

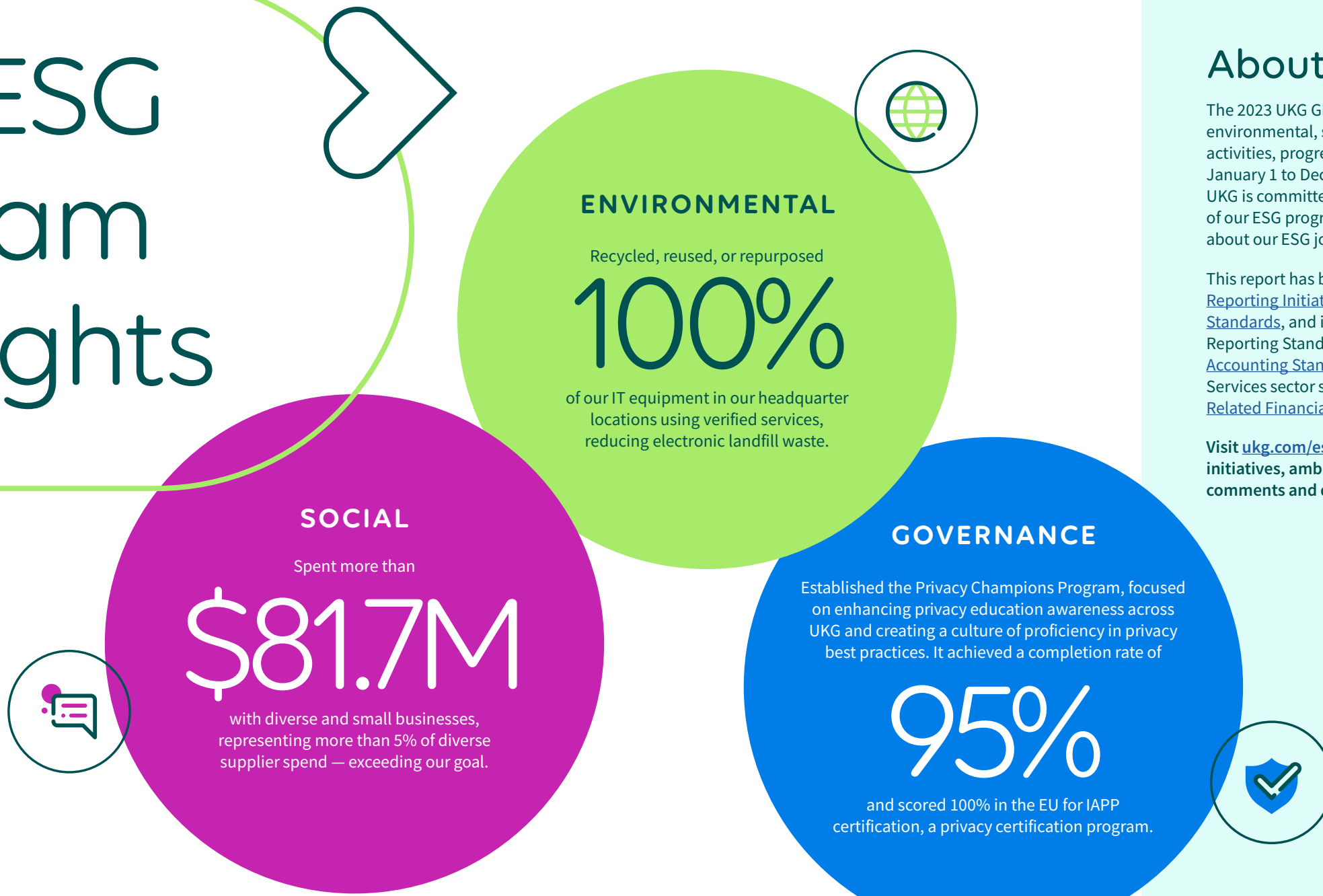
2023 UKG Global Impact Report

# Forward with Purpose



# 2023 ESG Program Highlights

See pages [11-13](#) for specific ESG goals and metrics



## About This Report

The 2023 UKG Global Impact Report covers our environmental, social, and governance (ESG) strategies, activities, progress, metrics, and performance from January 1 to December 31, 2023, unless otherwise noted. UKG is committed to regular, transparent communication of our ESG progress and will continue to provide updates about our ESG journey at least annually.

