including the following recent contributions:

Environmental: We created programs to support sustainable and renewable business practices, such as waste and energy management.

Social: We established the Chief Belonging, Diversity, and Equity Officer as a new executive-level role to strengthen our culture of trust, fairness, and equality, and we hired Brian K. Reaves for the role. Brian and the team he is building have already made invaluable contributions to UKG in a short time, surfacing the business imperative of diversity, equity, inclusion, and belonging, and UKG is infusing these principles into every aspect of our business.

Governance: We also formed an ESG Steering Committee, bringing leaders from diverse parts of the organization together to focus on our commitment to ESG and ensure alignment across the entire company.

In addition to the many benefits our focus on ESG brings to our people, our customers, and our communities, a thriving ESG program also creates real opportunities for UKG as a business. We know our customers and prospects increasingly consider our commitment to ESG when choosing to partner with us. ESG is also a priority for top talent, as employees and job candidates are more interested than ever in social and environmental issues, and they want to work for and grow with a company that's making positive contributions to society.

This report — together with our ESG Policy, Global Environmental Policy, Human Rights Policy, Code of Conduct, Third-Party Code of Conduct, and other policies — provides the operational framework for our ESG practices and reflects our commitment to enhancing our background in governance and corporate social responsibility (CSR).

Though this report is a look back, UKG continues to look forward. In 2022, we are continuing to enhance our programs, increasing our commitment, and advancing our innovation to support sustainability goals and shape a brighter future for all people.

Thank you for joining us on this rewarding journey.



Chris Todd
President, UKG

About This Report

The 2021 UKG® ESG Report covers our ESG strategies, activities, progress, metrics, and performance for the period of January 1 through December 31, 2021, unless otherwise noted. UKG is committed to regular, transparent communication of our ESG progress and will continue to provide updates about our ESG journey on at least an annual basis.

This report aligns with the Sustainability Accounting Standards Board's (SASB) Software and IT Services sector standard and the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

UKG is committed to doing the right thing for our employees, our customers, and our communities. This year, we have aligned our priorities to eight of the United Nations (UN) Sustainable Development Goals (SDGs). We are best positioned to contribute to the following SDGs:



About UKG



About Us

In 2020, Kronos Incorporated and Ultimate Software [merged](#) and formed UKG, a leading provider of HR, payroll, and workforce management solutions for all people.

As strong believers in the power of culture and belonging as the secret to success, we champion great workplaces and build lifelong partnerships with our customers. Our Life-work Technology™ approach to HR, payroll, and workforce management solutions for all people helps more than 70,000 organizations around the globe and across every industry anticipate and adapt to their employees' needs.

Our Vision

Inspire every employee. Support every business. Elevate every workplace.

Our Values

United: We are inclusive; We are collaborative

Kind: We are trusting/trustworthy; We are caring

Growing: We are agile; We are accountable



We are better together



We will do the right thing



We can make an impact

Our Commitments

We Advance Life-work Technology.

Unlike traditional human capital management (HCM) solutions, we anticipate people's needs, beyond just work, and thoughtfully adapt to meet them.

We Partner for Life.

We build meaningful relationships with our customers to deliver not only exceptional value, but, more importantly, confidence.

We Champion Great Workplaces.

As leaders in culture, we help customers realize what's possible when they invest in their own people.



UKG at a Glance

- Kronos Incorporated founded in 1977
- Ultimate Software founded in 1990
- UKG established in 2020
- Co-headquarters in Lowell, Mass., and Weston, Fla.
- 14,000+ employees, in 15+ countries
- 70,000+ total customers
- \$3.26B in revenue (2021)

Our Products and Services

We've created an unmatched suite of HR, payroll, and workforce management solutions, backed by our people, who care about our customers. Our solutions deliver global workforce experiences that truly reflect the connection between life and work today.



UKG Pro

HCM for midsize to large organizations. From payroll to talent to service delivery to surveys, and everything in between, Pro is the powerful HCM suite needed to drive people-focused results.



UKG Ready

Flexible HR, time, and pay for smaller organizations. Designed to simplify and delight, Ready combines the power of HR, talent, payroll, and time to deliver a personalized, people-centered experience that cuts out busywork, increases efficiency, and helps maintain compliance.



UKG Dimensions

Workforce management for midsize to large organizations. Built on an intelligent platform, Dimensions provides operational insights and elevates the greatest driver of success: people.



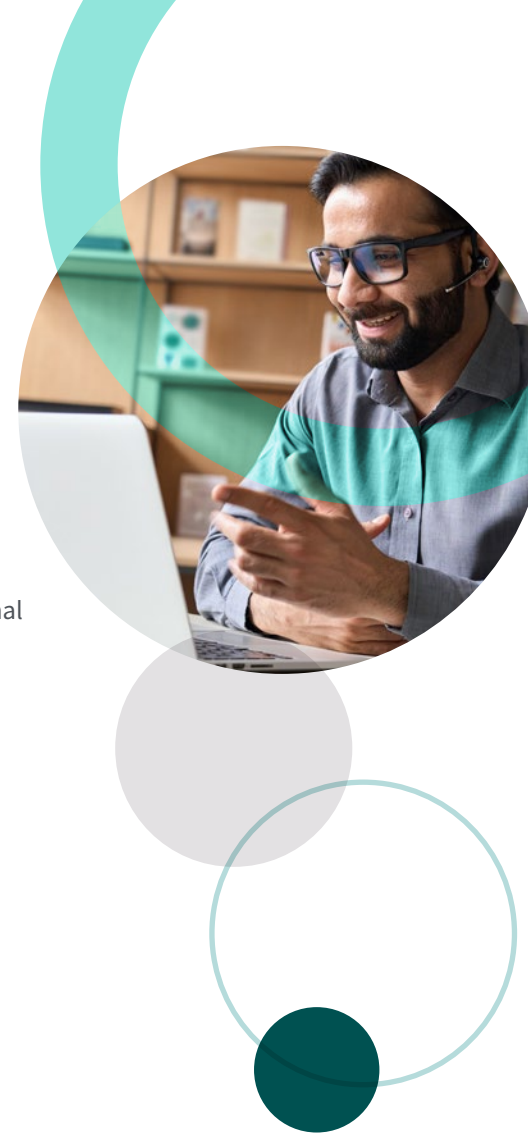
UKG HR Service Delivery

Employee file and case management. HR Service Delivery provides a better way to support employee requests and their important life-work moments through HR digitization, process automation, and service-level insights.



UKG TeleStaff

Optimize staffing with automated, rules-based scheduling and integrated communications. TeleStaff provides the flexibility to schedule complex shifts while automating communications and adhering to compliance rules — all in a single platform.



Our ESG Priorities

Our ESG program is a key component of our dedication to U Krewers, customers, and our communities. That’s why we’re strengthening our corporate commitments and holding ourselves accountable by sharing our progress, as well as establishing and measuring against goal targets in the future.

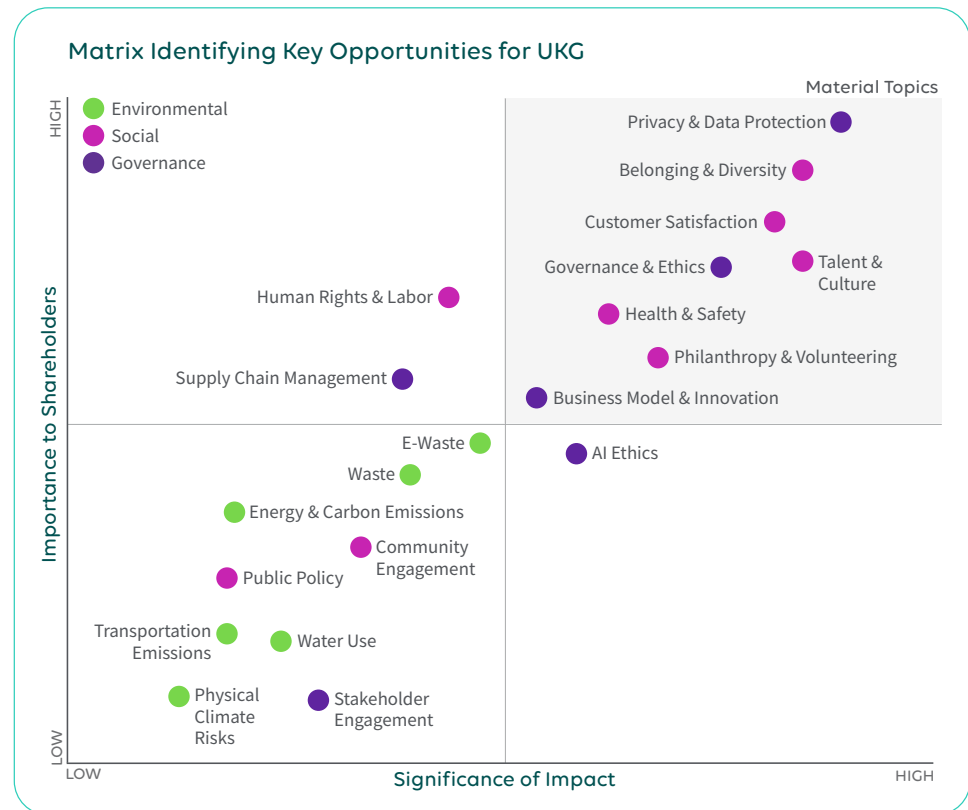
For more information on our commitment to ESG, please visit ukg.com/about-us/esg.

Materiality Assessment

As part of our 2021 program initiatives and activities, we conducted our first comprehensive global materiality assessment. UKG worked with an independent, impartial third-party provider to successfully deploy a comprehensive assessment to a committee composed of more than 40 individuals representing our global company, from executives to individual contributors. During this assessment, we collected important feedback from a diverse set of employee stakeholder groups, and we are using that information to inform our ESG strategy, roadmap, goals, and KPIs. This process has allowed us to move to the next level of our ESG journey and set the stage for the robust program we aspire to create.

The ESG focus areas we identified are essential to our business success and reflect the topics of highest concern to us and our stakeholders. By understanding the areas our key stakeholders care about, we can ensure that our priorities continue to align with their expectations, market trends, and business risks and opportunities.

Results from the assessment are as follows:



Materiality Assessment

While these outcomes continue to inform the ESG program at UKG and our set of initiatives, we have also considered other high-visibility and priority items that matter to our customers, partners, and communities we serve, in order to solidify our key focus areas:



Environmental

- Climate Change
- E-Waste
- Waste



Social

- Diversity, Equity, Inclusion, and Belonging
- Talent and Culture
- Customer Satisfaction and Success
- Philanthropy and Volunteering



Governance

- Governance and Business Ethics
- Privacy and Data Protection
- Cybersecurity

UKG will continue to conduct materiality assessments every two years to solicit feedback from a diverse number of stakeholders and to ensure we remain current with the focus areas that matter most, while confirming that we're concentrated on the areas that will have the biggest impact on our business operations, employees, communities, and the environment. Going forward, our focus areas will guide our work and the content of this and future reports.

For more information on the first UKG materiality assessment, please visit ukg.com/about-us/esg/materiality-assessment.



ESG Governance

To ensure transparency and oversight, we revised our approach to the management and oversight of ESG issues to further embed ESG thinking in our overall strategy and leverage the expertise of leaders throughout the company.

Established ESG Steering Committee

The ESG Steering Committee is responsible for providing executive oversight and strategic direction for the ESG program at UKG. The committee reviews all ESG programs and practices and will report to the board at least annually, under the direction of our Executive Sponsor and Chief Legal Officer. Committee membership includes key executives from across the organization and the ESG leadership team.

Established ESG Leadership Team

The ESG Leadership Team leads our ESG program development and goal setting. Team membership includes leaders from across the company. The team is also responsible for promoting the program internally and externally, managing equity partner/investor surveys and requests for the Executive Sponsor, and producing our annual ESG Report.

Established ESG Cross-Functional Working Group

Aligned with each of the material ESG focus areas, the cross-functional working group is responsible for supporting ESG data collection, reporting, and program implementation, and for driving progress on our ESG priorities and goals.

