

CERIDIAN

**Task Force on Climate-related  
Financial Disclosures (TCFD)  
Index 2022**

# Governance

Disclose the organization’s governance around climate-related risks and opportunities.

Our approach to addressing Ceridian’s greenhouse gas (“GHG”) emissions and potential climate-related risks includes oversight, management, and engagement at many levels of our organization.

TCFD Recommendation	Ceridian Disclosure
<p><b>a. Describe the board’s oversight of climate-related risks and opportunities</b></p>	<p>The Corporate Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Ceridian HCM Holding Inc. (the “Company” or “Ceridian”) oversees environmental, social, and governance (“ESG”) matters, including climate-related issues. It reviews strategy, goal setting, and the Company’s overall performance in these areas. Over the past year, this included the results of a third-party materiality assessment and the adoption of a new strategic framework. Climate and Energy was established as a priority topic and informed the development of Ceridian’s first-ever GHG emissions inventory and an emissions reduction goal.</p> <p>The Committee receives updates from the Vice President for Corporate Responsibility and Sustainability on ESG-related matters on a quarterly basis. These discussions frequently include information on climate-related issues. In addition, the Board’s Audit Committee receives regular updates on the Company’s ongoing Enterprise Risk Management activities as well as the results of a yearly risk assessment. This assessment includes potential climate-related risks.</p>
<p><b>b. Describe the management’s role in assessing and managing climate-related risks and opportunities</b></p>	<p>Ceridian’s co-CEOs are responsible for the overall performance of the Company. The Chief Marketing and Communications Officer reports to the co-CEO level and oversees the performance of several departments, including the Corporate Responsibility and Sustainability department.</p> <p>The Vice President for Corporate Responsibility and Sustainability develops the strategy and leads the overall management of climate-related issues. This includes programs and initiatives, goal setting, data collection and reporting, and the identification of potential climate-related risks.</p> <p>Members of Ceridian’s Corporate Responsibility and Sustainability department work closely with senior leaders in several other departments to identify and evaluate potential climate-related risks. These include: Cloud Infrastructure; Enterprise Risk Management; Facilities; Finance; Legal and Corporate Governance; IT Infrastructure; and Procurement, among others.</p> <p>The Company’s co-CEOs and senior management team approved the organization’s goal to substantially reduce GHG emissions from most Scope 1 and 2 sources. The senior management team is briefed on Ceridian’s performance on this goal as well as the identification and evaluation of climate-related risks on an annual basis.</p>

# Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Our evaluation of potential climate-related risks is conducted annually and is embedded into our organization’s overall Enterprise Risk Management strategy.

TCFD Recommendation	Ceridian Disclosure
<p><b>a. Describe the organization’s process for identifying and assessing climate-related risks</b></p> <p><b>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management</b></p>	<p>In 2022, Ceridian began the process of identifying potential climate-related risks to the organization. A long list was developed through researching examples provided in TCFD guidance as well as external climate reporting by peer Software as a Service (“SaaS”) and other technology companies. An initial screening of this list resulted in a refined version being discussed with nearly 30 internal stakeholders. The following potential risks were evaluated:</p> <ul style="list-style-type: none"> <li>• Policy and Legal Risks: increased pricing of GHG emissions; current and emerging mandates on and regulation of existing products and services; and exposure to litigation</li> <li>• Technology Risks: substitution of existing products and services with lower emissions options</li> <li>• Market Risks: changing customer behavior; increased cost of raw materials; recruitment and retention of employees; and reduced investor interest</li> <li>• Reputation Risks: shift in consumer preferences; and increased stakeholder and local community concern or negative feedback</li> <li>• Acute Physical Risks: increased severity of extreme weather events such as cyclones and floods</li> <li>• Chronic Physical Risks: changes in precipitation patterns; extreme variability in weather patterns; rising mean temperatures; and rising sea levels</li> </ul> <p>Internal stakeholders were asked a series of questions to determine the probability, magnitude, and timeframe for the impacts of potential climate-related risks.</p> <p>Insights from these discussions resulted in the incorporation of a core set of potential risks into the Company’s annual Enterprise Risk Assessment. This included evaluating the probability, velocity, negative financial impacts, and level of risk tolerance associated with:</p> <ul style="list-style-type: none"> <li>• GHG pricing and new regulations</li> <li>• Customer demand</li> <li>• Employee recruitment and retention</li> <li>• Stakeholder perception</li> <li>• Investor interest</li> <li>• Costs of production, purchased goods and services, and raw materials</li> <li>• The impact of extreme weather events and extreme variability in weather and precipitation patterns on Ceridian’s facilities, workforce, and operations</li> </ul>

## Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.

