2024 CORPORATE RESPONSIBILITY REPORT

Working for a Better World

FISCAL YEAR 2024

JUNE 1, 2023 - MAY 31, 2024

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This report is for Paychex and its affiliates (collectively, "Paychex") for fiscal year 2024 (June 1, 2023 to May 31, 2024) ("FY24"). It was prepared with reference to the GRI Standards and follows the Sustainability Accounting Board Standards (SASB) for Software & IT Services industry. GRI used: GRI 1: Foundation 2021. The GRI and SASB Indices can be found on our Corporate Responsibility website.

Some metrics included in this report are provided for international operations, others for United States (U.S.) operations only.

A Letter from the President and CEO

Paychex is a Purpose-driven organization and has been since our founding. That Purpose is simple but powerful – helping businesses succeed. We support entrepreneurs and business leaders in building companies and strong economies in the communities we serve. By doing so we help build strong communities and impact the world for the better. As our industry and the world around us change at an ever-increasing speed, we continue to adapt while holding true to our Purpose and our core values of Integrity, Accountability, Respect, Service, Partnership, and Innovation.

The recognition we receive as both one of the world's most ethical and most innovative companies is as focused on doing good for our communities, neighbors, and planet as it is for delivering the best products and services for our clients. These accolades demonstrate that our Paychex Impact Strategy is delivering for all our stakeholders.

I am exceptionally proud that this spirit of social responsibility permeates all levels of our organization. In the last 18 months, the Paychex Charitable Foundation pledged a combined $4 million over four years to support the critical work of four non-profits: National Urban League, Junior Achievement, Feeding America, and Mental Health America.

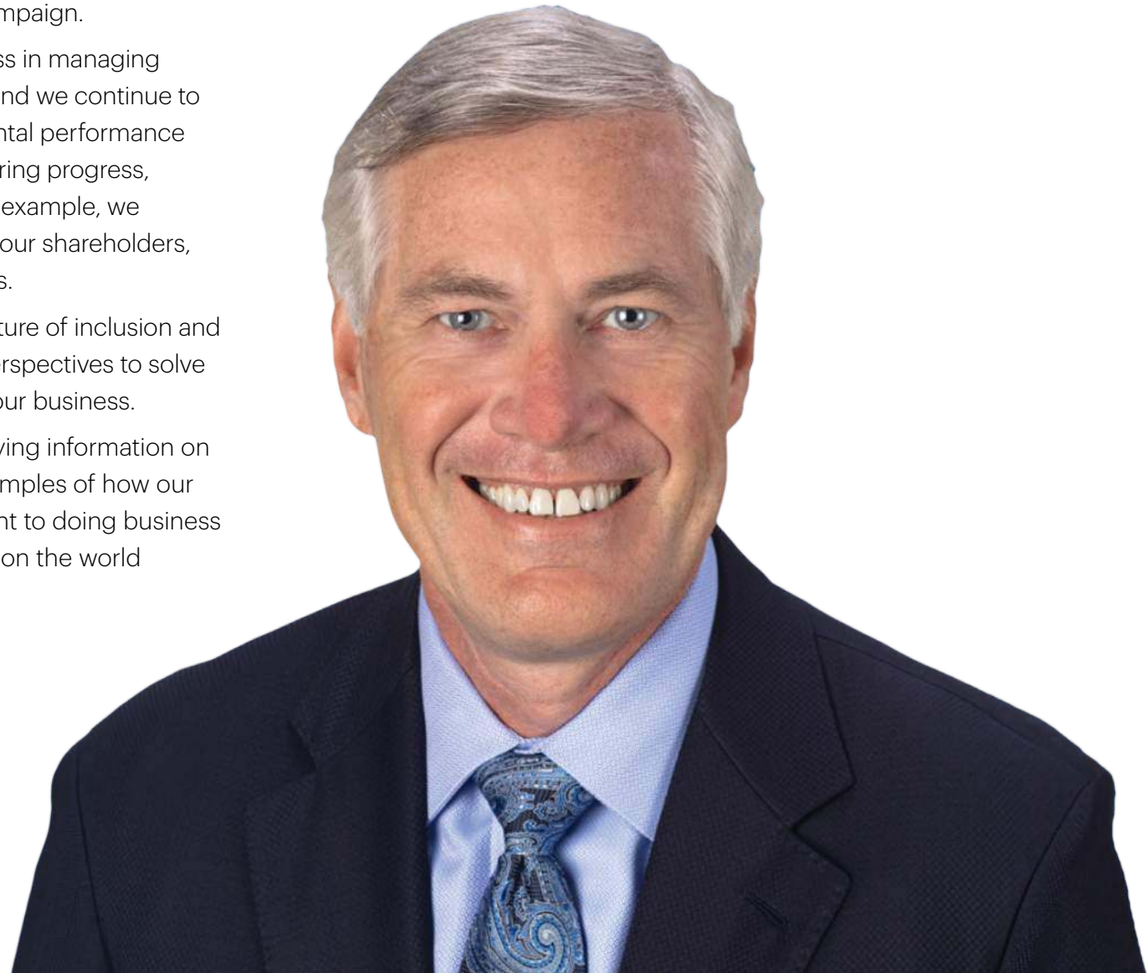
Across the company, we continue to see Paychex employees giving generously of their time, talents, and resources to ensure the vitality of the communities where we live and work. Over the course of the past year, Paychex team members have organized spring cleaning sessions for local agencies serving the disadvantaged, hosted clothing and food drives during the holidays, and volunteered their time educating students on financial literacy. Their collective efforts combined with the support of our corporate contributions raised more than $1.3M for United Way in our 2024 company-wide campaign.

We are committed to making tangible progress in managing the environmental impact of our operations, and we continue to seek opportunities to improve our environmental performance by establishing objectives and targets, measuring progress, and reporting our performance. In leading by example, we promote environmental responsibility among our shareholders, employees, customers, suppliers, and vendors.

At Paychex, we drive innovation through a culture of inclusion and belonging, where employees bring diverse perspectives to solve complex challenges and shape the future of our business.

Throughout this report and in the accompanying information on our corporate website, you will find many examples of how our Paychex Impact Strategy and our commitment to doing business the right way are making a significant impact on the world around us.

John B. Gibson
President and Chief Executive Officer
Paychex, Inc.



