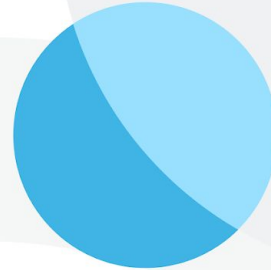# Workday Live
at Workday Elevate

London
133 Houndsditch,
Liverpool Street,

24 May 2023

workday®

Doing right has never been more important – ESG with Workday

Safe Harbor Statement

This presentation may contain forward-looking statements for which there are risks, uncertainties, and assumptions. Forward-looking statements may include any statements regarding strategies or plans for future operations; any statements concerning new features, enhancements or upgrades to our existing applications or plans for future applications; any projections of revenues, gross margins, earnings, or other financial items; and any statements of expectation or belief. Forward-looking statements are based only on currently available information and our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements, and therefore you should not rely on any forward-looking statements that we may make. Further information on risks that could affect Workday's results is included in our filings with the Securities and Exchange Commission which are available on the Workday investor relations webpage: www.workday.com/company/investor_relations.php

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Tirdad Bakhshandeh

Solution Consultant,
Workday

Marion Carr

Senior Manager, Product
Marketing, Workday

Why ESG Matters Now

Rising
Social Unrest

Worsening
Climate Crisis

Changing
Investor Expectations

Evolving
Risk Landscape
Shell Greenwashing Challenge Highlights Risk of ESG Claims
Feb. 16, 2023, 4:30 AM
• Greenwashing challenges target company ESG reporting
• Companies must prove their pledges are followed, lawyers say
Jennifer Hijazi
Reporter

Rising Global Demand for Accountability in Rapidly Changing Regulatory Environment

SEC final rule - expected in Spring 2023

All publicly traded companies must report on Scope 1, 2 & 3 emissions

CSRD final rule in effect 2023

All large & listed EU companies must comply with the EU's Corporate Sustainability Reporting Directive (CSRD)

TCFD requirement in effect April 2022

All publicly traded companies & large private companies must comply with Task Force for Climate-Related Financial Disclosure (TCFD)

Customers need to <u>measure</u> carbon emissions, <u>report</u> for regulatory compliance & take <u>action</u> to meet ESG targets

Measure

Report

Action

- Difficult to accurately measure carbon emissions

- Challenging to manage & consolidate ESG data across silos
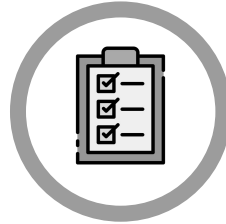
- Need to report and comply with financial disclosures & pass audits

- Lack a single, auditable data repository for easy reporting
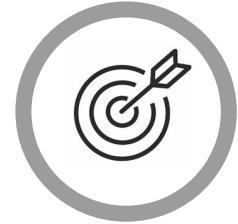
Inefficient processes for managing ESG strategy across cross-functional teams

ESG with Workday

Workday HCM

Employee Engagement (Peakon)

Diversity & Inclusion

Employee Health & safety

Workday Financials
Pre-built ESG Reporting

Carbon data integrated into Financial GL

Mapping in external data

ESG "Scope 3" Co2 calculations

Workday & Adaptive Planning

Adaptive Planning model for scope 1,2 & 3 emissions

B&D workforce planning aligned to ESG targets

Workday Prism Analytics - ESG Data layer

Supplier materiality assessment

Mapping in external data

ESG "Scope 3" Co2 calculations

Science based target calculations

Packaged Solutions

Workday Strategic Sourcing

Workday Social Reporting

Deloitte Accelerate2zero

Workiva Disclosure reporting

Where is your sustainability data?