This report has been prepared in reference to the [Global Reporting Initiative](#) (GRI) utilizing the updated [Universal Standards](#), and it aligns with the International Financial Reporting Standards Foundation’s [Sustainability Accounting Standards Board’s](#) (SASB) Software and IT Services sector standard and the [Task Force on Climate-Related Financial Disclosures](#) (TCFD) recommendations.

Visit [ukg.com/esg](https://ukg.com/esg) for more information about our ESG initiatives, ambitions, and progress. We welcome any comments and questions at [esg@ukg.com](mailto:esg@ukg.com).

2023 ESG PROGRAM HIGHLIGHTS

# Environmental



Improved our CDP rating to a "B," placing UKG in the management category

Implemented a new carbon accounting platform, enabling us to rebase our 2022 emissions with new methods to prepare for future audits

Enhanced policies and practices to better align with goals, standards, and values, such as:

- A new section on expectations of our suppliers' environmental impact in the UKG Third-Party Code of Conduct
- A new Sustainable Procurement section in the UKG Global Environmental Policy, supporting our Scope 3 emissions goal

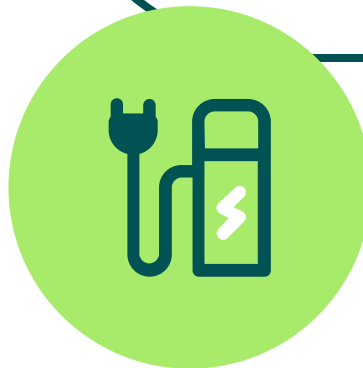
Launched a Sustainable Suppliers Working Group to formalize sustainable decision making in both purchaser and supplier business practices

Engaged more than

**1,600**

employees in our sustainable employee-transportation programs, including:

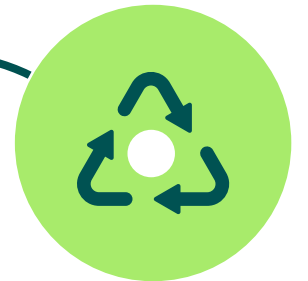
- Launching a new electric vehicle (EV) pilot program in India with 20 electric vehicles supporting ~200 employees and growing
- Enabling 4,300 EV charging sessions for employees at our 14 EV stations in Weston, Florida, saving more than 128,000 pounds of carbon dioxide equivalent



Achieved an

**88%**

recycling rate for waste produced at the 2023 UKG Aspire Conference in Las Vegas, Nevada, in partnership with Mandalay Bay Resort.



2023 ESG PROGRAM HIGHLIGHTS

# Social

Launched a new employee resource group (ERG): Nurture, Empower, Support, and Thrive (NEST) to assist U Krewers who balance work and family care

Introduced U Choose, a new global, equitable benefits program to reimburse U Krewers quarterly for lifestyle expenses; saw 93% utilization worldwide

Achieved 90% employee participation in our twice-annual employee engagement survey

Saw 80% of the employee population recognized by 90% of UKG employees via the Celebrate U! peer-to-peer recognition platform

Launched the UKG Leadership Immersion program, bringing more than 250 VPs together to further develop great leaders

Invested

**\$6 million**

in philanthropic initiatives and other programs impacting our global communities, including:

- \$4 million direct philanthropic commitment in the areas of health, human services, education, and disaster relief — benefiting more than 170 nonprofit organizations
- \$2 million in financial support for nonprofits came from programs throughout UKG, including our Close the Gap pay equity initiative



Logged more than

**10,000**

employee volunteer hours globally, including:

- 1,700 volunteer hours from more than 400 U Krewers who participated in U Krew Kickoff Service Week at more than 40 locations and events around the world
- The formal launch of our Global Volunteer Time-Off Policy, giving all employees at least two days of paid time off per calendar year for in-person or virtual volunteer activities at organizations of their choosing



