

Verification of Declaration of Adherence

| **October 22nd, 2024**

Declaring Company: Strada Topco, LLC f/k/a Alight, Inc.



EU
CLOUD
COC

Verification-ID 2020LVL02SCOPE014

Date of Upgrade October 2024

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1 Verification against v2.11 of the EU Cloud CoC

This Declaration of Adherence was against the *European Data Protection Code of Conduct for Cloud Service Providers* (**'EU Cloud CoC'**)¹ in its version 2.11 (**'v2.11'**)² as of December 2020.

Originally drafted by the Cloud Select Industry Group³ (**'C-SIG'**) the EU Cloud CoC – at that time called C-SIG Code of Conduct on data protection for Cloud Service Providers – was developed against Directive 95/46/EC⁴ and incorporated feedback by the European Commission as well as Working Party 29. Following an extensive revision of earlier versions of Code and further developing the substance of the Code (v2.11) and its provisions has been aligned to the European General Data Protection Regulation (**'GDPR'**)⁵.

1.1 Adaptation during the process of verification

The original Declaration of Adherence was submitted by Alight, Inc (**'Alight'**). The Monitoring Body has verified the services as compliant with the EU Cloud CoC based on the performed assessment as prescribed in 1. The services verified by the Monitoring Body are detailed in Section 2 of the original Verification Report.

However, during the verification process, Alight informed the Monitoring Body that services originally declared adherent are subject to corporate restructuring. In this vein, as indicated by Alight, these services will be provided by a new entity - Strada Topco, LLC f/k/a Alight, Inc. (**'Strada'**), moving forward.

Taking into consideration that divestiture of the services from Alight to Strada has taken place during the verification process and that the transition period was still ongoing, the intent of this upgrade statement is to transparently communicate the current state of things and reflect the interlink between services originally declared adherent by Alight and services as currently being provided by Strada. In this regard, the list of services as currently provided by Strada is indicated in 2.

¹ <https://eucoc.cloud>

² <https://eucoc.cloud/get-the-code>

³ <https://ec.europa.eu/digital-single-market/en/cloud-select-industry-group-code-conduct>

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:31995L0046>

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016R0679>

2 List of declared services

Strada is a leading cloud-based provider of integrated digital human capital and business solutions. Leveraging artificial intelligence (“AI”) and data analytics, Strada provides an integrated, personalized experience for employees using technology-driven solutions that unlock value for employers, optimizing business process as a service (BPaaS) to deliver superior outcomes for employees and employers across a comprehensive portfolio of services.⁶

In scope of the Assessment has been the Strada Cloud Service Family⁷, i.e.:

2.1 hrX

A purpose-built cloud-based case management solution for the modern workforce. Tailored for Global Payroll, Benefits, and HR Outsourcing needs, it elevates employee experience and boosts agent productivity through seamless collaboration, AI auto-classification, and easy access to information, ensuring timely, accurate, and consistent resolutions.⁶

2.2 XTend HR

Xtend HR are bespoke HR extension developed for the SAP business technology platform.⁶

2.1 EuHReka

euHReka Payroll is Strada’s comprehensive multi-country payroll solution. Powered by SAP HCM payroll standards, euHReka Payroll builds on that foundation with both global and country-specific pre-configurations and cloud capabilities which means system setup and maintenance are simple and efficient. Day-to-day payroll processing activities are further enriched through a native euHReka connection with Integration Manager as well as a streamlined and automated payroll process management experience through the Payroll Control Center (PCC).⁶

2.2 Strada Pay

Strada Pay is a global payroll solution that provides 100% accurate, compliant, real-time automated, touchless cloud payroll focused on the individual natural person. Through its seamless data integration with Cloud HCM solutions, data quality checks minimize payroll downtime and proactively capture

⁶ **NOTE:** The content for the service description has been provided by the CSP and does not reflect any opinion of or assessment by the Monitoring Body.

⁷ <https://stradaglobal.com/service/payroll-services/>

potential errors via built-in, AI-infused defensive queries, data verification, SOC metrics and anomaly detection.⁶

3 Conclusion of suitable upgrade on a case-by-case decision

The Monitoring Body concludes that there is no reason to doubt that services as provided by Strada as prescribed in 2 are compliant with the EU Cloud CoC. Thus, the Monitoring Body will further assess Strada's compliance with the EU Cloud CoC via renewal; alternatively, by its continuous pro-active monitoring, where deemed necessary.