Recruiting

Scope 1 Emissions

Volunteer Hours

Employee Travel

Waste Management

Anti-Corruption

Utility Use

Data Privacy

Cyber Risk

Executive Compensation

Charitable Donations

Science-Based Targets

Risk Ratings

Supplier Spend

Emissions Factors

Scope 2 Emissions

Supplier Spend

Employee Engagement

Financial Impact

Pay Equity

Diversity
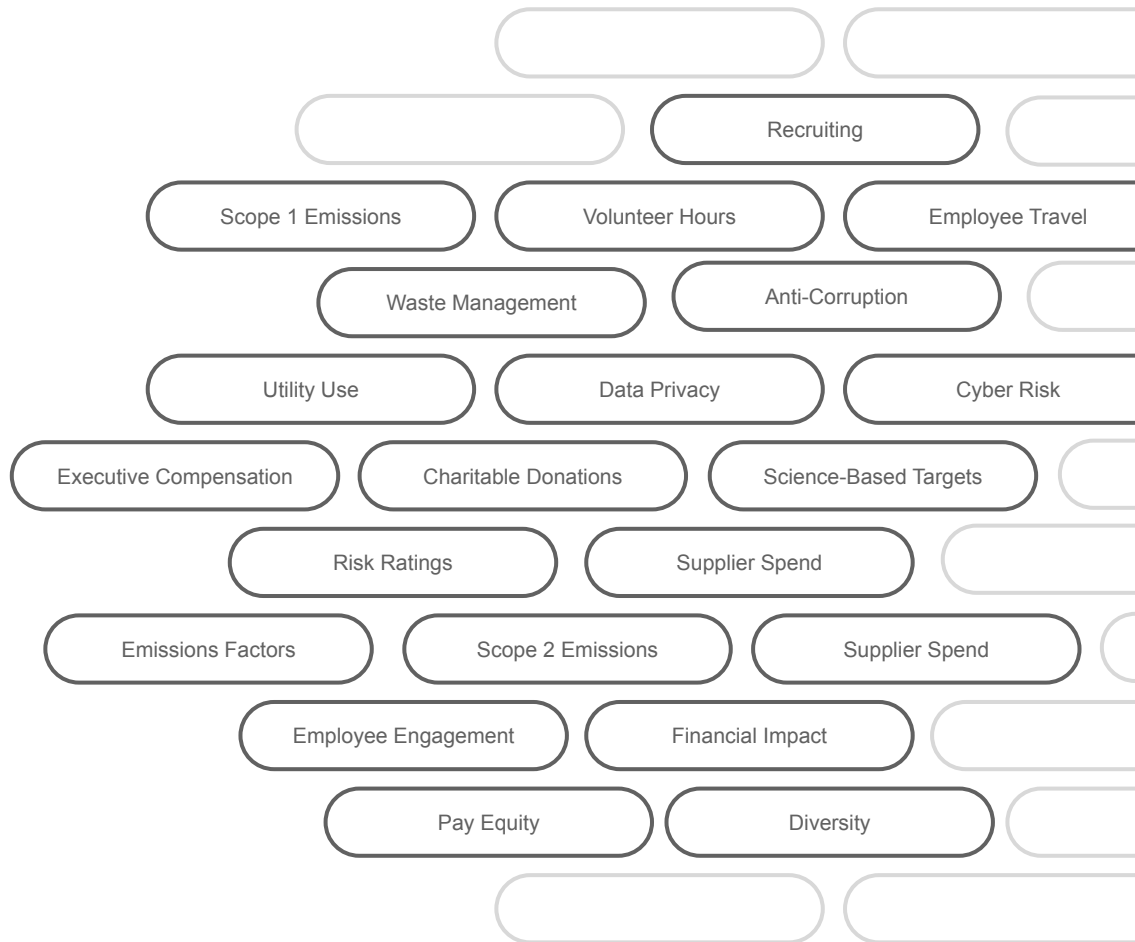
Bringing it all Together in Workday
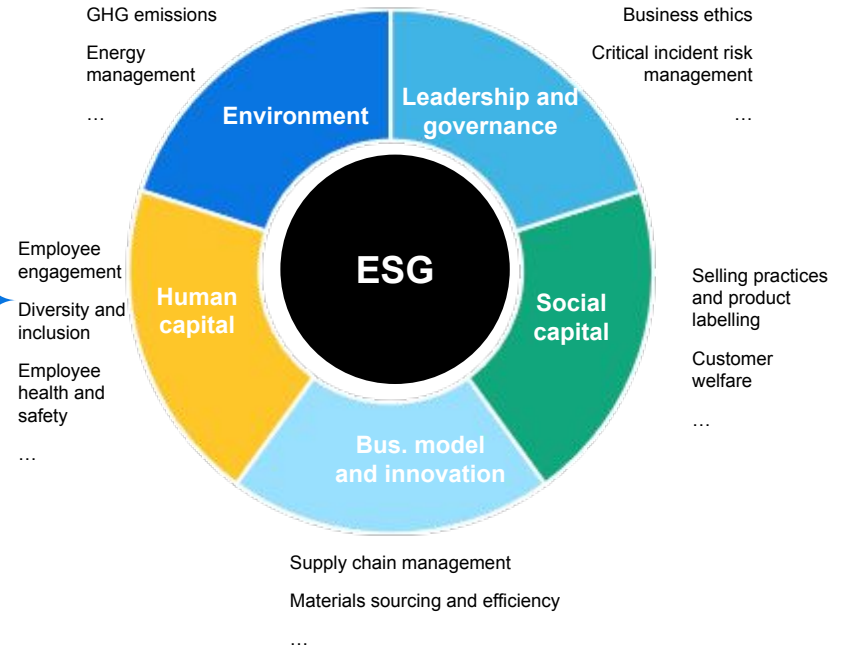
Demo