2023 ESG PROGRAM HIGHLIGHTS

# Governance

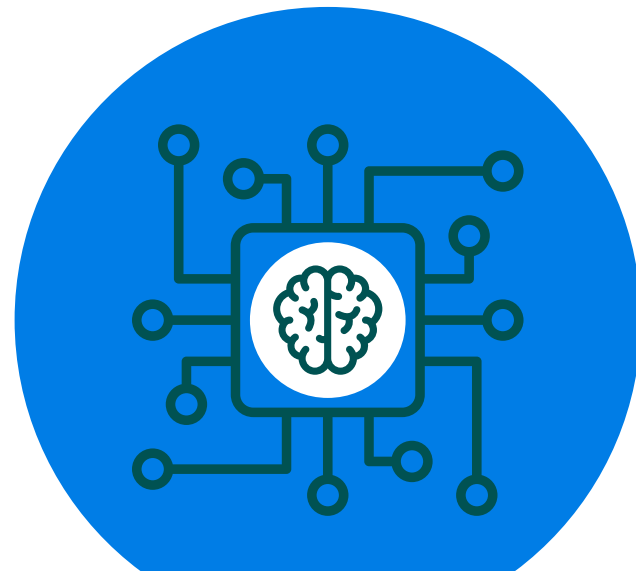
Introduced the global Reskilling Role-Based Initiative, with more than 100 U Krewer participants seeking to upskill, advance, and thrive in the ever-evolving field of security

Launched a Supplier Relationship Management Program designed to align our key strategic suppliers with our expected levels of professional standards

Committed publicly to the responsible and

## ethical use of AI

acknowledging its transformative potential for enhancing the work experience, and complied with contractual and regulatory requirements related to AI, data, and content used for AI training



Created several new UKG policies focused on

## generative AI

(GenAI), security program standards, and enhanced provisions in our privacy notices, all aligned with our own innovation and industry best practices





# Who We Are

At UKG, our purpose is people. We're on a mission to inspire every organization to become a great place to work through human capital management (HCM) technology built for all. More than 80,000 organizations across industries and geographies trust UKG HR, payroll, workforce management, and culture cloud solutions to drive great workplace experiences and make better, more confident people and business decisions.

With the world's largest collection of people data, work data, and culture data combined with rich experience using AI in the service of people, we connect culture insights with business outcomes to show what's possible when organizations invest in their people.

## How we work

We offer our customers a powerful combination of guidance, solutions, and services that lead to cultures of trust and belonging — cultures that prove people are the real drivers of business success. Here's what organizations can expect when they work with us.

### Lead through culture

With exclusive access to 30 years of the most trusted culture data in the industry, we know what makes a great workplace. We connect this insight to business outcomes (think increased productivity, lower turnover, and higher financial returns), showing customers how a great culture isn't just good for people, it's also very good for business, too.

### Innovate with purpose

Our technology takes our knowledge of great cultures and turns it into actionable steps our customers can take to build great work experiences. This means ensuring that all people feel connected to purpose and supported during the moments that matter most.

### Partner for life

We offer so much more than just technology. We're a partner to our customers — for life. Our service, advice, and training ensure that they feel empowered and confident in their jobs, realize value from their investment, and achieve their vision for the future.

To learn more, visit [ukg.com](https://ukg.com).

# What We Stand For

Our UKG values and behaviors shape our culture by defining what we believe and care about most, forming the foundation of who we are and uniting our employees, known as U Krewers, so we can deliver on our mission.

## United



We're better together. We value diverse perspectives, encourage authenticity, and work collaboratively. This means assuming positive intent, listening to understand, and always exchanging honest feedback.

## Kind

We do the right thing. We build trust and transparency by matching our words to our actions. And we truly care. We take a genuine interest in each other's wellbeing, show appreciation for their contributions, and offer support when needed.

## Growing

We can make an impact. We seek out and try new ideas, adapt to changes, and always strive to improve. We're also accountable. We achieve results for our customers and our people by focusing on solutions and persisting through setbacks.

