



2024 Task Force on Climate-related Financial Disclosures (TCFD) Report

dayforce

Governance

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

Dayforce’s integrated approach to reducing its annual greenhouse gas (“GHG”) emissions and addressing potential climate-related risks includes oversight, management, and engagement at many levels of the organization.

TCFD Recommendation	Dayforce Disclosure	References
a. Describe the board’s oversight of climate-related risks and opportunities.	<p>The Corporate Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Dayforce, Inc. (the “Company” or “Dayforce”) oversees environmental, social, and governance (“ESG”) matters, including those related to climate change. It reviews the Company’s decarbonization strategy, goalsetting efforts, and progress towards reaching its emissions reduction and other climate-related targets. The Vice President for Corporate Responsibility and Sustainability provides updates to the Committee on climate and other ESG-related matters on a quarterly basis. In addition, the Board’s Audit Committee receives updates from the Chief Risk Officer on the Company’s Enterprise Risk Management (“ERM”) strategy on a quarterly basis. This includes measures to identify, evaluate, manage, and, where appropriate, mitigate relevant risks. These efforts are informed by the Company’s annual and ongoing enterprise risk assessment processes, which includes the evaluation of potential climate-related risks.</p>	CDP C4.1, 4.1.1, 4.1.2
b. Describe management’s role in assessing and managing climate-related risks and opportunities.	<p>The Chief Marketing and Communications Officer reports to the President and Chief Operating Officer and oversees the performance of several departments, including the Corporate Responsibility and Sustainability department.</p> <p>The Vice President for Corporate Responsibility and Sustainability leads the Company’s decarbonization strategy and the overall management of climate-related issues. This includes programs and initiatives, target setting, data collection and reporting, and the identification and evaluation of potential climate-related risks and opportunities.</p> <p>The evaluation and management of potential climate-related risks is a cross-functional process that is integrated into the Company’s ERM program. In 2024, the annual ERM process was supplemented by the completion of a qualitative and quantitative forward-looking scenario analysis of potential climate-related risks by third-party experts.</p> <p>The Vice President for Corporate Responsibility and Sustainability provides at least annual updates to the executive leadership team on the Company’s climate strategy and performance. Members of Dayforce’s Sustainability department work closely with senior leaders in several other departments to carry out these efforts.</p>	CDP C4.3, 4.3.1

Risk Management

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

Potential climate-related risks are integrated into Dayforce’s strategy to manage enterprise risk, operate effectively, and achieve key business objectives.

TCFD Recommendation	Dayforce Disclosure	References
<div>a. Describe the organization’s processes for identifying and assessing climate-related risks.</div> <div>b. Describe the organization’s processes for managing climate-related risks.</div> <div>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</div>	<p>Dayforce has a fact-based, globally integrated strategy to effectively manage enterprise risk. This includes the execution of a rigorous risk identification, analysis, and mitigation process.</p> <p>Enterprise Risk Assessment</p> <p>Environmental stewardship is one of the twelve capability-based enterprise risk themes in Dayforce’s risk taxonomy. The Company’s annual enterprise risk assessment of environmental stewardship risks, including climate-related risks, is led by the ERM department and is integrated into the Company’s overall risk management identification, assessment, and management process. Dayforce annually monitors climate-related risks through its ERM process and determines the level of residual risk and whether any need to be accepted, avoided, pursued, reduced, or shared. The Company’s analysis of potential risks includes evaluating the impact, likelihood, velocity, and level of risk tolerance associated with each. Dayforce evaluates the following functional potential climate-related physical and transition risks on an annual basis:</p> <p>Physical</p> <p>Acute Risks:</p> <ul style="list-style-type: none">• The impact of extreme weather events on its facilities, workforce, and operations. <p>Chronic Risks:</p> <ul style="list-style-type: none">• The impact of extreme variability in weather and precipitation patterns on its facilities, workforce, and operations.	<p>CDP C2.1, 2.2.1, 2.2.2, 2.4, 5.1, 5.1.1</p>