Building a Brighter Future for All

A Letter from the Chief Ethics Officer

With more than a half-century of Paychex history that speaks to who we are as a company, we remain fiercely dedicated to our Purpose of helping businesses succeed. While that dedication drives a relentless pursuit to achieve the best possible results for our customers, we are equally focused on how we achieve those results. We are continually examining our operations and evolving our practices to ensure we do business in a way that honors our company's legacy and helps to build an even brighter future.

Doing business the right way is a responsibility of every member of the Paychex team. In pursuit of our goals and organizational aspirations, we continually assess and recommit ourselves to our standard of ethics, our governance and security policies, our inclusion initiatives, our environmental stewardship, and our community relationships.

While goals and aspirations evolve and change with time and circumstances, our values do not. The core Paychex values - Integrity, Accountability, Respect, Service, Partnership, and Innovation - serve as the foundation for our culture and the inspiration for the efforts and achievements that are featured in this Fiscal Year 2024 Corporate Responsibility Report.

Our values of Integrity, Accountability, and Respect are reflected in Paychex being named one of the World's Most Ethical Companies by Ethisphere. This year marks the 16th time we have been named to this distinguished list. Our values of Service, Partnership, and Innovation are reflected in the recognition we received from Fortune as one of America's Most Innovative Companies. While we are honored by these awards, we take the greatest pride in the impact of these achievements on the stakeholders we serve.

That impact can be seen in our strong performance ratings from Institutional Shareholder Services (ISS) and Morgan Stanley Capital International (MSCI), as well as the third-party verification of our emissions reporting and ongoing efforts to reduce the environmental impact from our operations. Our impact is most directly seen throughout our communities, where Paychex employees give of their time, talents, and financial resources through grassroots fundraising and volunteer activities, while the Paychex Charitable Foundation provides corporate support to organizations and initiatives that foster healthy, vibrant neighborhoods where our team members live and work.

In a rapidly evolving world, Paychex has proven its ability to adapt quickly and respond with urgency. At the same time, we remain steadfast in our commitment to our stakeholders. As chief ethics officer, I am honored to be entrusted to oversee the company's continued growth and evolution in the way we serve our customers, employees, shareholders, partners, and communities.

Prabha Sipi Bhandari
Chief Legal Officer, Chief Ethics Officer and Secretary
Paychex, Inc.

The decisions and actions we take as an organization are intended to maximize the positive impact we have on the stakeholders we serve. For more than **50 years**, we have worked to make a meaningful difference in the lives of our clients, our employees, our shareholders, and our communities. In return, our stakeholders have helped to drive our success.

Our **clients** fuel our purpose.

Our **employees** power our business.

Our **shareholders** believe in our future.

Our **communities** provide ongoing support.

The Values that Drive Us

Our Paychex values are at the heart of the impact we have on our stakeholders. While the speed of change increases dramatically every single day, our values have remained constant over the decades. Our values are the foundation on which we continue to build our future and honor our past.

We conduct our business with integrity, because our clients trust us with their most sensitive information and to help care for their employees.

We are accountable for our impact on the planet, and for doing our part to ensure environmental stewardship.

We treat our employees with respect by listening to their feedback, creating a culture of belonging, providing opportunities for continued development, and offering world-class benefits that address all the components of well-being.

We provide outstanding service, building trust and a foundation for success through dialogue with our clients, partners, and fellow employees.

We work in partnership – in and outside of Paychex – to support our colleagues, create positive experiences for our customers, and build strong relationships with the communities that we serve.

We drive innovation in our products and services to meet our clients' evolving needs and deliver value to investors.

Champions in Action

Nearly 7% of our employees—representing Paychex locations globally—volunteer as Paychex Values Champions, embracing the responsibility to live our Company values and serve as role models for their colleagues

How We Engage with Our Stakeholders

We regularly engage our key stakeholders to better understand issues that matter most to them. Their feedback helps us deliver better products and services for our customers, provide fulfilling careers for our employees, and deliver shareholder value year after year.

Stakeholder Group	Clients	Shareholders	Employees	Communities
How We Engage	Paychex has direct relationships with our more than 745,000 small- and medium-sized businesses across the U.S. and parts of Europe. We engage with them through incoming and outgoing client service, email, our product portal and app, social media, and client surveys. We also have robust partnerships with accounting and banking professionals, financial advisors, franchises, and national associations, with whom we engage through dedicated service and relationship teams, platforms, webinars, communications, industry groups, and conferences.	The Paychex Investor Relations website provides the investment community with information about our strategy, news, senior leadership team, financial results, SEC filings, governance, and corporate responsibility efforts. Additionally, Paychex values shareholder feedback and is committed to ongoing engagement. During FY24, for example, formal discussions with shareholders were held to discuss our corporate governance and other matters that were priorities of our shareholders.	We keep our approximately 16,500 employees informed and inspired about Company news, priorities, strategies, and financial and operational performance through a variety of channels, including our corporate intranet site, video, podcasts, in-person and virtual meetings, and written communications. We also have an ongoing listening strategy with our biannual Employee Experience Survey, pulse surveys, leader forums and Q&A sessions, Employee Business Resource Groups, and our Ethics Hotline.	Paychex and our employees are committed to supporting strong and vibrant communities. Through the Paychex Charitable Foundation, we provide funding to programs in the communities where our employees live and work with an emphasis on supporting mental health, physical health, financial health, and professional and skills development. Paychex employees also support their communities through fundraising efforts, volunteerism, and donation drives for local nonprofit organizations.

PAYCHEX

Ethics

We hold ourselves to the highest ethical standards: doing business the right way and conducting ourselves with integrity

Paychex Is A Purpose-Driven Organization

Our approximately 16,500 employees are committed to helping businesses succeed and doing so with the highest levels of integrity. Our values serve as the foundation of our Purpose, guiding our governance practices, how we care for our employees, environment, and communities, and how we operate. Ethical behavior is just part of who we are at Paychex..

2024 WORLD'S MOST ETHICAL COMPANIES® ™ ETHISPHERE 16-TIME HONOREE

In FY24, we celebrated our 16th appearance on the World's Most Ethical Companies list, which honors organizations that demonstrate exceptional leadership and a commitment to business integrity through best-in-class ethics, compliance and governance practices.

The values and principles we have demonstrated over time to earn this honor are the values and principles that drive our daily business interactions.

We diligently work to ensure the highest ethical standards in every facet of our business, including data security and user privacy. In FY24, we experienced no monetary or other losses as a result of legal proceedings associated with user privacy.