Take Survey

Thank you for your participation in this Survey. Your answers will help us to better understand how commuter transportation affects our company's carbon footprint
Car emissions: EPA
Train/Bus source: https://www.apta.com/wp-content/uploads/Standards_Documents/APTA-SUDS-CC-RP-001-09_Rev-1.pdf

How often do you commute to work?

○ Every day
○ 2-4 Times a week
◉ 1-3 Times a week
○ Once a week
○ Very Rarely or Never

How many miles is your commute to the office? *

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0
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What mode of transportation do you typically take to the office?

○ Gas-powered passenger vehicle
○ Hybrid passenger vehicle
○ Fully electric passenger vehicle
○ Rideshare / carpool
○ Train
○ Bus
○ Bike
○ Walk
○ Work from Home

OK   Cancel

Central Repository for ESG Data

One Enterprise Management Cloud for visibility into HR and Financial Sustainability-related metrics

Appeal to CFO and CSO with ability to incorporate sustainability into strategic decision-making

Leverage existing functionality and Prism Analytics for 360° view into Sustainability KPIs
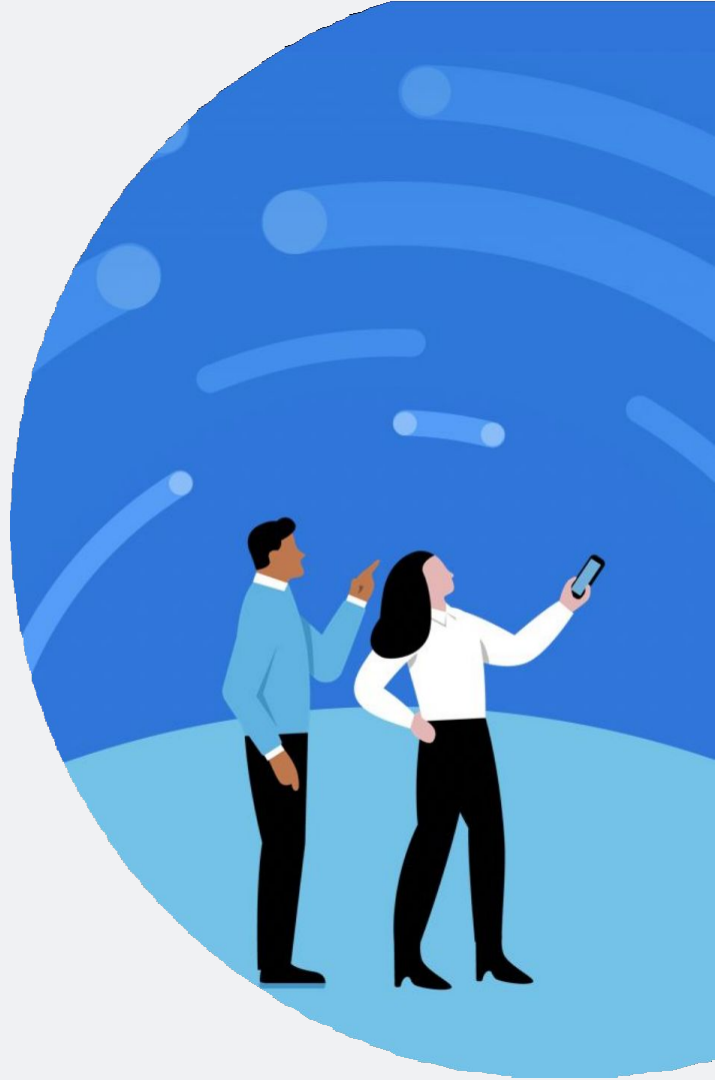
Spotlight on Workday ESG Solutions

Supplier Sustainability

Improve the sustainability and resilience of your supply chain

- Select sustainable suppliers by incorporating ESG data in sourcing events

- Blend 3rd party ratings and sustainability data to track supplier performance and support SBTs