## UKG by the Numbers

**80,000** organizations

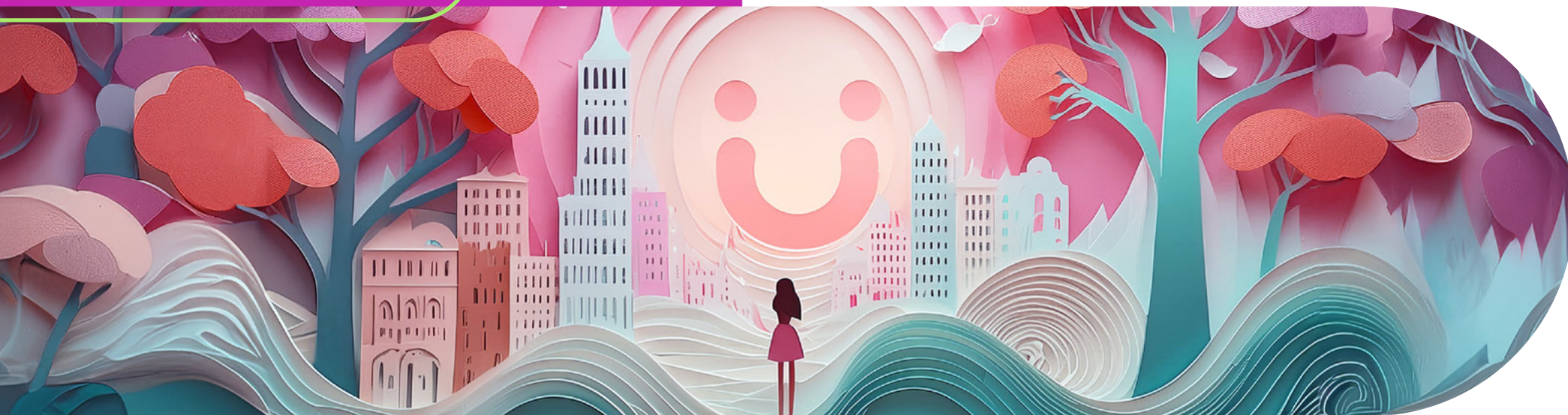
**150** countries

**15,000+** U Krewers globally



# Innovation That Serves All People

See this image? We created it (and others like it) using AI as a way to bring to life the ideas shared throughout this report. It's a testament to our belief that a responsible partnership with AI can enhance human creativity.



Our HR, payroll, workforce management, and culture solutions help organizations around the world become great places to work. Our flagship products include:

## UKG Pro

Our comprehensive human capital management (HCM) suite, UKG Pro®, is designed for organizations that prioritize diverse workforces and cultures of trust and belonging. Putting people at the center of your strategy, from HR and complex payroll to talent and industry-focused workforce management, UKG Pro anticipates people's needs beyond just work. We partner with you every step of the way to drive better business outcomes and create great workplaces for all.

## UKG Ready

Our all-in-one HR, payroll, talent, and time solution, UKG Ready®, is designed for leaner teams. With UKG Ready, employees are empowered through a modern user experience that makes their day-to-day easier and more productive. People processes are streamlined through deep, automated compliance and payroll functionality designed to scale and grow with our customers.

## Our Specialty Solutions

Our AI-powered suites, coupled with specialty solutions, help build strong cultures and boost engagement, productivity, and belonging.

Our specialty solutions include:

[UKG One View™](#), the multi-country payroll experience, can be deployed in as little as five weeks and provides a single view of data across all in-country payroll providers globally.

[UKG Great Place To Work® Hub](#), an industry-first solution that transforms HR metrics into opportunities for equity and belonging.

[UKG Wallet™](#), a financial wellness and earned-wage access tool that also provides financial planning and literacy resources to employees.

[UKG Talk®](#), an employee-communications platform that keeps frontline workforces connected to each other and the company mission.

[UKG Bryte™](#), an AI-powered sidekick for great workplaces that uses generative AI (GenAI) to help guide employees, people managers, and HR leaders by shining a light on important insights that support great workplace cultures.

Explore our full suite of solutions at [ukg.com/solutions](https://ukg.com/solutions).

In 2023, UKG [acquired Immedis](#), welcoming them to the U Krew family, expanding its global presence, and reimagining how enterprise businesses process multi-country payroll, leading to the [launch of UKG One View](#).





# Our ESG Program



Our purpose is people is more than a tagline. It's a commitment to our employees, our customers, and our communities. Through our ESG program, we hold ourselves accountable for creating great places to work — and even better places to live — for all people and the world around us by protecting our planet, building inclusive environments, and making sure our actions match our words.