We are committed to complying with all federal and state laws and regulations everywhere we do business.
We have incurred no monetary or other losses as a result of legal proceedings associated with anti-corruption or anti-competitive behavior regulations in FY24.

In addition, Paychex does not operate in any country where core products or services are subject to government-required monitors, blocks, content filtering, or censoring. This commitment to freedom of expression is central to our values of integrity, respect, and innovation.

Our unwavering commitment to ethical behavior permeates every aspect of our Government Relations efforts.

In FY24, we did not make any financial or in-kind political contributions, and we received no material financial assistance from the government.

The Paychex Code of business Ethics and Conduct states that employees may not make any political contributions or participate in lobbying activities as a representative of Paychex, except as specifically authorized to do so.

We disclose the issues that we have lobbied on as part of our quarterly Form LD-2 filings, that are publicly available. For FY24, these include:

- **IRS electronic filing and services related issues:**
  H.R.2882/S.2309 - Financial Services and General Government Appropriations Act
- **Telehealth related issues:**
  H.R.7858 - Telehealth Enhancement for Mental Health Act of 2024
  S.3430 - Better Mental Health Care, Lower-Cost Drugs, and Extenders Act of 2023
  H.R.3432/S.3651 - Telemental Health Care Access Act of 2024
  H.R.1843/S.1001 - Telehealth Expansion Act of 2023
- **Health Savings Account and Flexible Spending Account related issues:**
  H.R.6857 - Simplify and Expand Health Savings Accounts Act
  H.R.1421 - Improving Childcare for Working Families Act of 2023
- **Retirement related issues:**
  H.R.6007/S.4398 - The Retirement Investment in Small Employers Act (RISE Act)
- **Employee Retention Tax Credit (ERTC) related issues:**
  H.R.7024 - Tax Relief for American Families and Workers Act of 2024
- **Professional Employer Organization (PEO):**
  Advocated for IRS electronic filing and services related issues, and PEO Liability issues related to ERTC.

Governance

We are guided by effective Corporate Governance practices as we strive to make a meaningful impact on our customers and maximize shareholder value

Paychex recognizes the fundamental principle that good corporate governance is critical to organizational success and the protection of shareholder value.

Board-level Oversight of Corporate Responsibility

The Nominating and Governance Committee of the Board of Directors of Paychex (the "Committee") is responsible for Board oversight of Corporate Responsibility issues.

Among other things, the Committee is responsible for:

- developing and overseeing sustainability priorities, objectives, and strategy with the goal of further integrating sustainability into the Company's strategy and operations;
- overseeing the Company's policies and programs on issues of corporate citizenship, such as environmental sustainability, philanthropic and political activities, and any related expenditures;
- overseeing the Company's risks, reporting, and disclosure with respect to Corporate Responsibility matters.
- providing ongoing oversight of the Company's programs on corporate responsibility, including the activities of the Company's Corporate Responsibility Steering Committee.

Management-level Oversight of Corporate Responsibility

The Corporate Responsibility Steering Committee is chaired by the Chief Legal Officer, Chief Ethics Officer and Secretary, and is comprised of members representing Human Resources and Organizational Development, Legal, External Reporting, Investor Relations, Corporate Marketing, Corporate Communications, Risk, Compliance and Data Analytics, Information Technology, Business Operations, Sustainability and Internal Audit, including several Senior Executives. These business units at Paychex are stakeholders in sustainability strategy and policy setting.

Paychex's Corporate Responsibility strategy is focused on the following priority areas:

- Ethics
- Governance
- Empowering Businesses
- Employees
- Community
- Diversity, Equity, and Inclusion ("DEI")
- Privacy and Security
- Environment
- Occupational Safety

The purpose of the Corporate Responsibility Steering Committee is to assist the Company's senior management in the development and implementation of a world-class ethics and corporate responsibility program. The Corporate Responsibility Steering Committee's primary function is to review and recommend to senior management objectives, policies, and procedures that best serve the Company's interests in maintaining a business environment committed to high standards of ethics and integrity, corporate responsibility, legal compliance, and the assessment and management of climate-related issues.

Highlights of FY24 Corporate Governance

Purpose In Action: Performance & Results

The reason we exist as a company is to help businesses succeed in a world that grows more complex and more competitive every day. This singular Purpose sets us apart and drives our efforts. Those efforts, in turn, drive our performance and the results we achieve. While we are proud of what our governance efforts have accomplished, we continually strive to do better.

Corporate ESG Performance

Prime

RATED BY ISS ESG

In November 2023, Paychex received a Prime Corporate ESG Performance rating by ISS ESG.

FTSE4Good

Paychex is included in FTSE4GOOD Index Series.*

*FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Paychex, Inc. has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

In 2024, Paychex received a rating of AA (on a scale of AAA-CCC)

MSCI ESG RATINGS

AA

CCC	B	BB	BBB	A	AA	AAA

MSCI classifies companies rated AA and AAA as **leaders in their industries** in managing the most significant ESG risks and opportunities.

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In seeking continuous improvement in the way we do business, we regularly enhance the knowledge and expertise of our Board Committee members on corporate responsibility topics. In FY24, this included formal training from an outside expert and regular updates from senior management.

Empowering Businesses

Our Purpose is helping businesses succeed

Helping Businesses Succeed

Providing Support to Navigate a New Era of Work

In 1971, Paychex began by offering a single, revolutionary payroll product to address the unmet needs of small businesses. As we have grown, we have rapidly evolved to become a true advocate for businesses of all sizes—from startups to corporations—by anticipating the needs of our clients with innovative products, services, and support.

We make it simple for businesses of all sizes to pay and manage their employees. We make their payroll easy and automatic. We handle their benefits programs. We guide them through their human resources challenges. We help them navigate ever-changing laws and regulations. We do it all in the way our clients want—self-service within our app, online chat, email newsletters, over the phone, or any combination of the above.

See how we are fulfilling our purpose while helping our clients fulfill theirs in our Client Impact Report. From restaurants to animal hospitals to insurance companies, we are making a difference in the lives of our small- to mid-size business clients and their millions of employees.

> Our founding purpose remains today—to provide businesses the freedom to succeed.