4 Validity

This upgrade statement comprises of 5 pages. It is valid until the next official renewal of the Declaration of Adherence by Strada. This upgrade statement has been attached to the original Verification Report that follows this statement.

Verification-ID: 2020LVL02SCOPE014

Verification of Declaration of Adherence

Declaring Company: Alight, Inc.



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Date of Approval December 2023

Valid until December 2024

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1 Verification against v2.11 of the EU Cloud CoC

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Originally drafted by the Cloud Select Industry Group³ (**'C-SIG'**) the EU Cloud CoC – at that time called C-SIG Code of Conduct on data protection for Cloud Service Providers – was developed against Directive 95/46/EC⁴ and incorporated feedback by the European Commission as well as Working Party 29. Following an extensive revision of earlier versions of Code and further developing the substance of the Code (v2.11) and its provisions has been aligned to the European General Data Protection Regulation (**'GDPR'**)⁵.

2 List of declared services

Alight is a leading cloud-based provider of integrated digital human capital and business solutions. Leveraging artificial intelligence (“AI”) and data analytics, Alight provides an integrated, personalized experience for employees using technology-driven solutions that unlock value for employers, optimizing business process as a service (BPaaS) to deliver superior outcomes for employees and employers across a comprehensive portfolio of services.⁶

In scope of the Assessment has been the Alight Cloud Service Family⁷, i.e.:

2.1 hrX

A purpose-built cloud-based case management solution for the modern workforce. Tailored for Global Payroll, Benefits, and HR Outsourcing needs, it elevates employee experience and boosts agent productivity through seamless collaboration, AI auto-classification, and easy access to information, ensuring timely, accurate, and consistent resolutions.⁶

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Xtend HR are bespoke HR extension developed for the SAP business technology platform.⁶

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⁶ **NOTE:** The content for the service description has been provided by the CSP and does not reflect any opinion of or assessment by the Monitoring Body.

⁷ <https://www.alight.com/solutions/payroll/global-payroll>

2.3 EuHReka

euHReka Payroll is Alight's comprehensive multi-country payroll solution. Powered by SAP HCM payroll standards, euHReka Payroll builds on that foundation with both global and country-specific pre-configurations and cloud capabilities which means system setup and maintenance are simple and efficient. Day-to-day payroll processing activities are further enriched through a native euHReka connection with Integration Manager as well as a streamlined and automated payroll process management experience through the Payroll Control Center (PCC).⁶

2.4 Alight Pay

Alight Pay is a global payroll solution that provides 100% accurate, compliant, real-time automated, touchless cloud payroll focused on the individual natural person. Through its seamless data integration with Cloud HCM solutions, data quality checks minimize payroll downtime and proactively capture potential errors via built-in, AI-infused defensive queries, data verification, SOC metrics and anomaly detection functionality and features)⁶

3 Verification Process - Background

V2.11 of the EU Cloud CoC has been developed against GDPR and hence provides mechanisms as required by Articles 40 and 41 GDPR⁸.

3.1 Approval of the Code and Accreditation of the Monitoring Body

The services concerned passed the verification process by the Monitoring Body of the EU Cloud CoC, i.e., SCOPE Europe sprl/bvba⁹.

The Code has been officially approved in May 2021¹⁰. SCOPE Europe has been officially accredited as Monitoring Body in May 2021¹¹. The robust and complex procedures and mechanisms can be reviewed by any third-party in detail at the website of the EU Cloud CoC alongside a short summary thereof.¹²

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016R0679>

⁹ <https://scope-europe.eu>

¹⁰ <https://www.gegevensbeschermingsautoriteit.be/publications/decision-n05-2021-of-20-may-2021.pdf>

¹¹ <https://www.gegevensbeschermingsautoriteit.be/publications/decision-n-06-2021-of-20-may-2021.pdf>

¹² <https://eucoc.cloud/en/public-register/assessment-procedure/>

3.2 Principles of the Verification Process

Notwithstanding the powers of and requirements set out by the supervisory authority pursuant to Article 41 GDPR, the Monitoring Body will assess whether a Cloud Service, that has been declared adherent to the Code, is compliant with the requirements of the Code - especially as laid down in the Controls Catalogue. Unless otherwise provided by the Code, the Monitoring Body's assessment process will be based on an evidence-based conformity assessment, based on interviews and document reviews; proactively performed by the Monitoring Body.