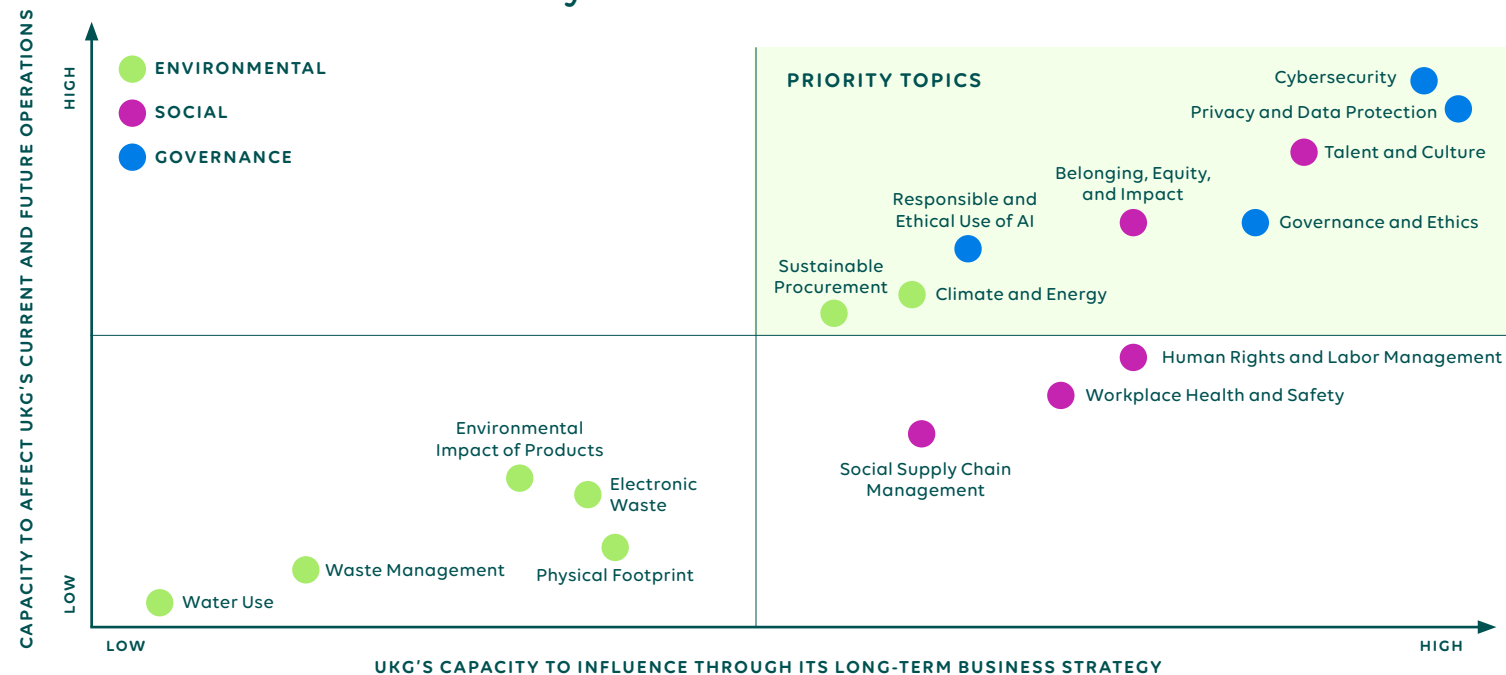
## Our ESG priorities

To remain focused on the ESG areas we're best positioned to impact, UKG conducts a biennial global [materiality](#) assessment in partnership with an independent, impartial third-party provider. These assessments shape our strategy, inform our goals, and guide our current and future business operations.

Our assessment is guided by ESG frameworks, including GRI, SASB, TCFD, and [the United Nations Sustainable Development Goals](#) (UN SDGs), to aid in the identification of relevant topic areas. By engaging with both internal and external stakeholders, we refine the initial topic list and prioritize the most relevant areas of impact. We validate the results with feedback from U Krewers, ESG experts, and our third-party providers to affirm our final priority topic areas.

As a result of our most recent assessment, which we aligned with the double materiality methodology, this year we've refreshed our priority topic areas and targets for greater impact.