Employees

Our programs support our employees' total well-being, professional growth, and sense of community

Employee Training and Development

World-Class Training

In FY24, we provided over 5,100 workforce training, skills, and leadership development programs through in-person, virtual classroom, or online self-paced modules. New employees for our service organizations attend multiple training sessions where they gain job and product knowledge, develop skills to be efficient and consultative, and become familiar with performance expectations. New hires in sales roles attend programs that enhance skills such as discovery, presenting, negotiation, and closing a sale. All employees are offered ongoing personal and professional development programs on topics such as emotional intelligence, growth mindset, career development, and technical programs such as digital literacy.

Throughout our Company's more than 50-year history, we have been committed to providing employees with the training needed to excel at their jobs. From functional training for payroll specialist and sales roles, to personal and professional development, to leadership development programs, our world-class training has earned us the distinction of being named to Training Magazine's APEX award list of the Top Training Organizations 23 consecutive times. Most recently, we ranked No. 4 on the 2024 list.

In FY24,

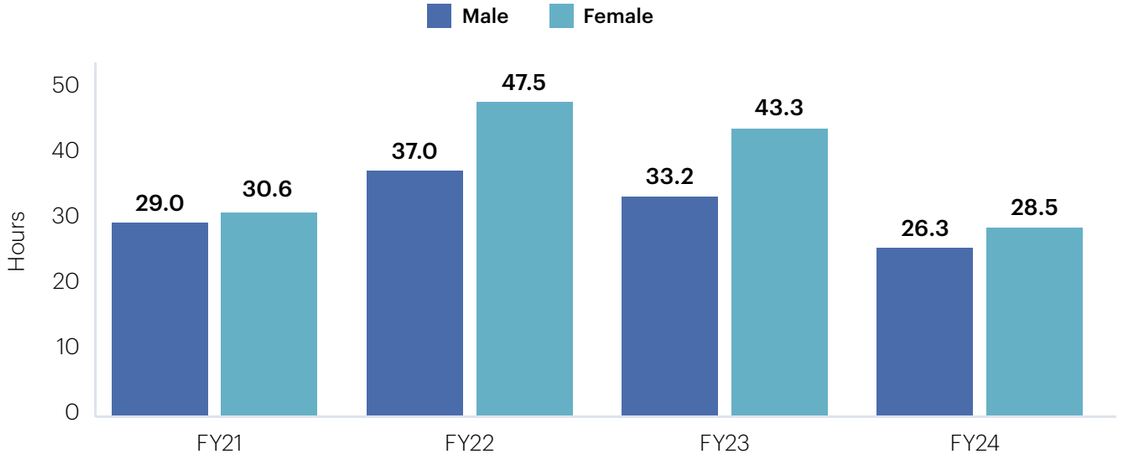
954 **employees participated** in our mentoring program

with a

96% **satisfaction rate** among mentors/mentees

252 **employees received** tuition reimbursement

Average Hours of Training by Gender



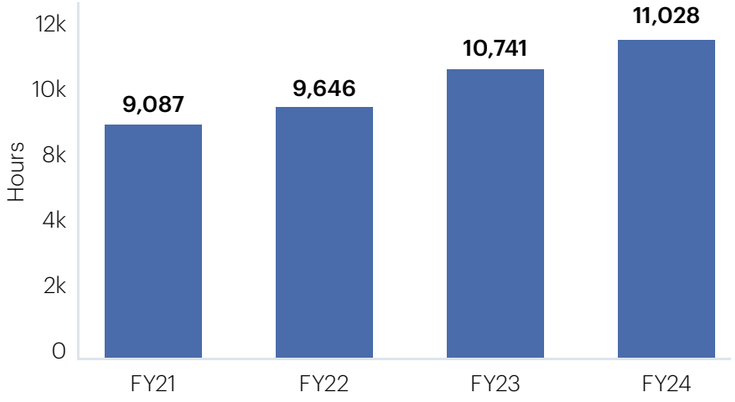
Average Hours of Training by Job Level in FY24

Job Level	Hours
Individual Contributor	42.0
Sr. Individual Contributor	9.3
Sales	32.6
Supervisor	25.8
Manager	13.5
Sr. Manager	9.0
Sr. Leadership	5.2

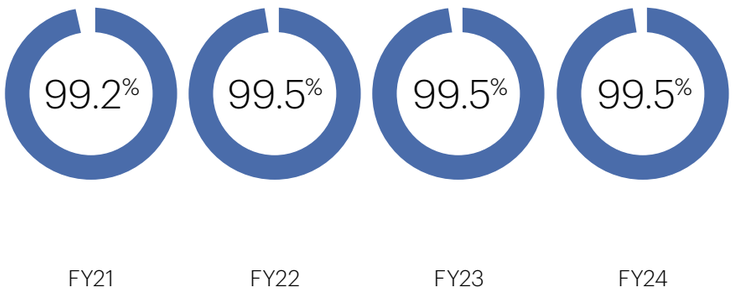
Right Way Training

Each year, all Paychex employees complete an engaging and informative training on doing business "the right way." The training, which is an extension of the Paychex Code of Business Ethics and Conduct, includes topics such as: cyber security and identifying malicious software, protecting confidential information, avoiding conflicts of interest, and an escalation path for all employees for problem resolution including the confidential Paychex Ethics Hotline hosted by EthicsPoint.

Total Right Way Employee Training Hours



Percentage of Employees that Completed the Right Way Training



Performance Feedback

97.8%

of active and eligible U.S. employees received a performance review from their manager for FY24.

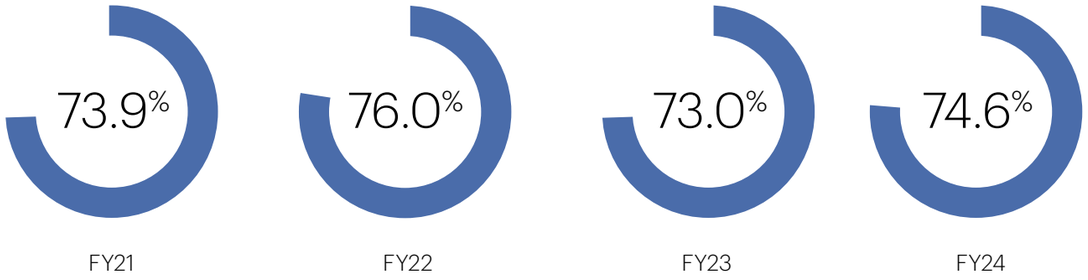
99.9%

of active and eligible U.S. employees received a performance rating for FY24.