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<p>a. Describe the organization’s processes for identifying and assessing climate-related risks.</p> <p>b. Describe the organization’s processes for managing climate-related risks.</p> <p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</p>	<p>Transition</p> <p>Policy & Legal Risks:</p> <ul style="list-style-type: none">• The impact of carbon pricing or new climate-related regulations. <p>Technology Risks:</p> <ul style="list-style-type: none">• The impact of low emissions products from competitors on customer demand and sales revenue. <p>Market Risks:</p> <ul style="list-style-type: none">• The impact of costs of production, purchased goods and services, and raw materials.• The impact of climate performance on investor interest.• The impact of climate performance on employee recruitment and retention. <p>Reputation Risks:</p> <ul style="list-style-type: none">• The impact of climate performance on customer demand.• The impact of climate performance on stakeholder perception. <p>In addition to these specific functional risks, the Company also evaluates the following two relevant enterprise risks in its annual enterprise risk assessment:</p> <ul style="list-style-type: none">• The impact of global ESG-related regulatory changes on compliance costs and reputation.• The impact of ESG objectives and relevant disclosures on reputation and performance.	<p>CDP C2.1, 2.2.1, 2.2.2, 2.4, 5.1, 5.1.1</p>

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<p>a. Describe the organization’s processes for identifying and assessing climate-related risks.</p> <p>b. Describe the organization’s processes for managing climate-related risks.</p> <p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</p>	<p>Scenario Analysis</p> <p>In 2024, Dayforce partnered with third-party experts at WSP to conduct a qualitative and quantitative TCFD-aligned climate scenario analysis of potential physical and transition risks and opportunities. The time horizons considered were the short term (present day through 2025), the medium term (2030), and the long term (2040).</p> <p>Climate-related Physical Risk and Resilience Scenario Analysis</p> <p>The qualitative climate-related physical risk scenario analysis assessed how climate hazards could impact Dayforce’s leased offices as well as the colocation data centers it uses that are operated by third parties. The physical assessment evaluated the potential impact of both acute and chronic hazards, including extreme heat, flooding, coastal flooding, wildfires, heavy snowfall, tropical cyclones, drought, and rising average temperatures. Two forward-looking scenarios were used in the assessment: the low-medium warming scenario SSP2-4.5 and the high warming scenario SSP5-8.5 (“SSP” is Shared Socioeconomic Pathway). WSP also conducted resilience assessments on select facilities with higher inherent risk to understand the extent to which these critical facilities had been exposed to and are prepared for potential climate impacts. They also assessed the overall resilience for Dayforce employees in key geographies related to extreme heat.</p> <p>Climate-related Transition Risk and Opportunity Analysis</p> <p>The qualitative scenario analysis of transition risks and opportunities explored eight risks and six opportunities aligned with TCFD guidance. Three Network for Greening the Financial System (“NGFS”) scenarios were used: Current Policies, Delayed Transition, and Net Zero Emissions by 2050. These three scenarios together represent high (3°C by 2100), medium (1.6°C by 2100), and low (1.4°C by 2100) warming respectively. WSP analyzed the potential future impacts on business operations, markets, supply chain, and the associated potential effects on revenues, costs, and expenditures. Following the completion of the qualitative assessment, the quantitative analysis focused on potential increases in costs associated with three risks that had higher risk scores:</p> <ul style="list-style-type: none"> • Maintaining 100% renewable electricity due to price increases and reduced availability of sources in regions of operations. • Procuring cloud services from low-emission providers. • Complying with new climate regulations and increasing expenses from potential compliance failures. <p>Many departments participated in the climate scenario analysis process, including Business Continuity; Cloud Infrastructure; Communications; Disaster Recovery; Enterprise Risk Management; Facilities; Finance; Health and Safety; Human Resources; IT Infrastructure; Legal and Corporate Governance; Major Incident and Problem Management; Marketing; Procurement; Sales; and Sustainability. Results of the analysis were presented to key senior leaders, and specific resilience opportunities are being evaluated by relevant teams. The scenario analysis will contribute to future annual ERM reviews of the 11 environmental stewardship risks.</p>	<p>CDP C2.1, 2.2.1, 2.2.2, 2.4, 5.1, 5.1.1</p>

Strategy

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

The Company conducts annual and ongoing analyses to evaluate how and to what degree potential climate-related risks could impact Dayforce’s current and future success.