ESG Policy

Our ESG program was established to coordinate and optimize the multitude of activities UKG does in support of our commitments, to identify opportunities for us to grow and strengthen those commitments, and to demonstrate the positive impact we're making through measurable progress and tangible results. Recently, we introduced our [ESG Policy](#), which describes our focus on establishing and continually improving our ESG practices throughout the organization, enhancing transparency about our successes and shortcomings, and providing resources for questions or concerns.

Our ESG Journey

UKG is committed to inspiring workforces and businesses around the world, helping to pave the way forward for our people, customers, and industry. We believe this requires integrating ESG into our decision-making processes.



UKG ESG Program Evolution Timeline

- Formalized CSR program
- Researched key elements of effective CSR programs, and shared results with key stakeholder groups
- Expressed commitment to sustainable decision-making for new office buildouts
- **Implemented e-waste and recycling programs**
- **Increased community and giving investments**
- **Completed EcoVadis audit submission**

2016–2017

2018–2019

- Expanded representative cross-functional team
- Acquired executive sponsor and equity-partner commitment
- Enhanced policy and program documents (e.g., Global Environmental Policy, Global Cleaning Policy, and Third-Party Code of Conduct)
- **Introduced employee programs (e.g., Safety Week, Green Week, and recycling events)**
- Published external website
- **Increased emphasis on sustainability practices with new office buildouts**

- Enhanced policy and program documents [e.g., Modern Slavery Statement (the U.K. and Australia) and updated Third-Party Code of Conduct]
- Focused on ways to reduce greenhouse gas (GHG) emissions for large facilities
- Introduced diversity initiatives
- Published CSR report

2020

2021

- Implemented Human Rights Policy
- Increased emphasis on ESG principles in our Procurement Policy and vendor RFP documents
- Hired first diversity, equity, inclusion, and belonging (DEI&B)-focused senior executive and continued enhancing company initiatives
- Expanded companywide employee resource groups (ERGs)
- Updated Global Travel and Expense Policy with increased emphasis on reducing environmental impacts
- **Expanded GHG emissions inventory to include a larger number of facilities and other business operations**
- **Submitted CDP audit**
- **Published 2020 UKG Philanthropy Report**
- Published 2020 UKG CSR Report
- Formed formal ESG Steering Committee (including the addition of full-time ESG personnel)
- **Submitted Sedex audit**
- Mapped critical component Tier-One Supply Chain vendors

2022/
Beyond

- Publish UKG ESG Website
- Publish inaugural UKG ESG Report
- Publish inaugural UKG DEI&B Report
- Create and publish UKG ESG Policy
- Evolve established programs and policies
- Reduce lease footprint
- Research and consider potential renewable-energy options
- **Document KPIs and publish ESG goals**
- Identify sustainability partnering opportunities (customers)
- Continue mapping supply chain
- Enhance review of GHG emissions and scope
- Increase alignment with ESG standards and indices (SASB, TCFD, SDG)

Bold indicates repeating program

Awards and Recognition

While we never take any action to achieve recognition, UKG is proud to have earned several awards in 2021 for our ESG efforts.

- Earned a [Top HR Product of the Year](#) award from the HR Technology Conference and *Human Resource Executive* magazine
- Named an [AnitaB.org Top Companies for Women Technologists Leader](#)
- Named to *PEOPLE* magazine's [Companies That Care](#) list*
- Ranked #6 on the *IDG Insider Pro and Computerworld* [Best Places to Work in IT](#) list
- Received a perfect score of 100% on the [Disability:IN Disability Equality Index](#)
- Named to the *Fortune* [Best Workplaces for Millennials](#) list*
- Named a Leader in the [Nucleus Research Workforce Management Value Matrix](#) with “best-in-class workforce management” for organizations with more than 2,500 employees
- Earned nine [TrustRadius Top-Rated Awards](#)
- Ranked #6 on *Fortune*'s [100 Best Companies to Work For](#) list*
- Ranked #3 on *Fortune*'s [Best Workplaces in Technology](#) list*
- Earned a perfect score of 100% on the [Corporate Equality Index \(CEI\)](#), administered by the Human Rights Campaign Foundation



*Results are based on Great Place to Work® Certification™ for 2020. UKG acquired Great Place to Work on September 1, 2021, and the company will be ineligible for rankings that consider Certification in 2021 and beyond.

Environmental



“ 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, including both our own corporate output and the sustainability and environmental practices of our trusted suppliers and vendors, are a critical component of our ESG program.

– David Oaten, Senior Director, Procurement



“ UKG's primary environmental impacts relate to our own energy consumption, as well as the energy consumption of UKG hardware products, our business travel, and the consumption of natural resources through our activities and procurement processes. Taking account of our business needs, customer requirements, and the desire to minimize adverse impacts on the environment, we maintain our facilities and responsibly run our business.

– Jonathan Proffitt, Vice President, Workplace Services

In 2021, our commitment to environmental responsibility aligned with two UN Sustainable Development Goals (SDGs): #12 [Responsible Consumption and Production](#) and #13 [Climate Action](#).



Climate Change

We recognize that global climate change presents a challenge to all of us, and UKG is dedicated to being good stewards of our planet by reducing our overall environmental footprint. Mitigating climate change and its impacts is a core pillar of our sustainability initiatives. We strive 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 [Global Environmental](#) and [Global Cleaning](#) policies demonstrate our commitment through cooperation with our employees, contractors, and suppliers.

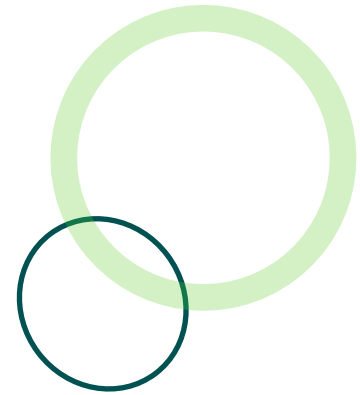
We have dedicated teams focused on deploying programs designed to reduce our impact on climate change. These programs include benchmarking and reducing our energy consumption, water usage, waste, and overall environmental footprint.

Energy and Carbon Emissions

Investing in carbon-output measurement capabilities will enable UKG to track and reduce our carbon footprint across critical business areas. We have created programs to support sustainable and renewable business practices, such as waste and energy management.

In 2021, we began our initial GHG inventory data collection and management process. This process is a critical step in managing our environmental impact. In our first year, we looked at our largest sites that have the biggest footprints.

In 2022, we intend to complete our first global GHG inventory, which will establish a baseline and develop effective GHG reduction and emission targets.



Our Office-Based Footprint

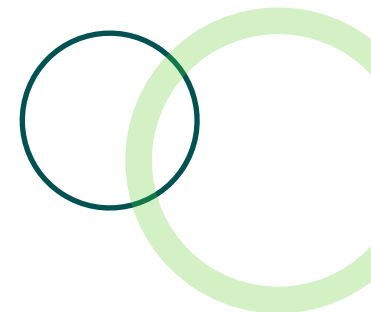
UKG undertakes an annual audit of our largest (and most populated) global office locations. The audit considers health and safety, environmental factors, and site management. As a result of the COVID-19 pandemic, on-site access was severely restricted during 2021, as company protocols and local regulations required nonessential workers to work remotely. Employee safety continues to be paramount as we introduce a phased return to the office. Despite on-site restrictions, UKG completed a comprehensive audit of 29 of our largest global offices, representing approximately 88% of global office-based U Krewers. All operational sites are included in this audit, which incorporates environmental, health and safety, human rights, and labor management considerations. We intend to expand this audit in 2022 to include additional environmental and social components.

Ultimately, we strive to keep true to our mission of creating an efficient, productive, and safe environment for all U Krewers across the globe. Our climate-related initiatives include:

- Regular evaluation of our emissions footprint and exploration of renewable energy sources and other emission-reduction opportunities
- Optimized footprint to maximize efficiency, via consolidation of office space and buildings
- Updated procurement and travel policies, with an emphasis on reduced in-person meetings and business gatherings in favor of virtual events
- Reduced commuting time and emissions, with the introduction of a more widely accepted hybrid working model for our office-based U Krewers
- Cross-organizational use of smart printers
- Continued increase in the use of virtual servers and sustainable data-computing practices



Ultimately, we strive to keep true to our mission of creating an efficient, productive, and safe environment for all employees across the globe.



Company-Sponsored Transportation

For U Krewers who work in one of our office locations, we encourage the use of our company-sponsored transportation programs for sustainable proactivity and reducing carbon emissions. These programs include:

- A shuttle service from local train stations
- Special parking spaces to incentivize carpooling
- Charging stations for employees with electric vehicles
- Company-supplied shared ride services in some locations
- A general wellness program that encourages biking and walking as healthy alternatives
- A Global Travel and Expense Policy

Environmentally Friendly In-Office Initiatives

UKG has adopted creative environmental solutions to further reduce our carbon footprint while enhancing the working environment for U Krewers. Examples include:

On-site greenery: we partner with a nursery company that provides on-site support for living walls and greenery throughout our Lowell co-headquarters.

Eco-conscious office supplies: by setting up preferred (and discounted) green-based options via our company accounts, we naturally promote green purchasing habits.

Optimized paper use and discard programs: we intentionally selected secure shredding services that recycle collected materials into new paper products. We have also implemented a smart-printing application that is available on all office printers, to enable employee approval of printing projects and, in turn, prevent overprinting and the misuse of paper.

Recycling: UKG takes pride in ensuring that we continue to enhance our active environmental programs that include e-cycling, battery recycling, and overall recycling of paper, plastic, and cans.

Energy-reducing appliances: our goal of continuous carbon emissions is reflected in various environmental and cleaning policies and companywide initiatives, such as energy-saving lights, faucets, toilets, and building-controlled thermostats.



SPOTLIGHT STORY: UKG GREEN TEAM

The UKG Green Team is responsible for the implementation and oversight of our [Global Environmental Policy](#). The UKG Green Team, composed of employees from various UKG business units, meets regularly to review our progress and status on environmental issues and make recommendations related to our environmental policy and other environmental initiatives. Representatives of the Green Team provide regular updates and report to the Director of Compliance at UKG. To further strengthen our green initiatives, we have developed employee education and awareness through tailored programs, such as Green Week. In 2021, our Green Team shared several articles companywide that featured ways to encourage green living — including Eliminate Single-Use Plastic Bags, Composting 101, Should I Recycle This?, Water Usage and Conservation, and Easy Ways to Go Green.

Increasing Energy Efficiency in Workspaces

We apply our environmental practices and green-cleaning initiatives within our office spaces, including installing energy-efficient lighting that includes occupancy sensors, daylight harvesting, automatic after-hours turnoff, and carefully scheduled HVAC systems to ensure that we are only heating and cooling offices when needed. Additionally, 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 management to enhance our vision of an energy-efficient space that does not cause harm to the environment.

Moreover, UKG has implemented several initiatives to help reduce our overall energy consumption. For example, to reduce water consumption in our offices, we have touchless water faucets and automatic-flush toilets in all restrooms. To reduce the amount of electricity used, employees are instructed to shut off lights, computers, monitors, and any other equipment when not in use or when leaving the office for the night and/or weekend.

In our offices, we use an automated Energy Management System to control the HVAC and lighting functions throughout our buildings, allowing the temperature set points and lighting schedules to be properly set for occupied and unoccupied times. We have also installed occupancy sensors in conference rooms and private areas, where applicable.

Additionally, UKG has made significant investments in lighting, sound-dampening materials, and heating and cooling systems in many of our offices. In terms of lighting, we've decided to move all offices inside, removing barriers from the window line to allow employees to access natural lighting. We've also implemented LED light fixtures to substantially reduce our electrical consumption. In terms of sound-dampening materials, we've chosen materials with superior sound-dampening ratings to contain the noise level for all. We've also implemented a fully automated heating and cooling system. These efforts aim to make our office spaces comfortable and accessible for U Krewers.



SPOTLIGHT STORY: BUILDING FOR ACCESSIBILITY IN WESTON

Recently, we implemented a Universal Design Site Assessment to improve the usability, safety, and health of all U Krewers and visitors at our Weston co-headquarters. The assessment incorporates considerations in design beyond ADA or local accessibility standards to ensure usability by a diverse range of people. In the assessment, we identified areas of improvement to adjust current design concepts or existing building limitations and developed strategies to promote a highly inclusive workforce. To implement the needed changes, we are working at a holistic level by including many teams in the process — such as leadership, workplace programs, operations, environmental services, facilities personnel, vendors, suppliers, design consultants, and contractors. Due to the success of this initial process, we have committed to expanding this assessment, beginning with our co-headquarters in Lowell.