A rigorous internal analysis evaluates how and to what degree potential climate-related risks could impact the business relative to other risks that the organization actively monitors and mitigates.

TCFD Recommendation	Ceridian Disclosure
<p><b>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</b></p> <p><b>b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning</b></p>	<p>The results of Ceridian’s Enterprise Risk Assessment determined that no climate-related risks pose a substantive financial or strategic impact to the business at this time.</p> <p>In this context, Ceridian’s definition of substantive financial or strategic impact is:</p> <ul style="list-style-type: none"><li>• A risk that could have a greater than a \$50M impact organizationally; or</li><li>• A risk that could stop business operations and create significant difficulty in returning to normalcy—resulting in an inability to meet several business objectives</li></ul> <p>In 2023, Ceridian intends to further evaluate potential climate-related risks and opportunities in the short, intermediate, and long term. This includes partnering with third-party experts to conduct a climate scenario analysis.</p>

## Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Our current approach to reducing our carbon footprint includes conducting an annual GHG inventory, engaging in public disclosure of our performance, and setting an intermediate term emissions reduction goal.

TCFD Recommendation	Ceridian Disclosure																															
<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>Ceridian set a goal of reducing Scope 1 &amp; 2 emissions from its core operations by 42% before 2030. This excludes the businesses which resulted from the acquisitions of Excelity in 2020 (“Excelity”) and Ascender in 2021 (“Ascender”). The ambition of this goal is consistent with the 1.5 degrees Celsius target set forth in the Paris Agreement. As a result of the COVID-19 pandemic, 2019 was selected as the baseline because it comes closest to a normal state for business operations and activity for Ceridian. Neither Excelity nor Ascender were part of the Company in that year.</p>																															
<p>b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks</p>	<table border="1"> <thead> <tr> <th data-bbox="895 951 2107 991">Greenhouse Gas Emissions (mtCO<sub>2</sub>e)</th> <th data-bbox="2169 951 2293 991">2019</th> <th data-bbox="2449 951 2573 991">2020</th> <th data-bbox="2759 951 2884 991">2021</th> </tr> </thead> <tbody> <tr> <td colspan="4" data-bbox="895 1044 1796 1084"><b>Ceridian – Core Operations</b> (excluding Excelity and Ascender)</td> </tr> <tr> <td data-bbox="895 1112 1174 1153">Scope 1 Emissions</td> <td data-bbox="2169 1112 2293 1153">1,907</td> <td data-bbox="2449 1112 2573 1153">1,240</td> <td data-bbox="2759 1112 2884 1153">1,352</td> </tr> <tr> <td data-bbox="895 1193 1423 1233">Scope 2 Emissions – Market-based</td> <td data-bbox="2169 1193 2293 1233">7,039</td> <td data-bbox="2449 1193 2573 1233">4,875</td> <td data-bbox="2759 1193 2884 1233">4,280</td> </tr> </tbody> </table>				Greenhouse Gas Emissions (mtCO <sub>2</sub> e)	2019	2020	2021	<b>Ceridian – Core Operations</b> (excluding Excelity and Ascender)				Scope 1 Emissions	1,907	1,240	1,352	Scope 2 Emissions – Market-based	7,039	4,875	4,280												
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At Ceridian, we create innovative technology that organizations around the world use to attract, develop, manage, and pay their people. Our award-winning Dayforce solution helps our customers manage compliance, make better decisions, build great teams, and drive engagement with their employees. Ceridian has solutions for organizations of all sizes.

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