- Blend 3rd party emissions factors with Workday supplier data to prioritize sustainable suppliers and calculate scope 3 emissions

Search
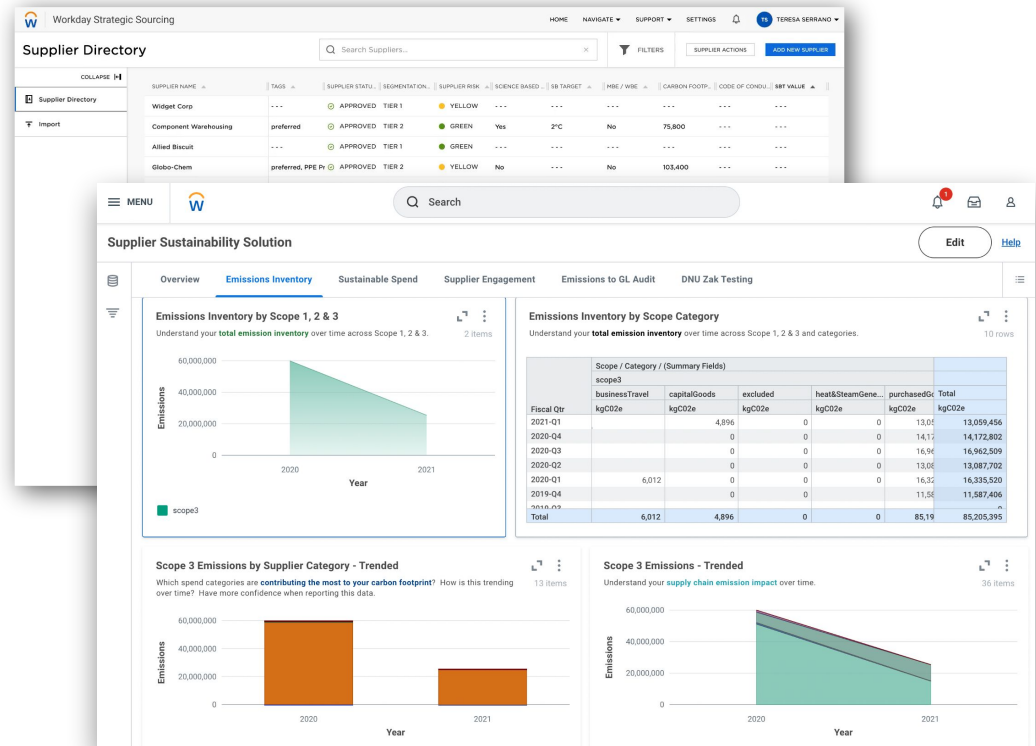
Supplier Accounts

Supplier Accounts

Supplier Spend by SBT Participation (ESG)

13,902,967

Total Spend

- MQ Technologies, Inc. - Yes
- MQ Technologies, Inc. - No
- Tori Tech - Yes
- Tori Tech - No

Company	Supplier has set a Science-based Target?	Total	
		Spend %	Total Spend

Managed vs Unmanaged Invoice Spend

100%

80%

60%

40%

20%

0%

Professional Services | Advertising | Marketing Collateral | Gas & Electric | Legal & Auditing Fees | Contract Labor | Office Supplies | Telephone / Internet | Postage and Delivery | D&O Insurance | Other
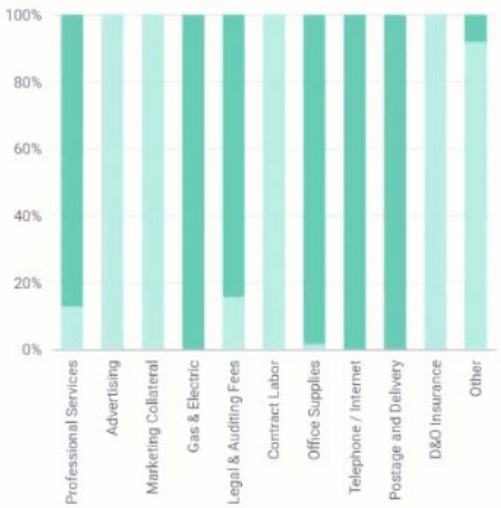
- Managed
- Unmanaged

Amount $1,990,155

Spend Category as Worktag	Managed	Unmanaged	Amount
Professional	$50,280	$341,000	$391,280

Actions

Create Supplier Invoice

Supplier Invoice Workbench

Create Ad Hoc Payment

More (2)

Reports

AP Metrics

Find Purchase Orders

Find Supplier Invoices

More (4)

Innovation

Supplier Invoice Automation

Supplier Invoice Automation Recording

Social Reporting

Streamlined workforce reporting to support ESG goals

- Leverage delivered report configurations to analyse your progress against social ESG goals and prepare for disclosure

- Quickly understand worker breakdown by metrics like age, race/ethnicity.