Meeting and Collaboration Technologies

As a technology company, UKG recognizes the role innovative technology can play in keeping employees connected and productive while working virtually across the world. We have a robust technological infrastructure to empower our U Krewers and ensure productivity, whether they're working in an office, in the field, or at home. Nearly half of our global employee population works remotely full time, while others use a hybrid work schedule, sharing time between our office locations and their homes.

We also promote the use of meeting and collaboration technologies, enabling U Krewers to meet with one another and with our customers and partners around the world without the productivity loss, life-work impact, or GHG emissions of physical travel.

Our Data Center-Based Footprint

Our IT and cloud groups continuously seek to improve energy efficiencies, including the expanded use of virtual servers and the enhancement of sustainable data center practices. Business IT use is increasingly being centered in the cloud, which helps to reduce operating costs and eliminate material amounts of paper on behalf of UKG customers. Data center server, switch, and router products also help us enable energy-efficient cloud computing and connectivity provisioning.

We continue to evaluate ways to provide products and services that support our customers' climate change initiatives, energy savings, and emissions reductions through improved automation and virtual and cloud computing. Ultimately, by offering solutions that support flexible workplace and workforce environments, we empower our customers to explore more remote-access opportunities that can reduce their reliance on physical office space — and, as a result, reduce their environmental footprints.

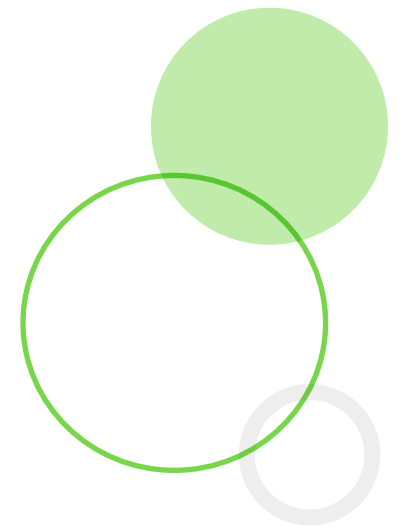
Server Virtualization

As a global technology company with many of our products delivered via cloud solutions, we continuously evaluate our own technology footprint to ensure efficiencies associated with our growth strategy, deliver impactful software solutions, and provide safe and effective tools and technologies to our employees, customers, partners, and vendors. Recent examples of this include a material change in data-computing operations, resulting in the use of blade server technology — which can save space and minimize power consumption, among other green benefits — to support our server-virtualization strategy; data lifecycle management

techniques, including data deduplication; increased business operations in the cloud; and special data-shredding tools and techniques. By using blade server technology, UKG is striving to reduce the carbon footprint of our server environment.

Cloud Data Lifecycle Management

We are consistently evaluating the performance of storage, backup-frequency schedules, and retention for our cloud products. UKG uses data deduplication to eliminate duplicate copies of repeating data for backups. Once data is at the end of a lifecycle, we use best practice data-shredding techniques to physically destroy the disks before obtaining a certificate of destruction.



Our Customers' and Suppliers' Climate Strategies

In addition to supporting our own goal of reducing UKG carbon emissions, our products and services, continued investment in the transformation toward cloud computing, virtual server expansion, and energy-efficient methods for data backup and purging enable our customers to be more energy efficient, ultimately supporting their climate change strategies.

Dedicated efforts by our procurement team are also helping us to better understand our supply chain. This includes developing and maintaining relationships with vendors that support and practice our values. In 2021, for example, we enhanced our [Third-Party Code of Conduct](#) to ensure that vendors operate in an environmentally responsible manner, and to commit to meeting certain socially responsible requirements. All new UKG vendors must review and sign our Third-Party Code of Conduct and may only become part of the UKG Supplier Program after they have been thoroughly evaluated by UKG. We continue to enhance our vendor-audit process and intend to increase our on-site reviews in 2022.

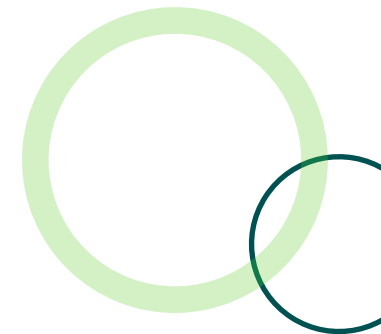
We are also streamlining our supplier-management process to improve the overall quality of supplier data. This includes implementing tools to better understand and assess our global supply chain. In 2022, we anticipate incorporating ESG questions into our third-party onboarding and monitoring processes, and taking steps to evaluate our supplier diversity.

Additionally, responsible sourcing is an important focus of our overall corporate responsibility efforts. Our mission is to act as strategic business advisors to maximize the value of external spend by optimizing costs, minimizing risk, and ensuring high quality. We are committed to respecting human rights and promoting supplier diversity, all while successfully meeting our enterprise business objectives.

Recently, we launched an updated Procurement Policy intended to ensure that all procurement activities:

- Provide the greatest possible value
- Are conducted in a fair, impartial, and transparent manner
- Reflect and respect tight operational timelines
- Comply with standing orders, financial regulations, and all other relevant policies
- Comply with all laws and regulations of the jurisdictions where we operate
- Adhere to the highest ethical standards
- Incorporate environmental and social considerations

For more information on our commitment to climate change, please visit ukg.com/about-us/environmental/climate-change.





Waste

As part of our sustainability initiatives, we strive to maintain our facilities and responsibly run 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. In 2021, we conducted an initial assessment of the waste produced in tons at our co-headquarters in Lowell and Weston. We intend to expand this assessment in 2022 to include more UKG locations.

SPOTLIGHT STORY: CENTRALIZED WASTE PILOT PROGRAM

In 2021, UKG began to pilot a centralized waste-collection model in our Weston and Montreal office locations. A centralized waste-collection model is when waste (including recycling, landfill, and compost) is limited to one or two collection points within our office space. The purpose of this model is to decrease the amount of waste that ends up in a landfill and to increase recycling rates. With this program, we intend to educate more employees on the benefits of operating more sustainably. In 2022, we hope to bring this program to new sites across our global footprint.

For more information on our commitment to reducing waste, please visit ukg.com/about-us/environmental/waste.

E-Waste

As a global technology company that largely delivers products via cloud solutions, we feel it's increasingly important to also focus on reducing our e-waste, including recycling of operations 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. We have partnered with local vendors at each of our sites for annual or recurring e-waste pickups.

SPOTLIGHT STORY: RECYCLING TECHNOLOGY

We partnered with Urban Mining, an organization that helps collect our endpoint technology (laptops, desktops, tablets, and smartphones) to be recycled. The balance from our payment for this service is then donated to a charitable organization. In 2021, we were able to recycle approximately 420 pounds of toxic metal waste and donate over \$45,000. We anticipate growing this program in 2022 and beyond.

For more information on our commitment to reducing e-waste, please visit ukg.com/about-us/environmental/e-waste.



Social





“ Giving is one of the key cornerstones of our unique culture at UKG. Not only do we give as a global company, but we also inspire and empower U Krewers to give in their local communities. Together, we maximize our impact by supporting people in need across the world.

– Heather Geronemus, Director, Corporate Affairs and Social Responsibility

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

– Sue Collard, Senior Director, Strategy and Operations – Belonging, Diversity, and Equity



“ Until all employees feel they are properly accepted, are supported, and belong in the workplace, it will be impossible for an organization to progress and be successful. People are our purpose for a reason. After all, when we are united and empowered to tap into our unique talents, everyone benefits — our businesses, communities, countries, and world.

– Kendra Logan, Manager, Strategy – Belonging, Diversity, and Equity



Our social commitment to people is aligned with five UN Sustainable Development Goals (SDGs): #3 [Good Health and Well-Being](#), #4 [Quality Education](#), #5 [Gender Equality](#), #8 [Decent Work and Economic Growth](#), and #10 [Reduced Inequalities](#).



Diversity, Equity, Inclusion, and Belonging (DEI&B)

Our DEI&B business imperative and overall strategy focus 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 leadership teams, and we work every day to foster a culture of trust, empowerment, equity, and belonging.

We believe businesses succeed when all individuals are respected, all voices are heard, and all U Krewers have the support and resources necessary to thrive as professionals and as people. DEI&B at UKG focuses on building an inclusive environment where differences are valued, and our innovative spirit is unlocked.

Our DEI&B strategy includes foundational learning to better understand complex topics associated with DEI&B, such as unconscious bias, microaggressions, privilege, and equity; partnerships to build a diverse talent pipeline and maximize impact; accountability through goals and scorecard metrics; and actively making a difference at UKG and in our communities through participation in diverse ERGs.

“ *DEI&B are being woven into the fabric of UKG and serve as a foundation for our practices and policies companywide. Creating an inclusive workplace requires continually adapting to the needs of people as unique individuals and providing the resources necessary to enable our U Krewers, customers, and communities to grow and thrive.*

– **Brian K. Reaves, Executive Vice President, Chief Belonging, Diversity, and Equity Officer**



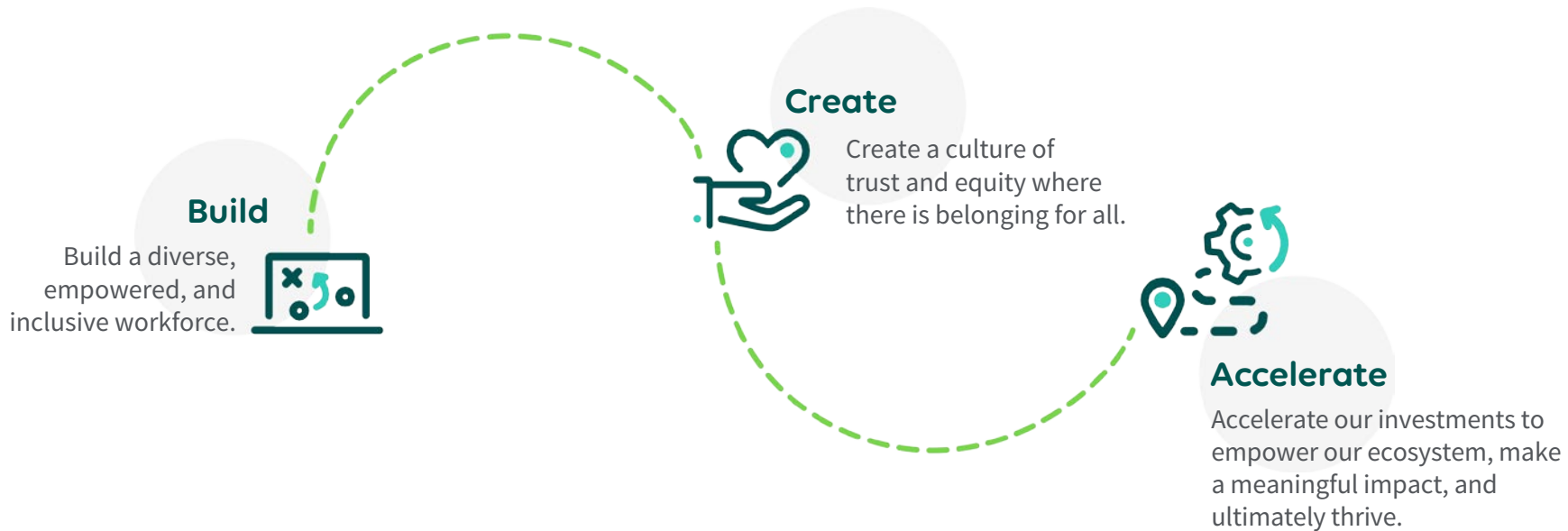
Uniquely You, Uniquely Valued

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 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.