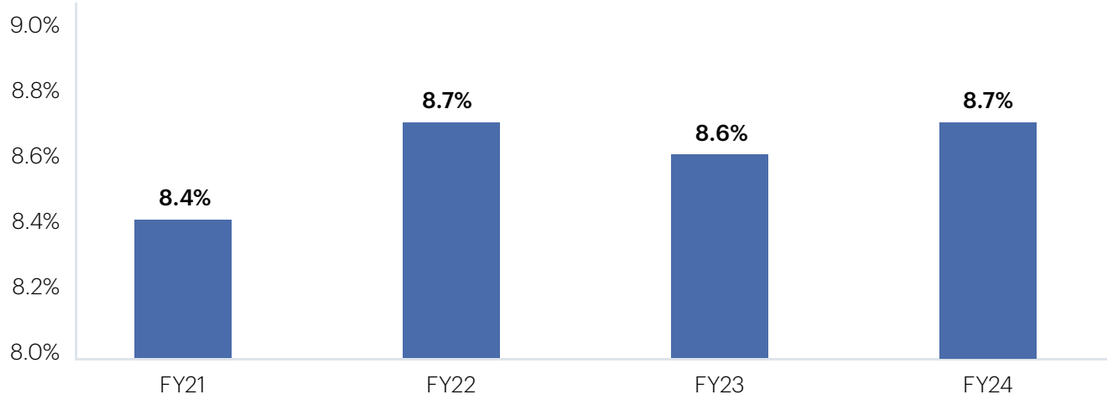
Benefits and Well-Being Total Rewards

Paychex provides a mind-body approach to supporting employees' holistic health journey. By offering comprehensive healthcare, financial benefits such as retirement savings with a Company match, and extended mental, emotional, and physical resources that offer actionable tools to increase resiliency, reduce stress, and align with employees' well-being goals. Paychex is on a mission to have employees engaged in their own well-being so they can be at their best in every area of their lives.

Paychex 401(k) Plan Participation



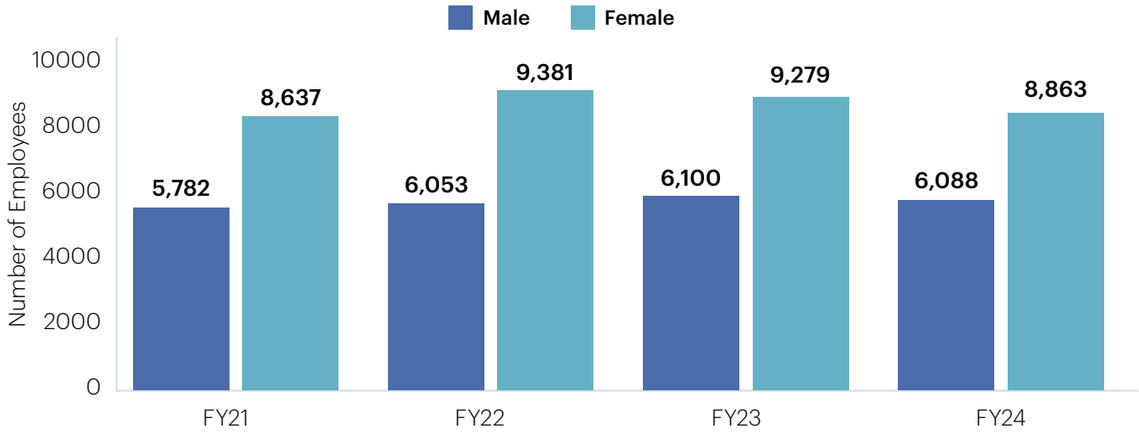
Voluntary Employee Contribution (Average Deferral)



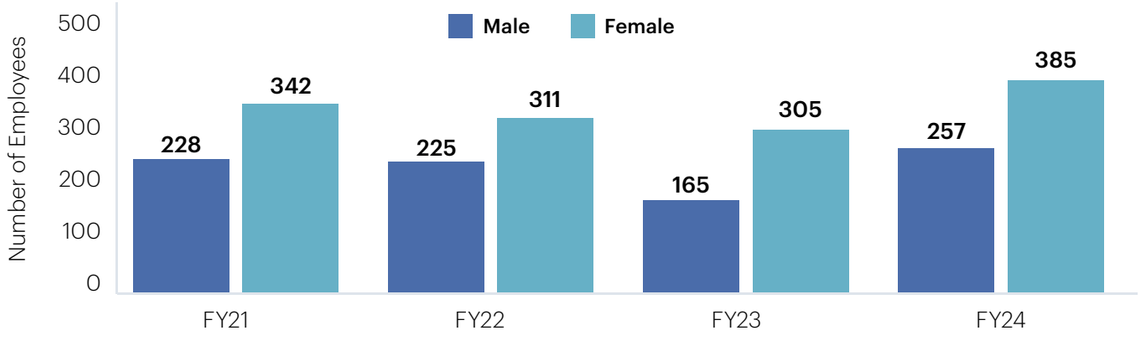
Paid Family Leave

The Paychex Supplemental Paid Family Leave ("PSPFL") program is paid time away from work for employees using approved Family and Medical Leave Act (FMLA) time for baby bonding, to care for a sick family member, or for military/exigency/military caregiver leave. The Company provided benefit is offset by any state or local benefits an employee is entitled to.