TCFD Recommendation	Dayforce Disclosure	References
<p>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.</p> <p>b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.</p> <p>c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>The results of Dayforce’s annual enterprise risk assessment determined that none of the climate-related risks that were evaluated pose a potential substantive financial or strategic impact on the business in the short term. In addition, the 2024 qualitative and quantitative TCFD-aligned climate scenario analysis conducted by WSP determined that none of the climate-related physical risks that were evaluated pose a potential substantive financial or strategic impact on Dayforce in the short, medium, or long term. In addition, it determined that none of the climate-related transition risks pose a potential substantive financial or strategic impact in the short or medium term. It did determine that the transition risk of increasing costs to procure cloud services from low-emission providers poses a potential substantive financial or strategic impact on the business in the long term. The results of the qualitative scenario analysis of climate-related transition opportunities determined that none were likely to have a potential substantive financial or strategic impact at this time.</p> <p>In this context, Dayforce’s definition of substantive financial or strategic impact is:</p> <ul style="list-style-type: none">• A risk that could have a greater than a \$50 million annual impact organizationally; or• A risk that could stop business operations and create significant difficulty in returning to normalcy—resulting in an inability to meet several business objectives <p>The Company defines the short term as 0-5 years, medium term as 6-10 years, and long term as 11-16 years. The third-party scenario analysis looked at 2025, 2030, and 2040 respectively, which are consistent with these timeframes.</p>	<p>CDP C3.1, 3.1.1, 3.1.2, 3.6, 5.3, 5.3.1, 5.10, 5.10.1, 5.11, 5.11.1, 5.11.2, 5.11.5, 5.11.6, 5.11.7, 7.55.2, 7.55.3</p> <p>2024 ESG Report, pages 23-26</p>

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<p>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.</p> <p>b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.</p> <p>c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>While climate-related physical risks are not expected to have a substantive impact on Dayforce, its existing business continuity and disaster recovery programs, as well as Dayforce’s virtual-first workforce business model, help to mitigate inherent physical risks that do exist. The Business Continuity Management Program (“BCMP”) focuses on the operational resilience of Dayforce facilities and employees through activities such as business impact assessments, business continuity plans, and disaster recovery plans. The BCMP is reviewing several specific future improvement suggestions from the scenario analysis and resilience assessment conducted by WSP.</p> <p>Dayforce’s sustainability strategy focuses on contributing to and preparing for a low-carbon economy, enabling it to support the transition, mitigate potential transition risks, and be positioned to capitalize on climate-related opportunities as they present. The Company seeks to mitigate potential transition risks by activities such as actively monitoring emerging climate and related disclosure regulations, focusing on energy reductions in operations, securing long-term contracts for renewable electricity in appropriate regions, evaluating potential mitigation activities for incremental climate-related costs from low-carbon cloud services, and implementing and disclosing progress on an ambitious climate strategy.</p> <p>Dayforce has been actively working toward meeting its Scope 1 and 2 near-term emissions reduction target and has made significant progress in reducing those emissions since 2019. The Company also has a near-term Scope 3 emissions reduction target, and its decarbonization strategy includes a new Responsible Sourcing Initiative (“RSI”) to help address supply chain emissions and a new internal carbon price on business travel that will fund carbon dioxide removal (“CDR”) projects. In addition, Dayforce has committed to having its targets validated by the Science-based Targets Initiative (“SBTi”), and it has maintained 100% renewable electricity for global operations since 2022.</p>	<p>CDP C3.1, 3.1.1, 3.1.2, 3.6, 5.3, 5.3.1, 5.10, 5.10.1, 5.11, 5.11.1, 5.11.2, 5.11.5, 5.11.6, 5.11.7, 7.55.2, 7.55.3</p> <p>2024 ESG Report, pages 23-26</p>

Metrics and Targets

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

Dayforce’s approach to reducing its carbon footprint includes pursuing near-term emissions reduction targets, continuing to source 100% renewable electricity for its global operations, engaging with its vendors to have and execute meaningful decarbonization strategies, and funding CDR projects.