Pillars of Our Program

The DEI&B strategy at UKG is composed of three pillars:



Strategic Initiatives

Our DEI&B business imperative has several strategic initiatives that build upon our pillars, including:

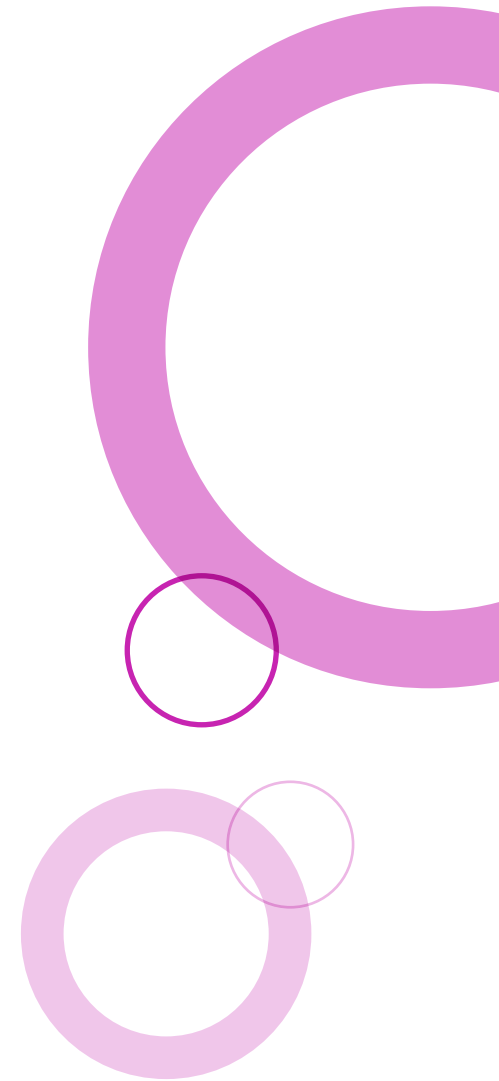
Unified: a digital, peer-to-peer DEI&B foundational learning initiative, in partnership with Hive Learning, to better understand complex topics associated with DEI&B, such as unconscious bias, microaggressions, privilege, and equity. In 2021, 96% of our executive leaders participated in the Unified experience.

DEI&B Ambassador Program: a global set of internal advocates who are empowered and well-equipped to effectively communicate and execute our DEI&B strategy, both at UKG and outside our company. We identified and held a focus group for 20 prospective ambassadors in 2021. Their insight helped shape a best-in-class program set to launch in April 2022.

Targeted Diverse Recruitment and Hiring: an initiative to ensure the diversity of our applicant pool by strategically mapping out partnerships with organizations that focus on employment of traditionally underrepresented and/or disadvantaged groups (e.g., veterans, women, minorities, and differently abled). With the areas of focus identified, the team will regularly track and measure the pipeline of the various groups to monitor how our current recruitment efforts are trending and to ensure a diverse candidate pool.

Global DEI&B Council: includes 16 executive leaders from across UKG who champion the business imperative of DEI&B and meet quarterly to drive initiatives forward, discuss ways to enhance the program, and measure overall progress. The committee is co-chaired by Brian K. Reaves and UKG CEO Aron Ain.

Leader Scorecard: provides transparency into our leaders' progress against a set of metrics that support the achievement of our short- and long-term program goals. The scorecard shares leader performance in several key areas, including global gender representation, U.S. ethnic representation, early talent-hiring representation, foundational-learning completion, and organizational participation in ERGs.



SPOTLIGHT STORY: UKG ANNOUNCES MULTIMILLION-DOLLAR INITIATIVE TO HELP CLOSE GENDER PAY GAP AND PROMOTE PAY EQUITY

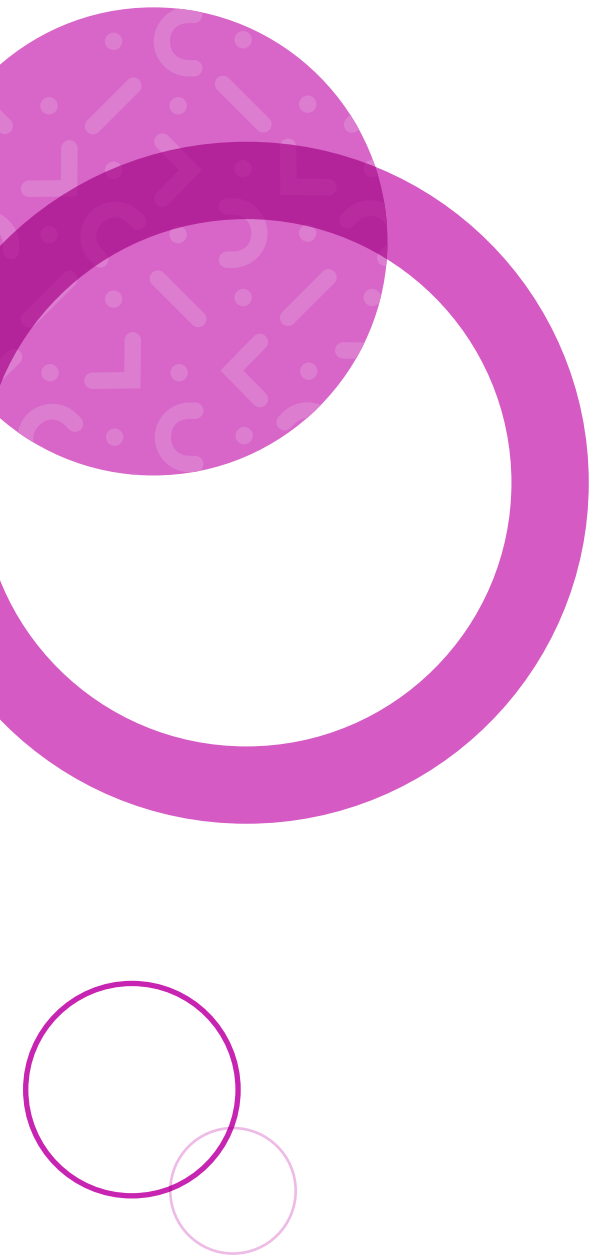
In December 2021, we announced the [UKG Close the Gap Initiative](#) — a multimillion-dollar pay equity initiative to drive awareness and action to resolve pay disparities among men, women, and underrepresented groups that continue to significantly impact today's workforce. The UKG Close the Gap Initiative will fund a number of critical programs, nonprofits, awareness-building efforts, education, and research in support of pay equity. This includes:

Close the Gap Commitment: To help close the wage gap, UKG is contributing \$0.18 (the current gender wage gap in the U.S.) for every employee paid each year via a UKG payroll solution toward the fight for pay equity. UKG payroll solutions are used to pay over 15 million employees per year, meaning UKG has made a \$3 million investment in critical programs and initiatives that support the fight for pay equity.

Philanthropic Support: UKG announced partnerships with four nonprofits that are focused on bringing greater access to education, career, opportunity, and pay equality to women, women of color, and other traditionally underrepresented groups. This includes [Grantmakers for Girls of Color](#), [LeanIn.Org](#), [Reboot Representation](#), and [9to5](#). These organizations help women, girls, and people of color — including Black, Latina, and Native-American women, as well as those who identify as transgender — gain access to opportunity through education, enter the workforce, grow their careers, and advocate for critical policy changes to create equitable workforces.

Pay Equity in America Research Study: UKG is sponsoring research by Harvard Business Review Analytic Services on pay equity in the U.S. to examine the existing pay gaps between men and women in the workforce, as well as the progress employers are making nationwide to create more equitable conditions among all genders. The results of this study will be released in 2022.

Educational Resources and Awareness: UKG is partnering with experts to develop educational resources for best practices in HR, compensation planning, recruiting, and hiring that are known to support pay equity and will make these resources publicly available for all. In addition, we launched a pay-equity awareness campaign that will focus on building awareness of the gender wage gap through broadcast and digital media platforms.



SPOTLIGHT STORY: ELEVATE PROGRAM CREATES STRATEGIC, DIVERSE TALENT PIPELINE FOR UKG

The UKG Elevate program creates a strategic talent pipeline for the UKG Global Delivery Services team by recruiting talented individuals early in their careers and immersing them in the latest workforce management and HCM technology. Elevate began nearly 10 years ago, as part of an effort to find a better, more cost-effective source of talent to support what was then called Implementation Services.

Historically, the Elevate program recruited recent college graduates to our Indianapolis, Ind., office to participate in an extensive 8–12-week technical onboarding program. Over the years, the program has grown to include partnerships with more than 35 different universities. More recently, through our DEI&B strategy, we added two Historically Black Colleges and Universities (HBCUs) to the Elevate program to hire recent graduates from universities in Georgia.

After earning her graduate degree from Clark Atlanta University in May 2021, Jazmiyne was hired into the Elevate program. “Everyone was so welcoming,” she said. “We were provided with mentors throughout the process and the management team was always available and supportive. It’s a program that really prepares you for personal skills growth, working with customers, building consulting skills, and training.” After completing the Elevate program in December, Jazmiyne was hired as a solutions consultant, helping our customers implement Pro.

Francis graduated from Georgia State University in 2020 with a degree in computer information systems. He was recruited into the Elevate program and joined UKG in September 2021. “I can honestly say my experience in the Elevate program was one of the best trainings, and the managers are some of the best people that I’ve come across,” he said.

Employee Resource Groups (ERGs)

To help amplify diverse voices and bring U Krewers together for support, development, and connection, we offer companywide ERGs for members and allies. Our ERGs help U Krewers increase awareness and take action both within UKG and outside of our walls. This includes:



ADAPT (Accessibility and Disability Allies Partner Together), to raise awareness around different abilities



FIRE (Female Inclusion Resilience and Excellence) **Up**, which cultivates an inclusive and supportive community of change to advance equity for all women



BUILD (Black Upcoming Individuals in Leadership and Development), which fosters inclusion and advancement for Black employees at all levels of the organization



PRIDE, driving inclusion for the LGBTQIA+ community and its allies



CARES (Cancer Awareness Resources Education and Support), a support system so cancer patients, survivors, and caregivers do not have to fight alone



VETS, for military veterans, active service members, families, and friends

In addition to developing these ERGs, in 2021, we:

Launched a Pillar Framework to support our ERGs' business impact on UKG.

Rolled out a comprehensive ERG Handbook to provide guidance and best practices to aid our ERGs in their operations.

Held several events on pertinent topics affecting our ERG community, such as a town hall on healthcare disparities and barriers within our various communities.



In 2022, we anticipate expanding our ERG community by adding two new groups:

AsPIRE (Asian and Pacific Islanders Raising Equity), a community where members feel safe, seen, heard, and part of one *Ohana* (family).

UNIDOS (United), supporting the Hispanic/Latinx community and its allies.

ERG management and member engagement are measured and tracked through the Belonging and Engagement Center at UKG, our internal hub for member information, events, resources, conversations, and participation.

Awards and Recognition

While we know DEI&B is a lifelong commitment and our crucial work is never finished, we are proud to have received recognition for our efforts thus far. Accolades in 2021 included honors from AnitaB.org, Disability:IN, the Human Rights Campaign Foundation, and others.

For more information on our commitment to DEI&B, please visit ukg.com/about-us/esg/social/diversity-belonging-and-equity.



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. Across the world, we have practices in place to ensure all employees can thrive at every stage of their careers — from our comprehensive benefits and programs to our core values and behaviors that drive all we do.



Employee Benefits

UKG provides a comprehensive benefits program to all employees globally to reflect our brand promise. Our global benefits provide support and programs for employees and their dependents across all stages of life. Our family-support benefits, such as our UKG Kids activities sponsorship, childcare assistance, and the global scholarship program, highlight our commitment to supporting not only employees but their whole families. Adoption assistance and surrogacy assistance (offered in all countries where surrogacy is legally available) are available for employees looking to expand their families. Employees interested in furthering their education by enrolling in a degree program have access to tuition reimbursement that provides financial support toward the cost of education and class materials.

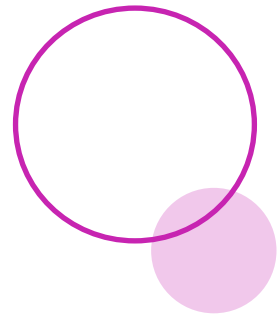
All employees have access to free, confidential work and life support through our Employee Assistance Program. Wellness benefits, such as Sprout and eMindful, provide additional support to employees globally. For more information on our benefits, please visit ukg.com/careers.

Remote-Work Flexibility

UKG continues to take significant measures to ensure work flexibility for many of our employees. We continuously monitor the COVID-19 pandemic and update our return to the office plans accordingly — which we call our “Return to Each Other.” We continue to provide resources and support to all employees globally, whether they are working remotely or in our offices.