- Understand how you are compensation different employees, including base/bonus breakdown & benefit enrollment.
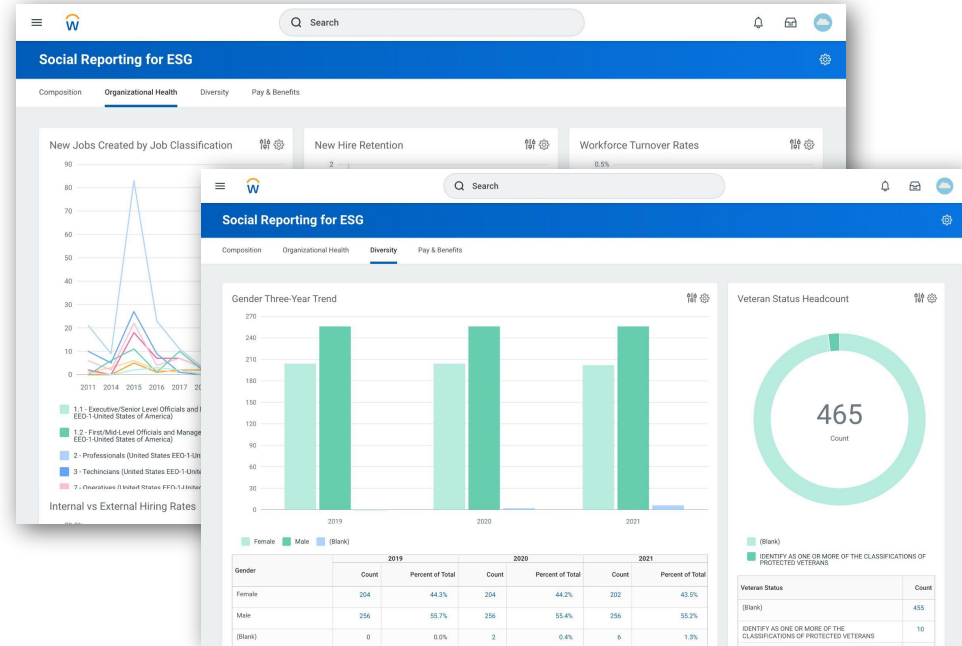
Spotlight on Workday Partner Solutions Solutions

Accelerate2zero by Deloitte

Understand the bottom-line impact of your carbon-reduction strategy

- Maps multi-year data-based emissions targets and abatement strategies, which combine financial and non-financial decision making.

- Enhance planning flexibility through scenario modelling, interactive dashboards and collaborative capabilities.
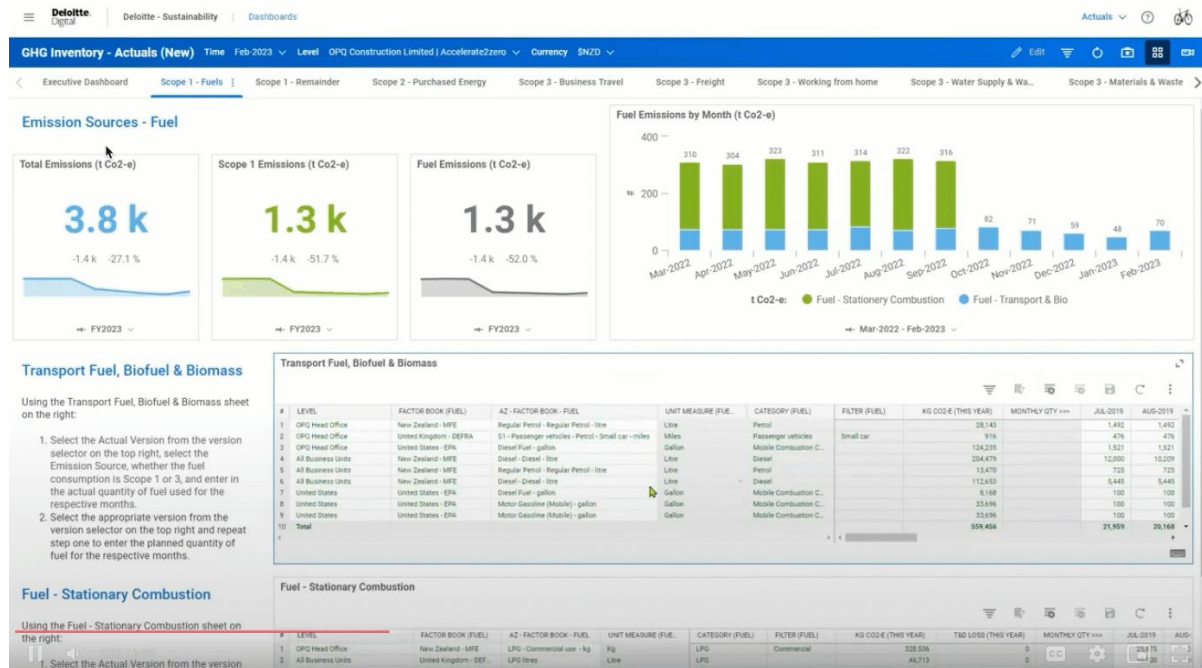
Workiva Disclosure Reporting