TCFD Recommendation	Dayforce Disclosure				References
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process.	Greenhouse Gas Emissions (mtCO2e)	2019	2022	2023	CDP C7.1.1, 7.1.2, 7.1.3, 7.3, 7.5, 7.6, 7.7, 7.8, 7.8.1, 7.9, 7.9.1, 7.9.2, 7.9.3, 7.10.1, 7.16, 7.17.3, 7.20.3, 7.22, 7.30, 7.30.1, 7.30.6, 7.30.7, 7.30.14, 7.30.16, 7.45, 7.52, 7.53.1, 7.53.2, 7.54.1, 13.1.1
	Scope 1 & 2: Total	13,119	340	265	
	• Scope 1	1,241	340	265	
	• Scope 2: Location-based	12,128	5,434	4,334	
	• Scope 2: Market-based	11,877	0	0	
	Scope 3: Total	58,329	47,242	54,639	
	• Scope 3: Purchased Goods & Services	31,979	32,738	36,454	
	• Scope 3: Fuel- & Energy-Related Activities	2,931	1,837	1,543	
	• Scope 3: Upstream Transportation & Distribution	252	160	615	
	• Scope 3: Waste Generated in Operations	1,078	103	148	
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	• Scope 3: Business Travel	10,749	7,301	10,474	
	• Scope 3: Employee Commuting	10,210	779	1,175	
	• Scope 3: Remote Work	768	4,150	4,022	
	• Scope 3: End of Life Treatment of Sold Products	362	174	208	
	Scope 1, 2 (Market-based), & 3: Total	71,447	47,582	54,904	

TCFD Recommendation	Dayforce Disclosure	References
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Dayforce has three active emissions reduction targets:</p> <ul style="list-style-type: none">• Reduce absolute Scope 1 & 2 emissions by 98% by 2029 from a 2019 baseline• Reduce Scope 3 emissions intensity per gross profit from purchased goods and services, business travel, and employee commuting by 51.6% by 2029 from a 2019 baseline• Annually source 100% renewable electricity across its entire global operations <p>The ambition of these targets is aligned with the best available climate science, and they have been submitted for validation by the Science-based Targets initiative (“SBTi”).</p>	<p>CDP C7.1.1, 7.1.2, 7.1.3, 7.3, 7.5, 7.6, 7.7, 7.8, 7.8.1, 7.9, 7.9.1, 7.9.2, 7.9.3, 7.10.1, 7.16, 7.17.3, 7.20.3, 7.22, 7.30, 7.30.1, 7.30.6, 7.30.7, 7.30.14, 7.30.16, 7.45, 7.52, 7.53.1, 7.53.2, 7.54.1, 13.1.1</p>

Forward Looking Statements

This report contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this report are forward-looking statements. Forward-looking statements include, without limitation, statements concerning the conditions of the human capital management solutions industry and our operations, performance, and financial condition, and include, in particular, statements relating to climate-related risks and opportunities that may impact our business, growth strategies, product development efforts, compliance capabilities, and future expenses in the short-, medium-, and long-term, and the achievement of our active emissions reduction targets. Users can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “assume”, “project,” “seek,” “plan,” “intend,” “believe,” “will,” “may,” “could,” “continue,” “likely,” “should,” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events, but not all forward-looking statements contain these identifying words.

Forward looking statements are subject to certain risks and uncertainties that could cause Dayforce’s actual results to differ materially from its historical experience and present expectations or projections. This report should be read in conjunction with the risks detailed in the “Cautionary Note Regarding Forward-Looking Statements”, “Forward-Looking Statements”, “Risk Factors”, and other sections of Dayforce’s Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K and other reports we file with the Securities and Exchange Commission. Copies of reports filed with the Securities and Exchange Commission are posted on our website and are available from us without charge. For the reasons described above, you should not rely on any forward-looking statements. Any forward-looking statement made by Dayforce in this report speaks only as of the date on which it is made. Dayforce undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.



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