Employee Health and Wellbeing

UKG is committed to ensuring the safety, health, and wellbeing of every U Krewer, while also maintaining uninterrupted, exceptional support for our customers, suppliers, and partners. This includes addressing both immediate (e.g., natural disaster) and prolonged (e.g., pandemic) crisis events where employees may require support, guidance, or financial relief. Supplemental to these crisis events, the UKG health and wellbeing set of programs aspire to empower and support U Krewers and their families throughout their journeys to achieve optimal wellbeing and happiness both at work and at home.



SPOTLIGHT STORY: MIND MATTERS

At a time when many employers have been scaling back mental health resources, UKG remains committed to adding to the various resources we offer. Mind Matters is a one-stop shop for mental health resources, created by U Krewers and for U Krewers. It is an online hub for finding support and information, including mental health and other critical resources available locally.

Through Mind Matters, U Krewers can get immediate help; learn how to support others; find support to get back on track; discover ways to strengthen and flourish; get a quick boost for their minds, bodies, and souls; and read about mental health in the news.

Moreover, we understand that an individual's wellness comes in many forms, whether physical, environmental, financial, or mental. UKG is committed to providing employees and their families with tools to assist them, by offering:

- Individual and group wellness coaching
- Ergonomic assessments and support
- SMART Path personal training
- WW (Weight Watchers) subsidy
- Membership to Active&Fit Direct, a gym discount program
- Sprout, our global wellness platform and incentive program
- Educational sessions
- eMindful, our global mindfulness app
- FitKit club for remote employees
- Tobacco cessation program
- Livongo diabetes management program
- Global walking challenges
- Global mindfulness challenges

Highlights from our employee wellness programs in 2021

22%

participation rate in our global mindfulness application — our highest program engagement rate to date

6,000+

employees registered for Sprout, with a 70% average engagement rate

600+

individual coaching appointments completed throughout the year

~400

employees supported through 12-week group coaching cohort programs

Employee Experience

Treating our U Krewers as people means also recognizing, celebrating, and thanking them for going above and beyond for our customers and one another. We have several programs and benefits in place to reward employees' hard work, from a formal peer-recognition platform called Celebrate U to short- and long-term financial rewards in the form of performance bonuses and company equity.

The leadership team has also created an underlying foundation of frequent communications with all employees. In addition to leaders sharing office updates, safety procedures, and new HR programs and resources, our CEO Aron Ain records biweekly vlogs for U Krewers around the world, providing business updates, sharing anonymous customer feedback, and reinforcing the importance of caring for themselves and others — including thoughtfully encouraging employees to step away from work to be with their families.

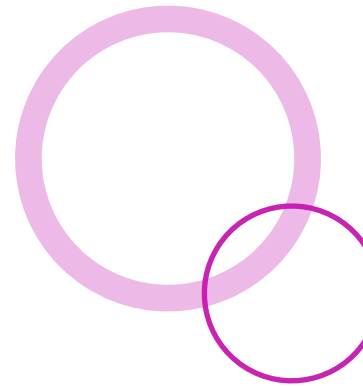
Employee Experience Survey

We know that when employees feel engaged, they're inspired to reach their full potential. The combined efforts of all U Krewers are what makes our company so successful and such a great place to work. To gain insight into our employee engagement levels, our strengths as a company, and where we have opportunities to improve our culture, employees are asked to participate in an engagement survey twice a year. Based on feedback, we take meaningful action at the company, division/function, and team levels. The most recent survey results, as well as all historical survey results,

are available via our company intranet called UKG Today for any employee to access at any time. In the September 2021 survey, we had a world-class level of participation at 85%, showing that our employees care enough to share how they're feeling. As we strive to make UKG the world's best company to work for, we incorporate the key findings of our employee engagement surveys into our action plans.

Recruitment and Hiring

Our candidate interview process is thorough, offering prospective and current U Krewers the opportunity to meet not only with hiring managers but also with other team members (including cross-functional teammates) they will be working with in the role. Our Employee Referral Program is designed to help source top talent, build diversity, find candidates for hard-to-fill roles, decrease the cost per hire, and reduce the turnover rate. To encourage U Krewers to participate in this program, the referring employee will receive a cash reward following the start date of their referral, as well as other recognition for their efforts in being a talent ambassador.



Career Development Opportunities

All employees should have equal opportunities to thrive in all aspects of their careers. Career growth is one of the most important aspects of the UKG employee experience, and we are dedicated to supporting all U Krewers in their career aspirations.

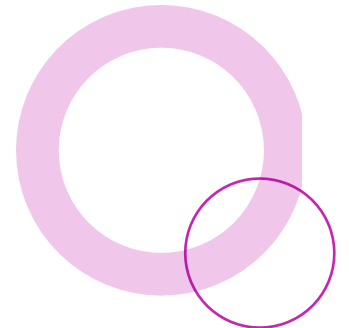
To this end, we invest in several professional development, learning, and training programs that enable employees to build and refine skills, explore new career opportunities, and unlock their full potential. This includes complimentary memberships to LinkedIn Learning with over 16,000 courses spanning business, creative, and technology topics, as well as our Gigs@UKG program that enables employees to participate in short-term, high-impact projects while trying new roles across the company. We also offer the opportunity for all U Krewers to earn professional certifications as another way to support career growth.

Additionally, all employees participate in the performance management program at UKG. This program ensures U Krewers have a clear understanding of what is expected of them, creates a culture of feedback and support, and promotes accountability through a fair and equitable process. Goal setting, performance check-ins, stakeholder feedback, and annual performance reviews are key elements of the program. All employees receive training on program and career opportunities within UKG to support development of their individualized career plans.

In 2021, we rolled out a new Global Career Framework (GCF) across the company. The GCF is a scalable way to define jobs across the organization and provide employees and managers with more insight into employees' career progressions. The GCF provides a process for determining the two key elements of a job: job family and job level.

The GCF also provides the foundation for:

- Harmonized job titles
- Competitive, consistent, and equitable pay programs
- Understanding of careers and the availability of opportunities for development





Human Rights and Labor Management

UKG has a variety of tools to help our employees understand and live our values. This includes our Employee Handbooks and our [Code of Conduct](#), which describes how U Krewers are expected to act when conducting business on behalf of UKG. It also includes training and other programs for employees on our values, and various resources dedicated to ensuring we maintain a culture that supports those values. All U Krewers receive annual training on preventing discrimination and human rights violations. UKG also has policies that support our commitment to human rights and compliance with modern slavery laws, including:

- [Human Rights Policy](#) | New (see below)
- Anti-Money Laundering Policy
- Employee Handbook, which addresses numerous human rights- and labor practices-related policies
- Conflict of Interest Policy
- Anti-Corruption Policy
- Privacy Policy
- Information Security policies

In 2021, we published our [Human Rights Policy](#). This policy, which is based on several internationally recognized human rights frameworks, reflects our commitment to respecting the fundamental human rights of our employees and others who touch our business.

UKG strives to create an open environment where everyone's ideas are welcome, and information is freely shared. We believe that effective dialogue between employee representatives and management provides an avenue for finding solutions to competing interests, promotes open and honest communication, and fosters healthier employee-manager relations. Additionally, we have instituted annual mandatory training for all U Krewers, including workplace harassment prevention, our [Code of Conduct](#), and the global distribution of our [Human Rights Policy](#).

For more information on our commitment to talent and culture, please visit ukg.com/about-us/esg/social/talent-and-culture.

Customer Satisfaction and Success

Our spirit of continuous innovation is inspired by a deep understanding of what our 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).

A "Partners for Life" Business Model

We believe technology is only as great as the people behind it, which is why we build lifelong, trusted partnerships with our customers that deliver exceptional value and confidence. This Partners for Life relationship with our customers is rooted in three pillars:

- 1** Deliver a premium experience to all customers, from day one, to ensure they have everything needed to be successful.
- 2** Continuously collaborate with our customers to add more value to their experiences and ensure they are getting the most out of their investments.
- 3** Focus solely on helping our customers evolve their people strategies by ensuring they are always supported by the most tenured and engaged services team in the market.

In furtherance of these pillars, we focus on several important areas. These include:

Launch: including a stress-free implementation process powered by our innovative methodology that sets the foundation for a strong start and a solid, long-term relationship, as well as hands-on, tailored support and instruction and up to 12 months of proactive enablement.

Learning and training: providing access to all the training, learning, and tools that our customers need to be successful, including access to unlimited virtual, instructor-led, and on-demand training for life.

Support: including fast response times, 24/7 support, and answers from our team of proactive experts who understand our customers' unique organizational needs.

Success: helping our customers meet and exceed their long-term, strategic goals by understanding industry shifts and trends, conducting quarterly business reviews, and meeting regularly with customer executives.

Community and collaboration: connecting our customers with peers and experts in our growing online UKG Community, at our annual UKG Aspire user conference and frequent regional events, and by soliciting product enhancement ideas from our customers through our ideas portal.

Managed services: helping to make the complex simple by offering comprehensive payroll and benefits services to streamline processes, such as tax filing and post-payroll processes, as well as simplifying payroll, garnishments, and benefits administration.

Consulting and advisory: taking our customers' people strategies to the next level through our strategic consulting and advisory services, which help organizations implement proven strategies and best practices, navigate major business events such as mergers and acquisitions, and support change management, engagement, and other important company initiatives.

Innovation

Innovation is critical to our continued success and the success of our customers. We remain focused on innovation at every step of the product lifecycle and continue to invest heavily in research and development and CX, including:

More than \$2 billion invested in CX over the past three years, including over \$500 million in R&D in 2021 alone, to design innovative products and bolster customer success.

An average seven-year tenure for our CX team, with less than a 5% turnover rate, compared with the average industry customer-support turnover rate of 20%.

150K+

active UKG Community members

100+

training sessions delivered to customers each month



For more information on our commitment to customer satisfaction and success, please visit ukg.com/about-us/esg/social/customer-success-and-satisfaction.

Philanthropy and Volunteering

At UKG, we firmly believe in doing the right thing for our communities. Throughout the year, we partner with a variety of nonprofits, participating in philanthropic initiatives and providing charitable support worldwide. Every day, we are focused on helping people across the areas of health, human services, education, and public safety.

Giving Philosophy

Our giving is globally inclusive and locally focused, supporting organizations and communities around the globe through making financial contributions, conducting donation-matching campaigns in times of crisis, and inspiring and empowering our employees to take advantage of volunteer opportunities with paid time off for volunteering. Giving is core to our culture, and we will 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.

“

During my 30-year nonprofit career, I have seen firsthand the impact UKG has made in Broward County and across the country. Its philanthropic spirit has supported so many worthy causes, and its impact and financial support grows as the company grows! The company is a pillar to so many charitable organizations' successes, and I am proud to call UKG our partner.”

– David Pinsker, Senior Director of Field Operations, Mothers Against Drunk Driving (MADD)

”



Philanthropic Support

In 2021, as many nonprofits struggled to recover from the ongoing impacts of the pandemic, including the inability to host in-person fundraising events and large-scale giving campaigns, UKG continued providing financial support to critical organizations and causes. We are proud to say we donated \$4 million and directly supported more than 170 nonprofit organizations, helping to facilitate the vital work they do every day to care for people across our communities.

Examples of our community support include:

Boston Children's Hospital

We supported the Child Life Program at Boston Children's Hospital. This program provides patients with an invaluable distraction from the stress and anxiety of illness, with opportunities for play and smiles through music therapy, visits from clowns and therapy dogs, and creative art sessions.

Broward Health

After overwhelming support for healthcare heroes waned in 2021, but those workers were still heroically supporting our county's most vulnerable people, UKG partnered with Broward Health for its Feeding the Frontline campaign. Our donation provided lunches for caregivers at all hospitals in the North Broward Hospital district.

Meals on Wheels

UKG partnered with Meals on Wheels, which works to protect seniors from the threats of isolation and hunger, supporting its annual Thanksgiving meal-delivery program. Our donation and partnership enabled the organization to deliver meals to twice as many senior citizens in South Florida who would otherwise have been alone on the holiday.