Regulatory and management reporting made efficient and cost effective

- Workiva's Workday Approved integration leverages Workday's Report-As-A-Service for connecting custom reports from Workday to Workiva.

- Efficient and automated process for management and disclosure reporting.

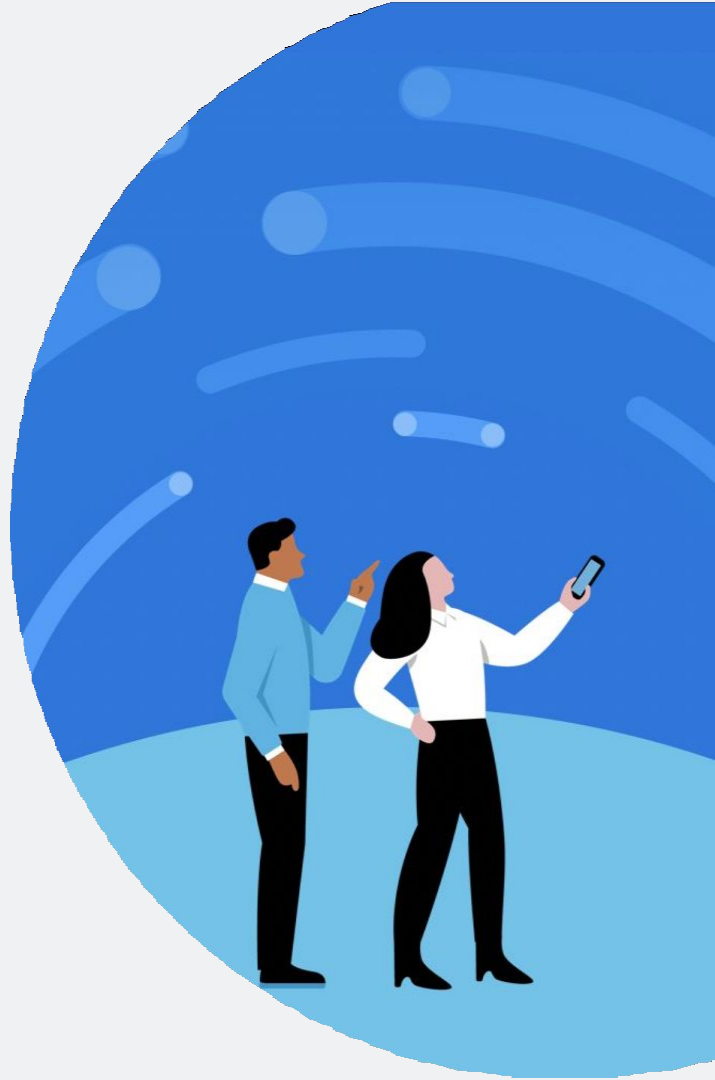# Takeaways

Central Repository for ESG Data

One Enterprise Management Cloud for visibility into HR and Financial Sustainability-related metrics

Appeal to CFO and CSO with ability to incorporate sustainability into strategic decision-making

Leverage existing functionality and Prism Analytics for 360° view into Sustainability KPIs

Q&A

Thank you