ADP GLOBAL THIRD-PARTY RISK MANAGEMENT

Assessing the risk so you don't have to

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SECURITY FOR A COMPLEX WORLD

At ADP, third-party risk management and quality assurance go hand in hand. To us, mitigating risk when establishing relationships with third-parties doesn't stop after the contract is signed — we regularly assess our third-parties risk for long-lasting success.

We believe the key to an effective partnership is to appropriately assess, measure, monitor, and control the risks associated with the relationship.

The four main elements of ADP's Global Third-Party Risk Management Process include:

- Onboarding Due Diligence
- Contract Structuring and Review
- Risk Assessment
- Continuous Oversight and Monitoring

Our broad and diverse network of third parties includes vendor relationships, business partnerships, and strategic business alliances.

As the need to rely on third parties grows, so does our focus on quality and transparency. We work closely with these entities to leverage their expertise and help add value to our clients. The work we do is vital, so we expect our third-parties to have the highest security and privacy standards.

That's why we follow a comprehensive vendor risk management program for our third parties, confirming that our security requirements are met.

A HOLISTIC RISK MANAGEMENT APPROACH

Through a strong internal partnership between ADP's Corporate Procurement Department, Global Security and Privacy, our holistic approach to third-party risk management covers a wide range of risk types.

To help protect our clients, our comprehensive risk management process enables ADP to assess our third parties and verify that they are operating in a manner consistent with security best practices.

THE FOUNDATION OF OUR GLOBAL THIRD-PARTY RISK MANAGEMENT PROGRAM

The Global Third-Party Risk Management Program helps us assess whether our third parties operate in a controlled environment consistent with ADP's security standards and create plans to successfully remediate key gaps.

Our holistic third-party risk management program is based on the International Organization for Standardization (ISO) 27001/2, so our third-parties understand the security standards they're expected to meet. It also provides confidence that our assessments are conducted in a uniform manner.

Foundational to this operating model is the role of ADP's Global Security Organization's (GSO) Third-Party Risk Management Program. This program helps verify that the right levels of due diligence are applied to the confidentiality, integrity, and availability of the sensitive information ADP entrusts to third-parties.

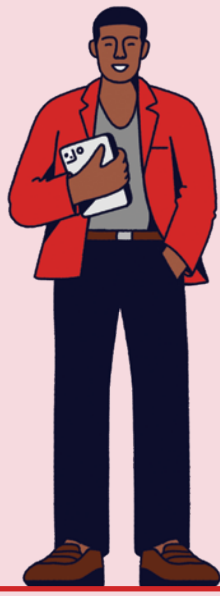
Some of the tools and actions used to perform our risk assessment process include:

Tools

- Standardized contract templates
- Questionnaires and attestations
- Control evidence
- Governance, risk, and compliance tool and risk register

Actions

- On-site or remote interviews
- Oversight and remediation of critical and high-risk issues
- Remediation plans



CLASSIFYING LEVEL OF RISK

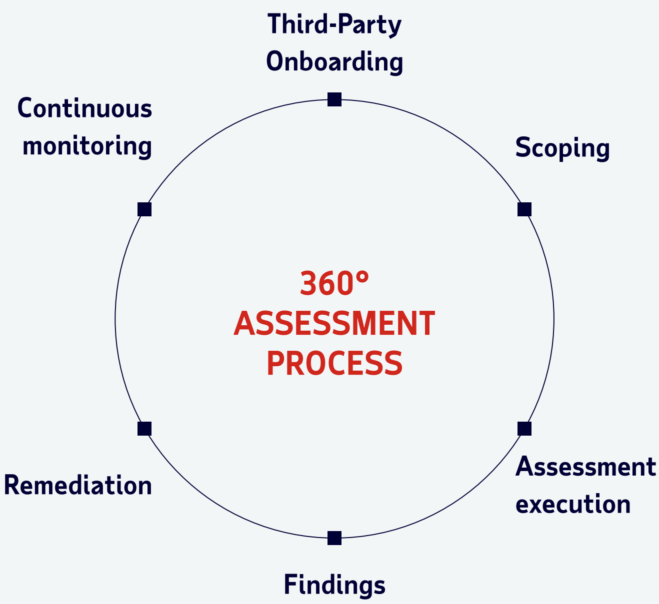
Risk will always be present in any vendor or partner relationship. Our clients can count on ADP's Global Third-Party Risk Management Program to take the necessary steps to identify, classify, mitigate, and perform ongoing monitoring at every stage of our partnership.

We use a risk-based approach to assess each vendor/partner in our program. At the beginning of the partnership, we assign a risk classification score, risk tier rating, and determine an assessment frequency. These factors help drive contract requirements and recommendations to make our partnership stronger.

Risk level	Description
Critical	These third-parties are handling critical risk services, have a critical level of disruption, have access to highly restricted or confidential types of data and might be client facing
High	These third-parties are handling high risk services, have high level of disruption, have access to restricted or internal associate data, and may be client facing
Medium	These third-parties are handling medium-risk services, have a moderate level of disruption, have access to internal data, and are not client facing
Low	These third-parties are handling low-risk services, have a low level of disruption, do not have access to restricted data, and are not client facing

360° ASSESSMENT PROCESS: ONGOING AND EVOLVING

It takes a strong, cohesive partnership to keep our clients' information safe and secure. Through ADP's Global Third-Party Risk Management Program, we can help validate that everyone is doing their part to maintain the highest measures of privacy and security. By minimizing risk at every stage of our partnerships, we can proceed with confidence that our security requirements are being met and our clients are benefiting from the best human capital solutions.



TO LEARN MORE ABOUT THE ADP GLOBAL THIRD-PARTY RISK MANAGEMENT PROGRAM

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