170+
organizations
supported

\$4M
donated
in 2021

Community Support in Times of Crisis

From a natural disaster to a life-changing pandemic, UKG responds during times of crisis to provide financial and volunteer support to people in need throughout our local, national, and global communities. Using our own UKG Pro Giving™ solution, U Krewers answer the call and donate funds through uncapped 100% donation-matching campaigns and help deliver much-needed support to people in impacted areas.

In 2021, UKG partnered with employees to provide more than \$1.5 million in disaster relief worldwide. Examples of our employee giving include:

Wildfires in Colorado

To support those impacted by wildfires in Colorado, UKG and our employees donated to the American Red Cross and The Center for Disaster Philanthropy.

Texas Winter Storms

To support millions of people across Texas impacted by deadly winter storms, UKG and our U Krewers donated to Feeding Texas and the American Red Cross.

Tornadoes in Kentucky

UKG partnered with the American Red Cross, The Center for Disaster Philanthropy, and World Central Kitchen to provide relief to residents displaced by devastating tornadoes in Kentucky and several other U.S. states.

Surfside Condo Collapse

To help the families of victims and those displaced by the Champlain Towers South Condo Collapse in Miami, Fla., we made a significant financial impact for the Support Surside Fund.

COVID-19 Relief for India

As COVID-19 devastated millions across India, UKG and our employees donated to Direct Relief. Together, we raised funds to provide oxygen, medications, and other resources to healthcare facilities caring for those in need.

Support for the Asian American and Pacific Islander (AAPI) Community

To support the AAPI community impacted by acts of violence, hate, and discrimination, we donated to the AAPI Community Fund, Stop AAPI Hate, and the Canadian Race Relations Foundation.

Help for St. Vincent

In addition to our support for the AAPI community, we helped those affected by the La Soufrière volcano eruption on the island of St. Vincent. UKG partnered with Direct Relief to offset the cost of getting medical supplies to the island.

Volunteering

Giving of ourselves to help others is ingrained in our culture. U Krewers volunteer around the world, serving people in their local communities — from helping food banks and running in charitable 5Ks to visiting grade schools and clothing the homeless.

To further support these selfless efforts, UKG encourages all employees to use their open paid time off for volunteering at organizations of their choosing, so they can focus on giving and serving the nonprofits and causes closest to their hearts.

Even a pandemic hasn't stopped U Krewers from donating their time. In an era of social distancing, our employees have participated in numerous virtual volunteer opportunities, partnering with organizations such as the American Red Cross, United Nations, and Translators without Borders.

Examples of employee volunteering in 2021 include:

Atlanta Homeless Mission

U Krewers in our Atlanta office collected essential winter-clothing items and used the donations to decorate an inspiring and colorful holiday tree. The tree helped encourage other employees around the office to contribute much-needed supplies such as mittens, gloves, hats, and socks. The donations were greatly appreciated by the local community during the winter season.

Cardz for Kidz

This Chicago-based nonprofit organization hand-delivers hope and love by card to sick and recovering pediatric, elderly, and traumatized patients across the U.S. and overseas. Throughout the year, employees supported Cardz for Kidz by handwriting hundreds of inspiring cards, helping to deliver much-needed joy to patients in the hospital.

MADD

UKG sponsors the annual Walk Like MADD & MADD Dash Fort Lauderdale 5K, which has become the most successful MADD fundraiser in the U.S., due in large part to the support of the many U Krewers who walk, run, and donate to this cause annually. In 2021, 50 UKG employees participated in person and virtually in the 5K as donors, runners, walkers, and volunteers. Together, Team UKG raised \$10,000 for MADD. In 2021, UKG extended its support of MADD and countless other national nonprofits to their chapters in the Northeast.

The Wish Project

U Krewers partnered with The Wish Project in Lowell, which helps families in need establish long-term residency by providing basic needs; critical immediate assistance to homeless families, victims of fire, or disaster; and support in the community. Our employees have volunteered to assemble cleaning kits, sort incoming donations, assist customers as they shop for clothing, assist donors as they drop off items, and fill clothing bins.



International Philanthropy

Throughout the year, U Krewers in our offices around the world — including Australia, New Zealand, and South East Asia (ANZ SEA); Europe, the Middle East, and Africa (EMEA); India; and Latin America (LATAM) — partner with local nonprofits to support people in need.

Noted examples of our international philanthropy from 2021 include:

ANZ SEA

Bábarra Women's Centre

This organization enables local women in northern Australia to develop and run women-centered enterprises that support healthy and sustainable livelihoods. In 2021, U Krewers donated more than 330 pounds of goods to the centre, whose team then traveled around distributing to remote communities.

Starlight Children's Foundation

The foundation works with health professionals to bring fun, joy, and laughter to help sick kids be kids. The 2021 UKG donation went toward creating “Starlight in a Box” surprise packs, which contain arts and craft items, toys, games, and immersive activities all designed to engage and positively impact children, young people, and families who might be in the hospital over the holidays.

EMEA

Whizz-Kidz

This nonprofit provides disabled children and young people in the U.K. with vital mobility equipment, opportunities to meet and have fun, and training to help them gain skills and look forward to a brighter future. Our donations have provided motorized wheelchairs, enabled the repairs of others, and covered the costs of employability sessions and kids' camps.

ToekomstATELIERdelAvenir (TADA)

TADA provides voluntary, motivational, and society-oriented education to kids ages 10 to 14 living in Belgium's most socioeconomically disadvantaged areas. This past year, U Krewers from our offices in Belgium and the Netherlands hosted Saturday morning workshops with young people to share what their roles involve on a day-to-day basis and how they got into them.

India

ANK India

ANK India is a nongovernmental organization (NGO) providing education to underprivileged children and building better livelihood opportunities. In 2021, under our community support and outreach initiative, U Krewers in India donated 14 oxygen concentrators to the Government Community Health Centre, based in Noida, which specializes in childcare, maternity, and COVID-19 care.

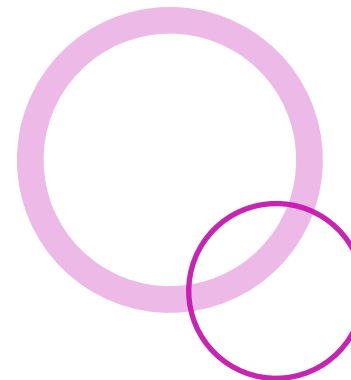
Prajna Foundation

This foundation provides the children of New Delhi's slums with the tools to escape the cycle of poverty. In 2021, UKG India helped to build a “Praangan” (Ladies Courtyard) at the Kalkaji center to support the physical and mental wellbeing of young girls and women in need.

LATAM

Fundación Alejandro

This nonprofit organization is dedicated to improving the quality of life for socially disadvantaged women, children, and seniors in the region. In 2021, U Krewers in Mexico donated depreciated laptops, mobile equipment, and branded materials that supported single mothers with equipment for their children's remote-schooling needs.



Teaming Up to Support Our Communities

Each year, as part of our ongoing sponsorships of local professional sports organizations — such as the Miami HEAT and the Florida Panthers — we team up to host communitywide giving events, including fundraising campaigns for charity, food drives, housing renovations, and more. Additionally, this past year, we partnered with the HEAT to provide the Miami Police Department specialized training from Dedication to Community (D2C). The nonprofit facilitates training of all Miami’s sworn police officers, with the goal of positively impacting interactions between law enforcement personnel and our diverse, local communities — particularly the Black community.

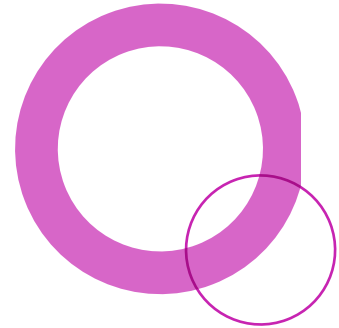
Support for Our Employees

In recognition and support of our U Krewers and their families directly impacted by the COVID-19 pandemic, UKG established the **PeopleInspired Giving Foundation**, a 501(c)(3) dedicated to providing financial assistance to employees physically, economically, emotionally, or otherwise adversely impacted by tragedy — including and beyond the pandemic — such as a spouse losing their job or a parent becoming seriously ill. To date, we have delivered hundreds of thousands of dollars in relief to hundreds of U Krewers and UKG families.

Customer-Driven Giving

Our **UKG Pro Giving** solution enables organizations to easily set up charitable campaigns and empower their own employees to donate to philanthropic causes. In the spirit of philanthropy, we offer Giving free to our customers. We are proud to say UKG customers have donated millions of dollars through the Giving platform to support nonprofit organizations such as Feeding America, Meals on Wheels, and the Salvation Army.

For more information on our commitment to philanthropy and volunteering, please visit ukg.com/about-us/esg/social/philanthropy-and-giving.



Governance



“ At UKG, we value diverse perspectives, transparency, kindness, adaptability, and agility. We continue to offer U Krewers support and opportunities for growth, and relentlessly pursue great outcomes. We believe that working together to drive success can be our key differentiator. In this work, we understand the need to maintain strong relationships built on trust and transparency.

– Annette Kuhn, Director, Compliance and ESG Operations



“ Consistency between our words and actions, being transparent, and taking personal and collective responsibility for the decisions we make, and the outcomes that follow, are principles interwoven into every interaction at or with UKG. We are passionate about doing the right thing, and doing right by our employees, customers, and stakeholders. Our relentless focus on being trusted and trustworthy are real differentiators for us.

– Peter Acton, Vice President, Deputy General Counsel

In 2021, our commitment to corporate governance and accountability aligned with one of the UN Sustainable Development Goals (SDGs): #16 [Peace, Justice and Strong Institutions](#).

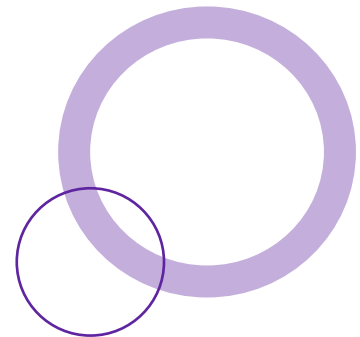


Governance and Business Ethics

We are committed to the highest standards of governance and business ethics. This commitment is firmly rooted in our corporate values and behaviors, our [Code of Conduct](#) and company policies, the training and learning opportunities we provide and the resources we have that are dedicated to helping U Krewers make the right choices. We don't expect our employees to be experts in the law, but we do expect them to be familiar with laws that are key to our business and the policies that apply to them in their roles, to spot potential concerns, and to engage with those resources if they are unsure how to handle a particular situation or if they believe that something improper may have occurred.

While U Krewers are encouraged to reach out to their managers or the appropriate subject-matter experts, there are instances where employees may not feel comfortable doing so. We have a confidential reporting tool that is managed by a third party, where reports may be filed online or over the phone and anonymously where permitted by law.

Our corporate compliance program is designed to ensure our policies, procedures, and actions help prevent and detect violations of laws and regulations. All UKG policies ensure that we follow the law while also setting forth the type of ethical conduct we expect from all U Krewers toward one another, our customers, and our suppliers. Knowing and understanding these business policies helps our employees navigate business and ethical situations with the integrity that accurately represents our company culture and values. Our policies include topics on Acceptable Use, Anti-Corruption, Anti-Money Laundering, Global Travel and Expense, Anti-Discrimination, Harassment and Retaliation, Information Security, Conflict of Interest, Human Rights, Privacy, and more. We consistently monitor the effectiveness of our policies, procedures, and other company controls in the management of risk exposure.



SPOTLIGHT STORY: NEW CODE OF CONDUCT AND TRAINING

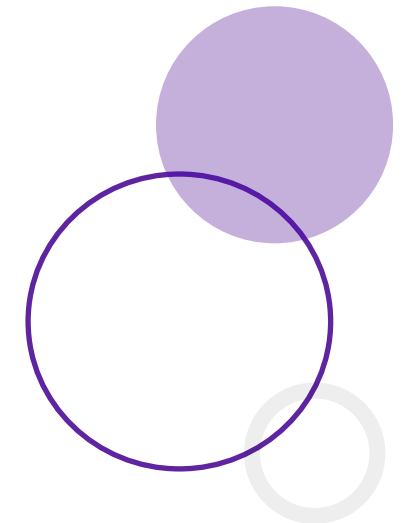
Our [Code of Conduct](#) applies to all employees worldwide. Every U Krewer receives training on our code when they join UKG and annually thereafter. In 2021, as in previous years, 100% of our employees completed the training. This training is in addition to training employees receive as part of our Corporate Compliance Program. In 2021, for example, all U Krewers also received training in Anti-Bribery and Corruption, Anti-Money Laundering, Business Continuity Management, Data Privacy and Security, and Workplace-Harassment Prevention. As with the code training, 100% of employees completed those courses. Employees in certain roles also received specialized training from UKG in 2021 on those and other topics. We also released a new Code of Conduct and corporate policies in 2021 as part of our post-merger activities.