### UKG 2023 ESG Materiality Matrix





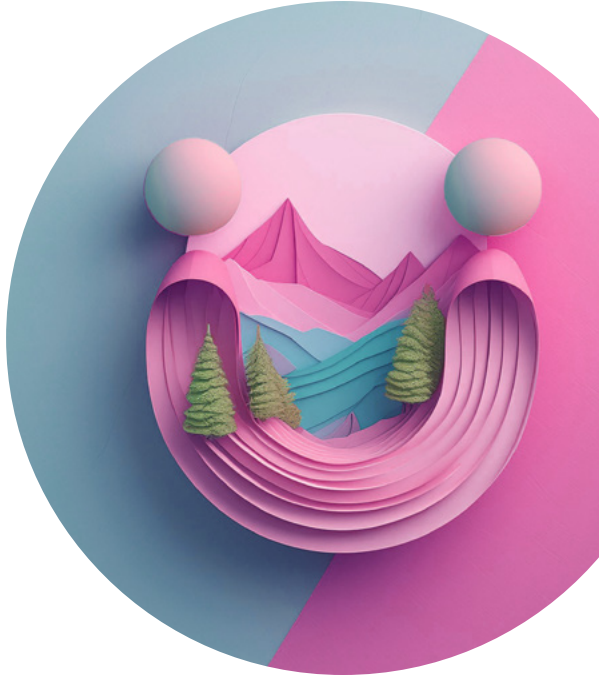


# Our Progress

We know that transparency is critical to trust. That's why we're pleased to share our 2023 ESG targets, the resulting outcomes, and our future goals in this report.

In 2023, we refined our ESG program goals to align with the result of our latest materiality assessment and where we have the greatest impact.

Our ESG targets are informed by our most recent materiality assessment and align with the UN SDGs. These forward-thinking targets are ambitious but realistic, and we have held ourselves accountable to progress, achieve, and/or surpass each pillar in a timely manner.



**ENVIRONMENTAL**



**SOCIAL**



**GOVERNANCE**

## ESG Governance

In accordance with our commitment to transparency and oversight, UKG regularly seeks feedback and involvement from a wide range of stakeholders both inside and outside our company. This strengthens our strategy, ensures our program reflects diverse perspectives, and enables us to deliver on our goals.

These groups include but are not limited to employees, customers, partners, UKG employee resource groups, HR and talent acquisition, suppliers, community and advocacy groups, industry organizations, investors, and shareholders.

We know that people with varied personalities, backgrounds, abilities, and skills bring different perspectives and that a more diverse team will raise topics that might not have been thought of before and thus are more likely to produce well-rounded efforts and results.

We leverage this input and expertise via a robust governance structure.

### Board of Directors

- Responsible for high-level engagement with the UKG ESG program

### ESG Steering Committee

- Provides oversight and strategic direction
- Reports on the ESG program to the board of directors and other stakeholders
- Led by UKG chief legal officer as executive sponsor

### ESG Leadership Team

- Sets ESG goals and ensures program development
- Composed of functional leaders throughout UKG to ensure partner equity and input

### ESG Cross-Functional Working Group

- Charged with implementation of ESG programs
- Aligned with each of the material ESG focus areas
- Supports data collection, reporting, and progress toward priorities and goals



## Climate and Energy

### Commitment

Commit to and set goals aligned with the Science Based Targets initiative (SBTi) (with a 2022 baseline year), which include:

Near term:

- Reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 42% by 2030
- Reduce absolute Scope 3 GHG emissions from purchased goods and services and capital goods by 25% by 2030

Long term:

- Reduce absolute Scope 1, 2, and 3 GHG emissions by 90% by 2040
- Achieve net zero GHG emissions across the value chain by 2040

Expand climate change training and education opportunities to all employees.

### 2023 Progress

In 2023, UKG implemented a new carbon accounting platform, which enabled us to rebase our 2022 emissions reduction targets with new methodologies to prepare for future audits and set us up for success to achieve our climate and energy targets:

- UKG also made updates relative to the Comprehensive Environmental Data Archive (CEDA) emission factors to meet the latest industry standards and to ensure a like-for-like emissions comparison for our baseline with future annual carbon footprints. The updated results of this recalculation and rebaselining can be found in the [Appendix](#).

### SDG Alignment



## Sustainable Procurement

### Commitment

Aligned with our climate and energy targets, we aim to reduce absolute emissions from purchased goods and services and capital goods by 25% by 2030 from a 2022 baseline.