To the extent the Monitoring Body is not satisfied with the evidence provided by a CSP with regards to the Cloud Service to be declared adherent to the Code, the Monitoring Body will request additional information. Where the information provided by the CSP appears to be inconsistent or false, the Monitoring Body will - as necessary - request substantiation by independent reports.

3.3 Multiple Safeguards of Compliance

Compliance of adherent services is safeguarded by the interaction of several mechanisms, i.e., continuous, rigorous, and independent monitoring, an independent complaints' handling process, and finally any CSP declaring services adherent is subject to substantial remedies and penalties in case of any infringement.

3.4 Process in Detail

It is expected that, prior to any assessment of the Monitoring Body, each CSP assesses its compliance internally. When declaring its service(s) adherent to the EU Cloud CoC, each CSP must elaborate its compliance with each of the Controls as provided by the Code considering the Control Guidance, as provided by the Controls Catalogue, to the Monitoring Body.

The CSP may do so either by referencing existing third-party audits or certifications, their respective reports and by free text responses. Additionally, the CSP will have to provide a general overview of the functionalities, technical, organisational and contractual frameworks of the service(s) declared adherent.

With regards to internationally recognised standards, the Monitoring Body will consider the mapping as provided by the Controls Catalogue. However, the Monitoring Body will verify whether (a) any third-party certification or audit provided by the CSP applies to the Cloud Service concerned, (b) such third-party certification or audit provided by the CSP is valid, (c) such third-party certification or audit has assessed and sufficiently reported compliance with the mapped controls of the third-party certification or audit concerned. Provided that the aforementioned criteria are met, the Monitoring Body may

consider such third-party certifications or audits as sufficient evidence for the compliance with the Code.

Within Initial Assessments, the Monitoring Body selects an appropriate share of Controls that will undergo in-depth scrutiny, e.g., by sample-taking and requesting further, detailed information including potentially confidential information. Within any other Recurring Assessment, the Monitoring Body will select an appropriate share of Controls provided that over a due period every Control will be subject to scrutiny by the Monitoring Body. Where applicable, aspects of current attention at the time of assessment shall be covered too, e.g., where such aspects were indicated in media reports, publications or actions of supervisory authorities.

If the responses of the CSP satisfy the Monitoring Body, especially if responses are consistent and of appropriate quality and level of detail, reflecting the requirements of the Controls and indicating appropriate implementation by the Control Guidance, then, the Monitoring Body verifies the service(s) declared adhered as compliant and thereupon, makes them subject to continuous monitoring.

3.4.1 Levels of Compliance

V2.11 of the Code provides three different levels of Compliance. The different levels of compliance relate only to the levels of evidence that are submitted to the Monitoring Body. There is, however, no difference in terms of which parts of the Code are covered, since adherent Cloud Services have to comply with all provisions of the Code and their respective Controls.

3.4.1.1 First Level of Compliance

The CSP has performed an internal review and documented its implemented measures proving compliance with the requirements of the Code with regard to the declared Cloud Service and confirms that the Cloud Service fully complies with the requirements set out in this Code and further specified in the Controls Catalogue. The Monitoring Body verifies that the Cloud Service complies with the Code by information originating from the CSP.

3.4.1.2 Second Level of Compliance

Additional to the “First Level of Compliance”, Compliance with the Code is partially supported by independent third-party certificates and audits, which the CSP has undergone with specific relevance to the Cloud Service declared adherent and which were based upon internationally recognised standards procedures. Any such third-party certificates and audits that covered controls similar to this Code, but not less protective, are considered in the verification process of the Monitoring Body. Each third-party certificates and audits that were considered in the verification process by the Monitoring Body shall be referred in the Monitoring Body’s report of verification, provided that the findings of

such certificates were sufficiently and convincingly reported and documented towards the Monitoring Body and only to the extent such certificates and audits are in line with the Code. The CSP must notify the Monitoring Body if there are any changes to the provided certificates or audits.

The Controls Catalogue may give guidance on third-party certificates and audits that are equivalent to certain Controls in terms of providing evidence of complying with the Code.