Supply Chain and Suppliers

We are committed to developing and maintaining a culture where our partners support and practice our values. On a basic level, all third parties with whom we do business are required to comply with all laws, regulations, and professional standards that apply to their relationships with UKG. Third parties must also be familiar with and comply with the laws and regulations, including those related to employment and labor rights, anti-corruption and export control, and health, safety, and environmental protections.

In 2021, UKG also enhanced and expanded the use of our [Third-Party Code of Conduct](#). 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 nonretaliation, workplace safety, environmental responsibility, health and safety training and communication, and responsibly sourced materials. As part of deepening our commitment to working with responsible third parties, in 2021, we also:

- Mapped our supply chain to better understand diversity while introducing practices that embrace our ESG initiatives.
- Expanded and enhanced our international reseller due-diligence process.
- Enhanced our monitoring of third parties in higher-risk countries. This includes implementing enhanced audit and evaluation processes, conducting on-site visits, and otherwise taking additional steps to ensure that the supplier understands and adheres to our [Third-Party Code of Conduct](#).





Human Rights

As is reflected in the [UKG Human Rights Policy](#), we are committed to respecting internationally recognized human rights in our operations, which includes U Krewers and those in our supply chain, our products, and our communities. This commitment is informed by our adherence to the UN Guiding Principles on Business and Human Rights (UNGPs). This means we aim to respect the rights of all individuals affected by our business and will work to address any adverse impacts that we may cause or to which we may contribute. It also means that we seek to mitigate adverse human rights impacts that are directly linked to our operations, products, or services by our business relationships with third parties, including those in our supply chain. We also believe that we can serve as a catalyst for action by our partners.

Modern Slavery Statement

UKG complies with modern slavery-prevention laws, including the Modern Slavery Act 2015 (U.K.) and the Modern Slavery Act 2018 (Australia). This includes not using underage labor, as defined under applicable law, and not employing workers below the age of 18 in jobs that are likely to jeopardize their health and safety. UKG only uses voluntary labor and employees who have the proper work-related documentation and is otherwise committed to taking steps to ensure compliance with those laws. This commitment applies to UKG and our suppliers. View the complete [UKG Modern Slavery Statement](#).

Anti-Harassment and Discrimination

We strive to create an environment where differences are welcomed and part of our corporate culture. UKG will not tolerate any discriminatory treatment or harassment based upon race, color, national origin, religious belief, gender, gender identity or expression, sexual orientation, age, disability or perception of disability, past or present military service, physical appearance, or any other basis protected by federal, state/provincial, or applicable local law. Any reports of this conduct will be investigated by our HR and Legal departments and addressed appropriately.

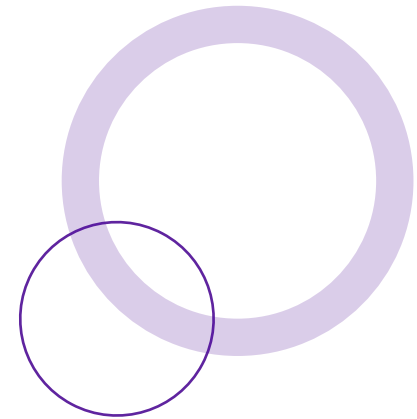
For more information on our commitment to governance and business ethics, please visit ukg.com/about-us/esg/governance/governance-and-business-ethics.

Privacy and Data Protection

Privacy and data security are a top priority for us and our customers. We are committed to providing direct, timely, and relevant information about our privacy, data security, and compliance practices. This includes information about:

- The personal information customers provide us, and which is required for us to execute agreements with our customers
- The data we collect, both as a controller and a processor, including any special categories of data
- Our use and retention of the personal information entrusted to us
- Any government requests we receive for access to our customers' data
- Our geographic footprint as a [global company](#) with offices in multiple countries, serving customers across the world
- Our cross-border transfers of personal information
- Our robust security practices and ISO 27001, ISO 27017, and ISO 27018 certifications
- Our customers' ability to make data subject access requests

We generally market and sell our products and services to businesses, not consumers. Our commitments regarding the personal information we collect, use, and disclose about the end users of those products and services are largely driven by our contracts with our business customers. The information provided below is intended to help our business customers understand our privacy practices.



Information We Collect as a Controller

UKG acts as a data controller in connection with UKG Employee Vault, when you visit our website, and in other instances as outlined in our Privacy Notice. To learn more about the personal information UKG collects as a controller, view the [UKG Privacy Notice](#).

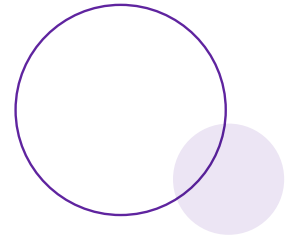
Information We Collect as a Processor

Other than in the instances listed above, UKG customers are the controllers of the personal information that they collect, create, communicate, and store in our products. UKG does not give anyone access to the personal information maintained in those products, unless:

- We are permitted to do so in our contract with the customer
- The customer instructs UKG to do so
- The customer consents (e.g., subprocessors used by UKG)
- UKG is legally obligated to do so
- UKG has a legitimate interest (as defined under GDPR and other applicable laws) to do so

For more information about our data-processing practices, including where we store data for our products, how we secure that data, and our data-retention practices, request a copy of our Privacy Product Statements from privacy@ukg.com. To learn more about our obligations as a processor, see the [UKG Customers Data Processing Agreement](#).

For more information on our commitment to privacy and data protection, please visit ukg.com/about-us/esg/governance/privacy-and-data-protection.



Cybersecurity

UKG is committed to preserving the confidentiality, integrity, and availability of all physical, electronic, and informational assets as they relate to our cloud solutions and services. We are also committed to protecting our products and services from all threats, whether internal or external, deliberate or accidental. In furtherance of that commitment, we have and maintain the following certifications:

Security SOC 2 — ISAE3402/SSAE 18 Audit

UKG complies with ISAE3402/SSAE 18 AICPA Trust Principles for Security, Confidentiality, and Availability (and, where in scope, Privacy and Processing Integrity), and we undergo an audit each year for the purposes of examining the relevant controls. These audits are performed by an independent, certified third party and the resulting reports are provided to our customers upon request. UKG also performs SOC 2 audits for our data centers and will provide those reports to customers upon request.

Developed by the American Institute of Certified Public Accountants (AICPA), SOC 2 is used when evaluating the suitability of the design and operating effectiveness of controls relevant to the security, availability, or processing integrity of information and systems, or the confidentiality or privacy of the information processed by the system. UKG SOC 2 Type II reports are made available to customers within our UKG Due Diligence Package.

The SOC 2 report demonstrates controls in place to meet the AICPA's SOC 2 Trust Services Criteria (TSC) for the following principles:

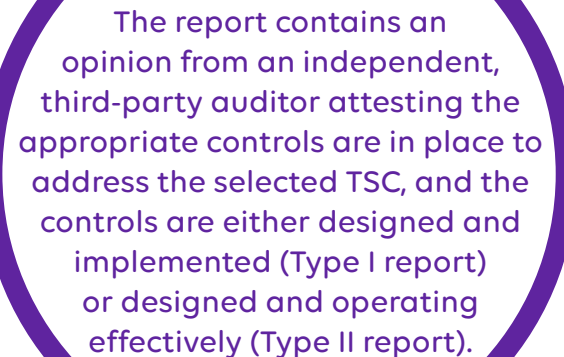
Privacy: personal information is collected, used, retained, disclosed, and disposed of in conformity with the commitments in the entity's privacy notice and with criteria set forth in the Generally Accepted Privacy Principles issued by the AICPA.

Confidentiality: information that is designated "confidential" is protected according to policy or agreement.

Security: the system is protected against unauthorized access, both physical and logical.

Availability: the system is available for operation and use as committed or agreed.

Processing Integrity: system processing is complete, accurate, and authorized.



The report contains an opinion from an independent, third-party auditor attesting the appropriate controls are in place to address the selected TSC, and the controls are either designed and implemented (Type I report) or designed and operating effectively (Type II report).

ISO 27001, 27017, and 27018

UKG ensures compliance with ISO 27001, 27017, and 27018 as outlined below. UKG also ensures our data centers continue to have IT security management certified according to ISO 27001 or a comparable industry standard security framework. The audits are carried out by an independent, certified third party and, upon request, UKG provides the certificates to our customers.

ISO 27001 is an IT standard originally published in 2005 by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). In 2013, ISO 27001:2013 was published, and it supersedes the original 2005 standard. ISO 27001 is a globally recognized, standards-based approach to security that outlines requirements for an organization's information security management system (ISMS).

ISO 27017, published in 2015, is a complementary standard to ISO 27001. This standard provides controls and implementation guidance for information security applicable to the provision and use of cloud services.

ISO 27018 is a complementary standard, published by ISO/IEC in 2014, that contains guidelines applicable to cloud service providers that process personal data.



Summary of Certifications

Below is a detailed summary of certifications achieved by UKG:

| ISO 27001 | | | |
|-------------------------|-----------------------------|--------------------------|---------------------------------|
| | Original Certification Date | Current Certificate Date | Current Certificate Expiry Date |
| UKG Pro | January 3, 2008 | January 3, 2020 | January 2, 2023 |
| UKG HR Service Delivery | March 10, 2017 | January 3, 2020 | January 2, 2023 |
| UKG Dimensions | June 20, 2019 | June 20, 2019 | June 19, 2022 |
| ISO 27017 | | | |
| | Original Certification Date | Current Certificate Date | Current Certificate Expiry Date |
| UKG Pro | June 14, 2021 | June 14, 2021 | January 2, 2023 |
| UKG HR Service Delivery | June 14, 2021 | June 14, 2021 | January 2, 2023 |
| UKG Dimensions | June 20, 2019 | June 19, 2019 | June 19, 2022 |
| ISO 27018 | | | |
| | Original Certification Date | Current Certificate Date | Current Certificate Expiry Date |
| UKG Pro | December 13, 2016 | January 3, 2020 | January 2, 2023 |
| UKG HR Service Delivery | June 14, 2021 | January 3, 2020 | January 2, 2023 |
| UKG Dimensions | June 20, 2019 | June 20, 2019 | June 19, 2022 |

In furtherance of our commitment to data privacy and security, all U Krewers are required to complete data privacy and security training when they join the company and annually thereafter. We also engage in activities throughout the year that are designed to reinforce this priority. This includes publishing blogs and other communications, phishing tests, penetration testing, incident simulations and exercises, and more. In addition, we are increasingly incorporating security and privacy by design into our software development lifecycle across our product portfolio.

For more information on our commitment to cybersecurity, please visit ukg.com/about-us/esg/governance/cybersecurity.

KPC Incident Statement

On December 11, 2021, UKG was the victim of a ransomware attack that impacted our solutions hosted in the Kronos Private Cloud (KPC). As of January 22, 2022, all affected customers in the KPC were restored with safe and secure access to their core time, scheduling, and HR/ payroll capabilities.

Looking Forward

In 2021, UKG saw an increase in engagement on ESG topics across our company. Evolving social norms and the pervasive threat of global challenges — such as climate change, rampant inequality, and sweeping technological advancement — continue to require constant adaptation and awareness. We know that, to confront these pressing matters, we must consider how business and society are intricately linked and understand the long-term impacts on all people.

While many common ESG topics are not new, UKG stakeholders are increasingly focused on our collective societal impact. UKG believes our commitments to environmental responsibility, social issues, and corporate governance will ultimately drive positive change and result in lasting benefits for our U Krewers, customers, partners, and communities across the world.

Looking forward, we intend to strengthen our companywide ESG efforts, including long-term investments in programs that help address the underlying systemic issues we all face.