U.S. Employees Entitled to PSPFL*, by Gender

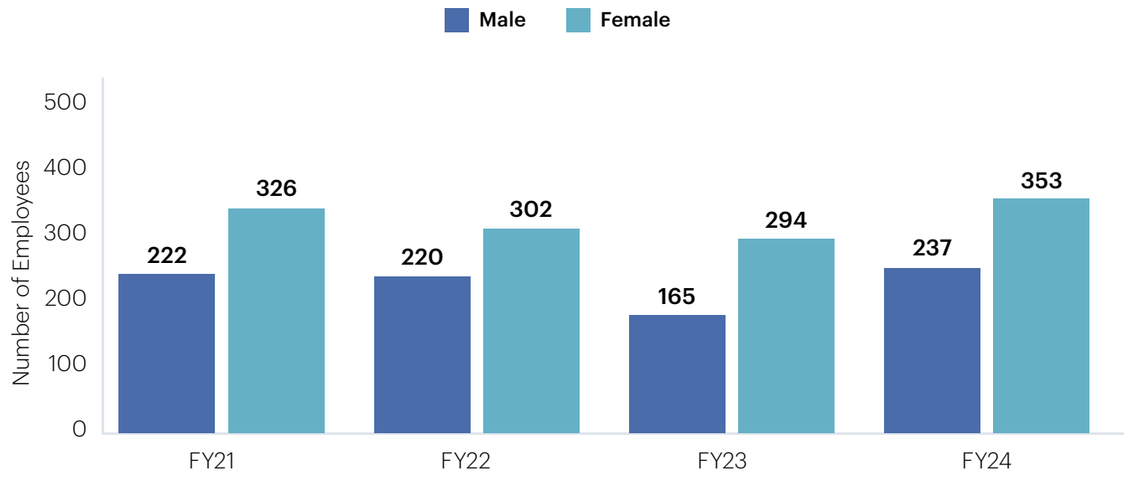


U.S. Employees Who Took PSPFL, by Gender

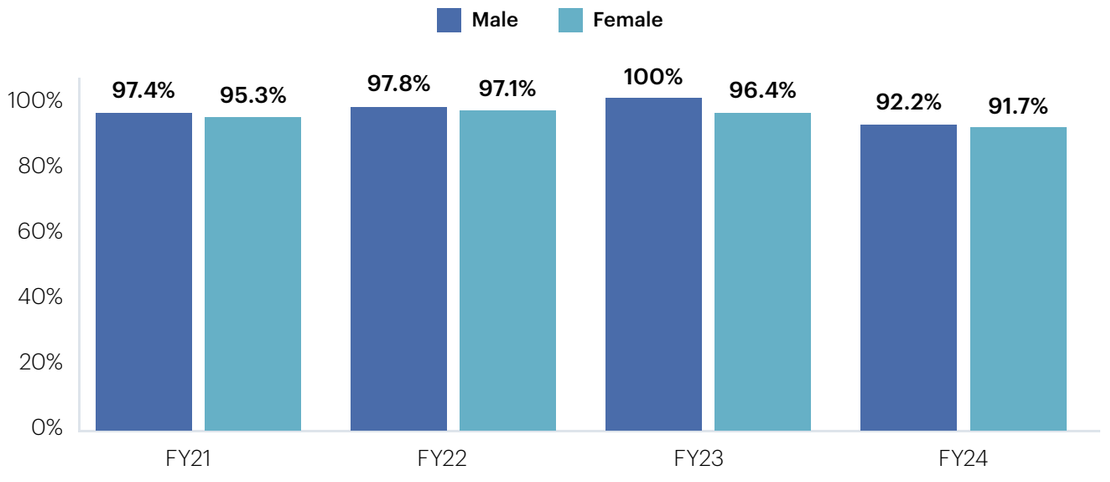


*Full- and part-time employees scheduled to work 20 or more hours.week are eligible for PSPFL.

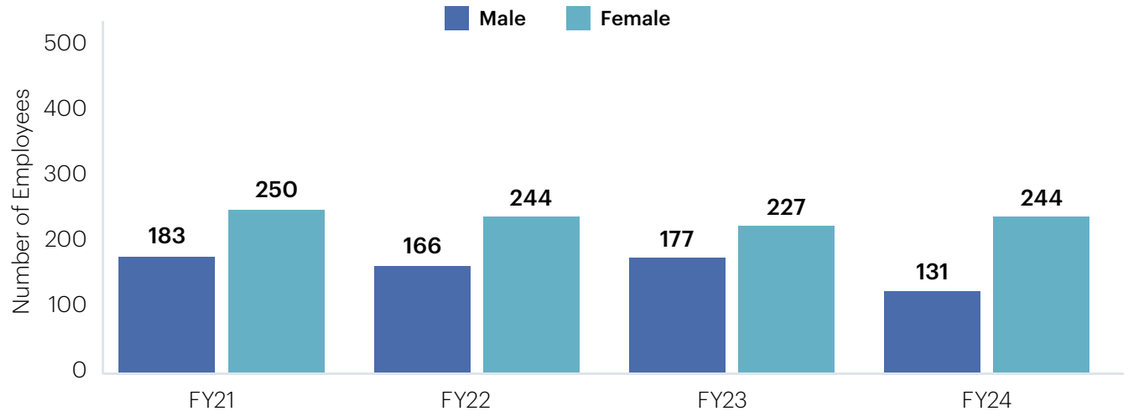
U.S. Employees Who Returned to Work After PSPFL Ended, by Gender



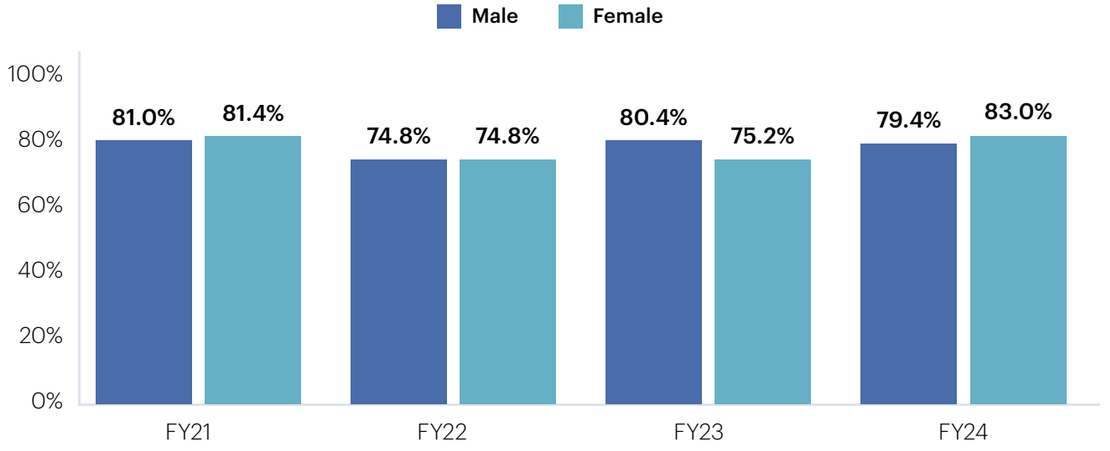
Return-to-Work Percentage Rate of U.S. Employees Who Took PSPFL, by Gender



U.S. Employees Who Returned to Work After PSPFL Ended and Were Still Employed 12 Months After Their Return to Work, by Gender



Retention Percentage Rate of U.S. Employees Who Took PSPFL, by Gender



Supporting Employee Emotional and Mental Well-Being through the Employee Assistance Program ("EAP") and meQuilibrium

Studies have shown that while many companies offer an EAP, the median program utilization is around 6.8%. Paychex employees have a higher utilization of the program, as we provide robust resources to our employees in the U.S. and India.