However, to those Controls that the CSP has not provided any equivalent third-party certificate or audit, the Monitoring Body verifies that the Cloud Service complies with the Code by information originating from the CSP.

The Monitoring Body may refuse application of Second Level of Compliance if third-party certificates and audit reports, that are recognised by the Monitoring Body in the verification process concerned, are not covering an adequate share of Controls of this Code; such adequate share shall be subject to the discretion of the Monitoring Body, considering e.g., the share related to the overall amount of Controls of the Code or whether a full Section or topic is being covered.

3.4.1.3 Third Level of Compliance

Identical to the “Second Level of Compliance” but Compliance is fully supported by independent third-party certificates and audits, which the CSP has undergone with regard to the Cloud Service declared adherent and which were based upon internationally recognised standards.

To the extent a CSP refers to individual reports, such as ISAE-3000 reports, the CSP shall ensure that such reports provide sufficient and assessable information and details on the actual measures implemented by the CSP regarding the Cloud Service concerned. The Monitoring Body shall, if considered necessary, in consultation with the Steering Board, define further requirements on such individual reports, such as accreditation and training for auditors against the provisions and requirements of this Code.

3.4.2 Final decision on the applicable Level of Compliance

When declaring its Cloud Service adherent, the CSP indicates the Level of Compliance it is seeking to achieve. Any final decision, whether a CSP is meeting the requirements of a specific Level of Compliance is at the sole discretion of the Monitoring Body.

3.5 Transparency about adherence

Each service adherent to the EU Cloud CoC must transparently communicate its adherence by both using the appropriate Compliance Mark¹³ and referring to the Public Register of the EU Cloud CoC¹⁴ to enable Customers to verify the validity of adherence.

4 Assessment of declared services by Alight (see 2.)

4.1 Fact Finding

Following the declaration of adherence of Alight, Inc. (**'Alight'**), the Monitoring Body provided Alight with a template, requesting Alight to detail its compliance with each of the Controls of the EU Cloud CoC.

As this declaration is a renewal¹⁵, the Monitoring Body requested from Alight a confirmation that there has been no material change to the applicable technical and organisational and contractual framework. The Monitoring Body also requested from Alight a comparison of the declared Cloud Services of last year and this year as well as to explicitly indicate any Cloud Services that are no longer included in the Declaration of Adherence and, where applicable, provide the Monitoring Body with adequate reasons. To the extent the list of Cloud Services was extended, the Monitoring Body requested a confirmation, that any such additional Cloud Services are subject to the same technical, organisational and contractual framework as the original Cloud Services.

Alight promptly responded to the templates. Information provided consisted of references and list of actual measures meeting the requirements of each Control, a free text answer describing their measures, and a reference to third party audits and certifications, where applicable. This information was completed by the confirmations requested by the Monitoring Body as well as a detailed comparison of the declared Cloud Services between last year and this year verification highlighting the changes and the reasons for them.

4.2 Selection of Controls for in-depth assessment

Following the provisions of the Code and the Assessment Procedure applicable to the EU Cloud CoC¹⁶, the Monitoring Body analysed the responses and information provided by Alight.

¹³ <https://eucoc.cloud/en/public-register/levels-of-compliance/>

¹⁴ <https://eucoc.cloud/en/public-register/>

¹⁵ You can access the Verification Report of previous year via the following link: [Alight Verification Report \(2022\)](#)

¹⁶ <https://eucoc.cloud/en/about/about-eu-cloud-coc/applicable-procedures/>

Alight's declared services have been externally certified and audited. Alight holds an ISO 27001 certificate, which is valid for the duration of the Declaration of Adherence, and the scope of registration includes all the declared services. The declaration of adherence referred to the respective ISO 27001 certification within the responses to Section 6 of the Code (IT Security). As provided by the Code, the Monitoring Body may consider third-party certifications and audits. Accordingly, the Monitoring Body verified the certification and references. Further in-depth checks were not performed, as provided third-party certifications adequately indicated compliance.