Elizabeth McCarron

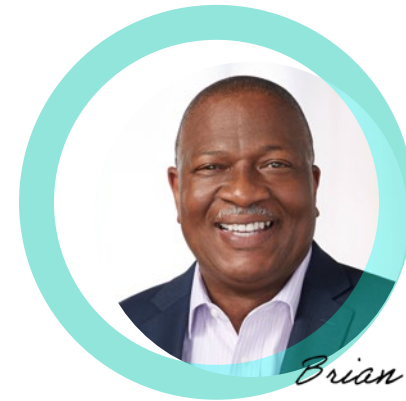
*Executive Vice President,
Chief Legal Officer*

ESG Program Executive Sponsor



Jody Kaminsky

*Executive Vice President,
Chief Marketing Officer*



Brian K. Reaves

*Executive Vice President,
Chief Belonging, Diversity,
and Equity Officer*



Contact

For more information on the UKG ESG program or any initiatives included in this report, please contact:

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All other trademarks, if any, are property of their respective owners.

All specifications are subject to change.

Appendix

SASB Index

| Topic | Code | Accounting Metric | Response |
|--|--------------|--|--|
| Environmental Footprint of Hardware Infrastructure | TC-SI-130a.1 | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | UKG is currently undergoing an inventory process to assess and obtain this information. |
| | TC-SI-130a.2 | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | UKG is currently undergoing an inventory process to assess and obtain this information. |
| | TC-SI-130a.3 | Discussion of the integration of environmental considerations into strategic planning for data center needs | 2021 ESG Report, Environmental |
| Data Privacy and Freedom of Expression | TC-SI-220a.1 | Description of policies and practices relating to behavioral advertising and user privacy | UKG policies and practices relating to behavioral advertising and user privacy are done in compliance with applicable data protection and cybersecurity laws throughout the world in which we do business, including in the U.S., E.U., and U.K. Our Privacy Policy details our approach to protecting the personal data we process and share. For more information, please visit our Privacy Page . |
| | TC-SI-220a.2 | Number of users whose information is used for secondary purposes | UKG does not publicly disclose this information. |
| | TC-SI-220a.3 | Total amount of monetary losses as a result of legal proceedings associated with user privacy | UKG does not publicly disclose this information. |
| | TC-SI-220a.4 | (1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure | UKG does not publicly disclose this information. |
| | TC-SI-220a.5 | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring | UKG does not have material presence in any country where our core products or services are subject to these requirements. |

| Topic | Code | Accounting Metric | Response |
|--|--------------|--|--|
| Data Security | TC-SI-230a.1 | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected | On December 11, 2021, UKG was the victim of a ransomware attack that impacted our solutions hosted in the Kronos Private Cloud (KPC). As of January 22, 2022, all affected customers in the KPC were restored with safe and secure access to their core time, scheduling, and HR/payroll capabilities. |
| | TC-SI-230a.2 | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards | 2021 ESG Report, Governance |
| Recruiting and Managing a Global, Diverse, and Skilled Workforce | TC-SI-330a.1 | Percentage of employees that are (1) foreign nationals and (2) located offshore | UKG does not publicly disclose this information. |
| | TC-SI-330a.2 | Employee engagement as a percentage | To gain insight into our employee engagement levels, our strengths as a company, and where we have opportunities to improve our culture, employees are asked to participate in a U Krew Experience (UKX) employee engagement survey twice a year. In the September 2021 survey, we had a world-class level of participation at 85%, showing that our U Krewers clearly care enough to share how they're feeling. |
| | TC-SI-330a.3 | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees | UKG does not publicly disclose this information. |
| Intellectual Property Protection and Competitive Behavior | TC-SI-520a.1 | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | UKG had no material monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations. |

| Topic | Code | Accounting Metric | Response |
|---|--------------|---|--|
| Managing Systemic Risks from Technology Disruptions | TC-SI-550a.1 | Number of (1) performance issues and (2) service disruptions; (3) total customer downtime | UKG does not publicly disclose information on performance issues and service disruptions. UKG commits to a HCM industry-leading Service Level Agreement (SLA) of 99.75%. In 2021, most of our products met this standard or above. |
| | TC-SI-550a.2 | Description of business continuity risks related to disruptions of operations | <p>Our operational landscape is in a constant state of change. Moreover, while the past few years have been marked with unpredictability, a single certainty remains — “expect the unexpected.” Leadership has had to become adaptable and proactive, developing more resilient organizations. For us at UKG, Business Resiliency is an integral pillar of our Governance Risk and Compliance (GRC) portfolio.</p> <p>While a Business Continuity Management program has been in place at UKG, the 2022 roadmap for the newly formed Business Resiliency Management (BRM) team will launch a new framework to better align with the ISO 22301:2019 Standard.</p> <p>As part of this effort, a dedicated team will mature, rebrand, and expand the program to mitigate the disruption of business operations or client services resulting from inclement weather, natural disasters, technical failures, and cyber attacks, among other potential events. This undertaking will include greater use of automation, as well as proactive and comprehensive analysis of potential business impacts and risks, and will provide seamless integration and consistency between other programs.</p> <p>As an example of the new alignment, the BRM team plans include a project to complete a robust gap assessment for our current disaster recovery (DR) capabilities and work with the DR team to inventory, standardize, and update DR plans.</p> <p>In conclusion, our Business Resiliency Management Steering Committee will continue to provide guidance and strategic direction for the global resilience team. The committee meets on a quarterly basis to support Business Resiliency throughout the organization and enforce adherence to resiliency policies and standards.</p> |
| Activity Metrics | TC-SI-000.A | (1) Number of licenses or subscriptions, (2) percentage cloud-based | UKG has 50,000+ customers, about 88% of which are currently cloud-based. |
| | TC-SI-000.B | (1) Data processing capacity, (2) percentage outsourced | UKG does not publicly disclose this information. |
| | TC-SI-000.C | (1) Amount of data storage, (2) percentage outsourced | UKG does not publicly disclose this information. |

| Topic and Recommended Content | Response |
|---|--|
| <p>Governance</p> <p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term</p> | <p>At UKG, we define short-, medium-, and long-term risks as 0-3, 3-10, and 10-30 years, respectively. As such, we have identified the following climate-related risks and opportunities for our business:</p> <p>Short term: Our UKG operations have experienced the direct acute impacts of climate change. With the expectation of such extreme weather events continuing, our Business Continuity and Emergency Management functions are highly engaged and investing in supporting employee safety as well as continuous business operations.</p> <p>UKG is a global company with operations in 17 countries, and with office space that is leased and not owned. With an opportunity to influence decision-making at these sites, our Workplaces Services Team actively works with all landlords to create green working environments, energy-efficient buildouts, and consolidated footprints where appropriate. For UKG, increased transparency from our landlords related to our energy consumption and emissions is a priority, to help advance more sustainable solutions such as energy-efficient solar panels. As we continue to consolidate our footprint beyond our largest building sites, we will use the transition as an opportunity to research and negotiate with landlords concerning energy-efficient systems/options as part of our ongoing real estate activities (including lease renewals, expansion, acquisitions, and consolidation).</p> <p>Medium term: Customers and prospects are becoming increasingly knowledgeable about climate change-related issues and how that transcends into their business relationships. Direct requests for information about our ESG efforts have become more sophisticated and specific around detailed data, plans, and goals. As a condition of doing business with UKG, we believe we must be prepared for further pushback and a greater dependency on our ESG team and steering committee to deliver/commit to documented climate change programs, goals, and budgets.</p> <p>The job market within the technology/software industry has become increasingly competitive, with a larger number of candidates choosing to review/evaluate company ESG programs as a determinant for company selection and employment decisions. The efficiency of UKG hiring practices is critical to the organization, so ensuring that we are attracting top talent, while retaining our existing employees, is a top priority.</p> <p>Long term: UKG solutions are cloud-based and, as such, reduce operating costs for our customers while also eliminating material amounts of paper. We continue to evaluate ways to provide products/services that support our customers' climate change initiatives, energy savings, and emissions reductions through improved automation, virtual/SaaS computing (transitioning from on-premises solutions), and enabling more remote access/options to reduce reliance on physical office space. Offering products and services that support flexible work and workforce environments will enable UKG to attract new customers and increase our business with existing customers.</p> |

| Topic and Recommended Content | Response |
|--|--|
| Governance | |
| <p>b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning</p> | <p>As a global software provider with employees, customers, vendors, and partners located throughout the world, financial impact/considerations directly related to climate-related risks and opportunities are apparent. Computing in the cloud requires significant investment to ensure continuous operations for mission-critical applications for both our employees and customers, and enables UKG to be energy efficient and our customers to enhance their own energy-efficient/reduced carbon emissions strategies. Our office and data center footprint, while significant with landlords across the world, is managed in a manner that seeks to continuously enhance climate risk management as a standard practice.</p> |
| <p>c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios; include a 2°C or lower scenario</p> | <p>UKG has not yet completed a climate-related scenario analysis, but we anticipate using qualitative and/or quantitative analysis in the coming years. UKG recently completed a merger and is now in a position from a size and geographic footprint standpoint to use this analysis to inform our strategy. We plan to introduce both qualitative and quantitative analysis over the next few years to better inform our strategy. Our Global Real Estate group already follows a specific set of criteria for green purchasing, office buildouts, and energy-efficient tools (such as printers) to lower our carbon footprint. The UKG Business Continuity Management and Emergency Management Programs prepare for such events and activate Plans/Teams as necessary to reduce risk and hardship to employees, while transferring work to ensure continuous business operations.</p> |
| Risk Management | |
| <p>a) Describe the organization’s processes for identifying and assessing climate-related risks</p> | <p>The UKG Executive Committee (i.e., the senior-most leaders within UKG) regularly considers the material impact of a variety of risks and opportunities as part of its normal operating structure. Those items that could potentially pose the greatest reputational, financial, strategic, or organizational risk are carefully evaluated and monitored by separate committees (that may or may not include independent analysis by third-party experts).</p> |
| <p>b) Describe the organization’s processes for managing climate-related risks</p> | <p>At UKG, our ESG committees report findings, actions, and progress to the Executive Committee and/or board as appropriate. In 2021, UKG conducted an annual Business Impact Analysis (BIA) with our most senior leaders, which not only includes an evaluation of defined (or new Critical Processes), but addresses risk at the enterprise level and collects specific data around residual versus inherent risk. The BIA provided any gaps or risks, which were shared with our Executive Business Resiliency Steering Committee. We intend to expand future BIAs to include an area around environmental impacts and risks. In 2022, we intend to adjust our approach to Enterprise Risk Assessments, specifically our approach to risk consideration.</p> |

| Topic and Recommended Content | Response |
|---|--|
| Risk Management | |
| <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p> | <p>The UKG Enterprise Risk Management Program considers a variety of ESG risks that span the organization, including those that have a direct impact on our office and data center footprint, carbon emissions, and waste management. In conjunction with the responsible functional groups and committees, the UKG ESG Operating Team actively monitors and reports status/progress as part of its monthly meetings and within both required and voluntary audit processes. The merger has offered up a number of different opportunities to consider significant climate-related initiatives. These include reduced footprint, by consolidating office space and even buildings; changed Procurement and Travel policies, with an emphasis on reduced in-person meetings and business gatherings in favor of virtual events; reduced commuting time/emissions with the introduction of a more widely accepted hybrid working model for a return to the office; and continued increase in the use of virtual servers and data computing practices, smart printers, etc.</p> |
| Metrics and Targets | |
| <p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p> | <p>UKG utilizes the following categories of metrics to assess climate-related risks and opportunities in line with our strategy and risk management process:</p> <ul style="list-style-type: none"> • Business indicators • Corporate GHG emissions • ESG standards alignment |
| <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks</p> | <p>In 2021, we began our initial GHG inventory data collection and management process. As part of our commitment to reduce our carbon footprint, this process is a critical step in managing our environmental impact. In our first year, we looked at our largest sites that have the biggest footprints. In 2022, we intend to complete our first global GHG inventory, which will establish a baseline and develop effective GHG reduction and emission targets.</p> |
| <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p> | <p>Due to the pandemic and the merger, our focus has been on ensuring employee safety and support, while keeping business operations strong and ensuring a smooth transition into a new company. As we progress past those initial priorities, our focus has and will continue to focus on activities that, among other benefits, reduce emissions.</p> |