In FY24, an average **17.9%** of Paychex U.S. employees and **10%** of eligible household members utilized EAP services.

Paychex employees have access to meQuilibrium, an online resilience training program that helps users measure and improve their well-being by focusing on 17 unique health factors including among others: eating habits, pain protection (how the body manifests stress), physical activity, and sleep. The program comes with educational content and a full-scale mobile app that helps users develop healthy, sustainable habits for managing stress and reducing health risks. Today, 37% of Paychex employees are enrolled in meQuilibrium and report improvements in anxiety, burnout, and depression. The program is communicated during new-hire orientation, during Mental Health Awareness Month in May, and in other messaging throughout the year.

Physical Well-Being

Thousands of Paychex employees participate in our award-winning well-being programs each year. For example, in FY24, 20% of the employee population competed in our Fitbit-hosted walking challenges, averaging 8,298 steps per day. On a one-time basis, Paychex subsidizes the cost of a new Fitbit device for each employee. Other programs are geared toward stress management, resiliency, and health coaching. We even have branded bicycles on-hand at our Rochester campus for employees to sign-out for midday fitness breaks.

Vaccine Clinics

Each year, we offer flu vaccine clinics for Paychex employees and their spouses. In FY24, they were offered in Rochester, NY, and Allentown, PA, communities where we have a large number of employees. We make the clinic available to all employees in the region, even if they do not typically report to a physical Paychex office. We also remind U.S. employees that the influenza and COVID-19 vaccines are 100% covered by their Paychex insurance, and we provide a list of facilities and retailers in their area where they can get vaccinated.

The Paychex Scholarship Program for Children of Employees

216 **children of Paychex employees** have received **over $787,000 toward college tuition** since the program's inception.

PAYCHEX

Community

We support strong and vibrant communities where our employees live and work

Paychex Charitable Foundation

At Paychex, we believe in creating a world where people are the most important part of every business. We know that happier, healthier, and engaged teams create better businesses. And strong, local businesses support vibrant communities.

That is why, in 2014, we established the Paychex Charitable Foundation (the "Foundation"). Through the Foundation, we provide funding to programs in the communities where our employees live and work.

Contributions from the Foundation support health and wellness, entrepreneurship, and education, improving the economic health of the community and its workforce, and corporate citizenship. In addition, the Foundation supports the significant charitable initiatives of Paychex employees through matching grants made on behalf of group fundraising or volunteer efforts.

2024 Giving Impact

$2.3
million in giving

17%
increase in giving from FY23

120
grants awarded

6%
increase in the number of grants awarded from FY23

In FY24, the Paychex Charitable Foundation awarded 120 grants totaling $2.3 million, **a new record** and a 17% increase in giving from the prior fiscal year.

Strategic Giving Initiative Focused on Well-Being

As a national leader in HR, payroll, and benefits, Paychex has a unique vantage point into the challenges facing American businesses and workers. We use those insights to direct funding where we see the greatest need.

One of the most profound challenges impacting businesses today is supporting the well-being of their employees.

Last fiscal year, the Paychex Charitable Foundation took a dramatic step forward to support well-being in the communities where our employees live and work. Through our strategic initiative focused on well-being, we announced four $1 million grants (paid over four years) to national organizations that are leaders in addressing mental health, physical health, financial health, and professional skills development: Mental Health America, Feeding America, Junior Achievement USA, and the National Urban League.

That is a total of $4 million in sustained funding over four years to help improve health and well-being in the communities where our employees live and work, including Rochester, New York; Phoenix, Arizona; Tampa and St. Petersburg, Florida; Lehigh Valley, Pennsylvania; Baton Rouge, Louisiana; and more.

Paychex is also creating opportunities to involve our employees, providing a powerful combination of financial support from the Paychex Charitable Foundation and the volunteer commitment of a network of approximately 16,500 Paychex employees from across the U.S.

In May, we completed the first full year of the grant cycle, helping connect thousands in our communities with essential services to address mental health, physical health, financial health, and professional skills development.

Year-One Impact

3,178

Mental Health America

individuals connected with resources to access mental health care and support.

478,120

FEEDING AMERICA

meals provided to communities with high rates of food insecurity.

3,916

Junior Achievement™

students supported with financial literacy education, along with work, career readiness, and entrepreneurship training.

290

National Urban League

individuals served with comprehensive job training and workforce development programs to secure or enhance employment.

Paychex Junior Achievement Discovery Center

The doors to improved financial literacy and economic opportunity officially opened this year for students in the Greater Rochester and Finger Lakes Region, thanks to the new Paychex Junior Achievement Discovery Center.

The Paychex Junior Achievement Discovery Center is the first of its kind in New York State. It offers an engaging student experience that focuses on developing work readiness skills, career awareness, financial self-sufficiency, and entrepreneurial thinking. Two cumulative middle and high school programs – JA BizTown® and JA Finance Park® – run out of the facility. Both contain 13 in-classroom lessons, followed by a day-long visit to the Discovery Center. At the Discovery Center, lessons learned are put to the test as the student becomes a citizen in a simulated "mini city" that resembles real businesses and organizations in our region, including Paychex.

As the naming rights sponsor of the Discovery Center and a storefront sponsor, Paychex is committed to providing employee volunteer support for the Discovery Center. Since the Discovery Center's opening this spring, Paychex volunteers have served more than 200 students from area schools across four Company volunteer days. It is estimated the Discovery Center will serve 12,000 local students annually.

The investment in the Paychex Junior Achievement Discovery Center is on top of the Foundation's $1 million pledge to Junior Achievement USA through the strategic giving initiative focused on well-being.

Paychex Junior Achievement Discovery Center Impact

12,000 students to be served annually

Annual Company-wide United Way Campaign

With approximately 16,500 employees across states, continents, homes, and offices, we are united in our commitment to the communities where we live and work. Our longstanding support of United Way gives our employees an easy way to give back while building community within their own teams through localized fundraising events that bring people together for a shared purpose.

The #PaychexCares spirit shined during this year's campaign, raising nearly $940,000 through employee pledges and fundraisers – setting a new Company record. On top of those significant employee contributions, the Paychex Charitable Foundation added a $350,000 gift on behalf of our employees and sponsored a $100,000 Challenge Grant to spur new leadership gifts in the community. That is $1.38 million that went back into local communities across the U.S.