4.3 Examined Controls and related findings by the Monitoring Body

4.3.1 Examined Controls

The Monitoring Body reviewed the submission from Alight which outlined how all the requirements of the Code were met by Alight's implemented measures. In line with the Monitoring Body's process outlined in Section 3.4, the Monitoring Body selected a subset of Controls from the Code for in-depth scrutiny. In-depth scrutiny reflects sample taking and follow-up questions, whilst the latter may address requests for clarifications or more detailed information. The Controls selected for this level of review were: 5.1.B-E, 5.1.H, 5.2.C-G, 5.3.C-D, 5.4.E, 5.5.C, 5.5.F, 5.7.A-E, 5.10.A-B, 5.11.A-C, 5.12.B-E, 5.12.G, 5.13.A, 5.14.E-F, 6.1.A, 6.2.H-I and 6.2.P

4.3.2 Findings by the Monitoring Body

During the process of verification, Alight consistently prepared the Declaration of Adherence well and thoroughly. Alight's responses were detailed and never created any impression of intentional non-transparency. Requests for clarification, additional and supporting information, as well as relevant samples were promptly dealt with and always met the deadlines set by the Monitoring Body.

Related to the Monitoring Body's requests (see section 4.1), Alight indicated that no relevant changes to the Cloud Service Family were applied in regards of the implemented technical, organisational and contractual framework. Where additional Cloud Services were added, Alight provided explicit confirmation that such Cloud Services belong to the same Cloud Service Family.

The Monitoring Body focused on the information provided to the Customers. Alight referred besides others to its Cloud Service Agreement, indicating it provides substantially similar levels, but no less protective data protection obligations as provided for by the Code and determining: the responsibilities of the Customers and CSP regarding the security measures, processing activities in relation to Customer Personal Data and scope of Customer's instructions. As indicated by Alight, it provides the relevant information for the Customers to comply with its obligations and duties under GDPR including relevant compliance information and technical and organisational measures. Customers are provided

with dedicated communication channels to be able to request support and internal policies and procedures are implemented by Alight to ensure that personnel is aware of the adherence to and the requirements of the Code to adequately deal with related Customer inquiries.

When it comes to assistance provided to the Customers, Alight indicated that the operational mechanisms are established allowing Customers to maintain data retention policies and schedules. In addition, self-services functionalities are available to help customers fulfil data subject requests (DSRs), with further assistance provided if required.

The third country transfers have been assessed by the Monitoring Body. Alight has indicated that it relies on the appropriate data transfer safeguards as provided by Chapter V GDPR. It has been confirmed by Alight that Standard Contractual Clauses (SCCs) are relied upon as an overarching data transfer safeguard for any third country transfers.

The Monitoring Body also assessed the confidentiality obligations. Alight has assured that confidentiality obligations are in place with employees and contractors and continue after the end of the employment or termination of the respective agreements. Obligatory training covering areas such as compliance, privacy and data security is provided to the personnel on a regular basis. Based on the information provided by Alight, procedures are in place to ensure that training provided to the personnel is relevant for their role and job function.

Supervisory authorities' requests build another area of the assessment. Relevant policies and procedures have been implemented according to Alight, enabling the response to such requests to be provided in due time and appropriate detail and quality. Customers are provided with the access to the required information and assistance to be able to respond to requests by supervisory authorities. The supervisory authority requests relating to Customer Personal data were confirmed to be duly communicated to Customers by Alight, as provided by the Code.

Encryption capabilities of Customer Personal Data have been in the scope of the assessment. Based on the internal procedures of Alight, Customer Personal Data is encrypted both at transit over the public networks and at rest. Additionally, such procedures ensure the effective implementation of the encryption capabilities utilized by Alight, taking into account the state-of-the-art.

5 Conclusion

The information provided by Alight were consistent. Where necessary, Alight gave additional information or clarified their given information appropriately.

The Monitoring Body therefore verifies the services as compliant with the EU Cloud CoC based on the performed assessment as prescribed in 1. The service(s) will be listed in the Public Register of the EU Cloud CoC¹⁷ alongside this report.

In accordance with sections 3.4.1.2 and 3.4.2 and given the type of information provided by Alight to support the compliance of its service, the Monitoring Body grants Alight with a Second Level of Compliance.

6 Validity

This verification is valid for one year. The full report consists of 11 pages in total, whereof this is the last page closing with the Verification-ID. Please refer to the table of contents at the top of this report to verify that the copy you are reading is complete, if you have not received the copy of this report via the Public Register of the EU Cloud CoC¹⁸.

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¹⁷ <https://eucoc.cloud/en/public-register/>

¹⁸ <https://eucoc.cloud/en/public-register/>