Identify and engage with our top 40 suppliers by emissions about climate change and setting science-based targets.

### 2023 New Priority Topic Area

Aligned with the climate and energy target, UKG made progress by:

- Committing to annually engage with at least 40 suppliers to encourage them to disclose emissions data, targets, and reduction efforts with UKG and set their own science-based targets
- Onboarding a supplier engagement tool and using it to rank and prioritize suppliers
- Determining top suppliers by emissions with existing SBTs





## Belonging, Equity, and Impact

### Commitment

Equity of representation by 2026:

- Women globally 46%
- Women globally in leadership 44%
- Technical women\* globally 38%
- Technical women globally in leadership 33%
- U.S. Hispanic & Latino representation 19%
- U.S. Hispanic & Latino leadership representation 14%
- U.S. Asian & Pacific Islander representation 14%
- U.S. Asian & Pacific Islander leadership representation 11%
- U.S. Black & African American representation 13%
- U.S. Black & African American leadership representation 9%

Social equity, opportunity, and impact by 2026:

- Achieve 50% increase in employee giving and volunteering hours

Supplier diversity:

- Maintain at least 5% diverse supplier\*\* spend, while expanding the program's enterprise focus year over year

\*See [Appendix](#) for how UKG defines technical women.

\*\*See [Appendix](#) for how UKG defines diverse suppliers.

### 2023 Progress

Equity of representation in 2023:

- Women globally 47%
- Women globally in leadership 42%
- Technical women globally 35%
- Technical women globally in leadership 29%
- U.S. Hispanic & Latino representation 16%
- U.S. Hispanic & Latino leadership representation 12%
- U.S. Asian & Pacific Islander representation 10%
- U.S. Asian & Pacific Islander leadership representation 8%
- U.S. Black & African American representation 10%
- U.S. Black & African American leadership representation 5%

Social equity, opportunity, and impact in 2023:

- Surpassed our goal with a 65% increase in employee giving and volunteering hours

Supplier diversity:

- More than \$81.7 million with diverse and small businesses, representing more than 5% of diverse supplier spend

### SDG Alignment



## Talent and Culture

### Commitment

We have aligned the below goals with our twice-yearly employee engagement survey and strive to:

- Maintain or exceed an 80% or higher engagement score as part of our employee engagement survey through 2025
- Maintain or exceed an 85% or higher manager experience score as part of our employee engagement survey through 2025
- Maintain or exceed an 80% or higher belonging score as part of our employee engagement survey through 2025

### 2023 Progress

UKG exceeded all engagement score goals in 2023 with:

- Engagement score: 82%
- Manager experience score: 90%
- Belonging score: 84%





## Governance and Ethics

### Commitment

Maintain above 95% completion of Code of Conduct training for all UKG employees year over year.

Double supplier relationship management program participants by 2025.

### 2023 Progress

UKG exceeded the Code of Conduct training goal of 95% completion rate in 2023 and looks to continue to exceed year over year.

UKG successfully met its supplier relationship management goal through the active engagement of our teams and an expanded program awareness campaign, including specific department-level program baseline analytics.

### SDG Alignment



## Privacy and Data Protection

### Commitment

Maintain above 95% completion of data privacy and security training for all UKG employees year over year.

### 2023 Progress

UKG exceeded the data privacy and security training goal of 95% completion rate in 2023 and looks to continue to exceed year over year.



## Cybersecurity

### Commitment

For UKG core solutions:

- Maintain uptime rate of 99.75% for UKG products year over year
- Maintain compliance with ISO 27001, 27017, and 27018, year over year

### 2023 Progress

UKG met our cybersecurity compliance and uptime goals by maintaining compliance with ISO 27001, 27017, and 27018, as well as an uptime rate of 99.75% for all UKG core solutions.



## Responsible and Ethical Use Of AI

### Commitment

Introducing ethical AI-related training components in 2023 for all UKG employees as part of the UKG data privacy and security training and the UKG Code of Conduct training.

Incorporating regulatory compliance principles in the AI development processes.

### 2023 New Priority Topic Area







# Awards & Recognition

While we never take any action solely for the recognition, UKG has been honored around the world for our ESG efforts, our company culture, and our people-centric technology.