On the other side of the globe, Paychex India made a 2.3 million INR₹ donation (approximately $28,000 USD) to United Way of Bengaluru, nearly double the size of last year's gift. The donation specifically supported three Anganwadi childcare centers, funding renovations to the centers, delivering comprehensive staff training, and providing health screenings for nearby community members.

Since 2006, Paychex and its employees have given

$16.6 million

to United Way organizations.

Community Initiatives

#PaychexCares Spirit

Wherever our employees are, their caring spirit shines brightly. Whether it is a coordinated annual volunteer event or a cause championed by an employee and supported by their co-workers, Paychex employees rise to the occasion. Leading with our values and a fundamental belief in the power of caring, our employees consistently strive to serve their communities.

In Rochester, for example, Paychex is proud to be one of the largest Company teams represented at United Way's annual Day of Caring volunteer event. In 2024, nearly 1,000 Paychex employees on 80 separate volunteer teams traded their office jobs for a day to go out into the community to help local non-profits with garden clean-up, painting, window-washing, tree-planting, mulching, and more. Paychex had the highest participation of any company in the area and represented almost a sixth of the total volunteers for the day.

At our offices across the U.S., teams regularly give back through food and clothing drives, charity walks, and fundraisers. Others have volunteer committees that meet regularly to look at the needs in their communities and determine the initiatives they will undertake for the year.

One example is our Advance Partners office in Columbus, Ohio. Since 2007, the Advance Partners team has been supporting The Gathering Place, a community organization that provides services to individuals and families coping with a cancer diagnosis. Over the past 17 years, the Advance Partners team has raised more than $140,000 for the Gathering Place. The fundraising is a year-round effort with events taking place throughout the fiscal year and culminating with the annual Race for the Place community walk.

Nearly $50,000 in matching grants were made by the Paychex Charitable Foundation in FY24, reflecting the group fundraising and volunteer efforts nominated by Paychex employees.

Disaster Giving

When wildfires broke out on the island of Maui in August 2023, the leadership board of the Paychex Asian Pacific Islander EBRG knew they wanted to support the Hawaiian community. After working with the DEI and Employee Experience team and the Paychex Charitable Foundation, a site was set up less than 24 hours later to accept employee donations to help the victims.

Paychex employees demonstrated their caring spirit, contributing $19,711 in a matter of a few short days. When combined with a $10,000 gift from the Paychex Charitable Foundation, Paychex and our employees contributed nearly $30,000 to Hawaii wildfire relief. The donations went directly to the American Red Cross Hawaii relief effort, allowing Red Cross volunteers to provide emergency response services to thousands of Hawaii residents devastated by the wildfires.

Diversity, Equity, and Inclusion

We are intentional about diversity, equity, and inclusion

Approach

Diversity is a source of energy and innovation at Paychex. We value differing perspectives, and we encourage collaboration among employees with diverse skills, experiences, and areas of expertise. Above all, we strive to make Paychex a place where employees can bring their authentic selves to work.

At Paychex, diversity, equity, and inclusion ("DEI") are not just cornerstones of our culture – they are business accelerators. We advance DEI efforts through a partnership between our DEI & Employee Experience function, the greater Human Resources department, and all Paychex lines of business.

We recognize that this journey is not about reaching a specific destination but about continuously improving and addressing areas of opportunity. We believe each and every one of us has a role to play—in our Company and in our communities.

Our Priorities: People First

Our Vision

Foster an environment of intentional inclusion where all employees feel represented and engaged, with a sense of belonging unmatched in their career, where our values form the cornerstones of our culture, and where equal access and opportunity to learn, grow, and thrive are available to everyone.

Our Mission

Empower and inspire our employees to cultivate authenticity, growth, and success by removing barriers and creating connections.

Our Purpose

Attract, retain, and engage a diverse team that reflects the communities we serve. We acknowledge and share our lived experiences and unique perspectives. We embrace courageous dialogue, seek to understand others, and serve as allies, mentors, coaches, and sponsors to create positive experiences for all.

Action Plan

We are committed to maintaining diverse representation and perspectives across the organization so that we can respond effectively to the evolving needs of our customers, colleagues, and communities. We ask our leaders to foster an inclusive environment by valuing differences of opinion, recognizing and overcoming biases, and ensuring that all employees feel their ideas and contributions are valued.

FY24 Initiatives to Operationalize DEI at Paychex

- Expanded Employee Business Resource Group (EBRG) programming with our first international group, the Women's Initiative Network—India.
- DEI and Corporate Responsibility program improvement goals were included as a qualitative component to cash incentive plan metrics for all executives.
- DEI & Values Levels training program developed and implemented for enterprise-wide learning.
- Through the Paychex Charitable Foundation, continued support for non-profit organizations that provide critical aid to the communities that we serve.
- Leadership development programs to amplify and power the workforce of tomorrow.

Diversity Recruiting Initiatives in FY24

- Continued partnership with diverse colleges, universities, and community colleges that have resulted in entry-level hiring, as well as internships, and co-ops in fields such as HR services, computer science, and software engineering.
- Socialized the Paychex brand across communities through job fairs and networking events.
- Expanded creative marketing efforts to enhance a diverse candidate pipeline among all job bands.

Employee Business Resource Groups

Open to all employees, our nine Employee Business Resource Groups, or EBRGs, align to a common purpose: engaging employees and supporting an inclusive workplace. These voluntary, employee-led groups provide forums for connection, cultural celebration, community service, personal and professional development and support, and the advancement of our business objectives. EBRGs play an important role in shaping our culture, and teammate engagement.

Each EBRG at Paychex has an Executive Leader Sponsor, and the communities cultivated by EBRGs play a key role in recruiting and retaining talent for our organization. After the first fiscal year of EBRGs, 1,275 of our employees are actively engaged in at least one EBRG.

Black & African American Excellence Network

Mission: Make a positive difference in the workplace by creating a supportive and inclusive environment for our community and allies. We seek to foster a sense of community and provide opportunities for personal and professional development.

HOLA Network (Hispanic & Latino Organization to Lead and Achieve)

Mission: Support employees who celebrate the unique diversity of Hispanic & Latin communities by fostering cultural dexterity and building lasting inclusion. Promote vibrant cultural diversity and create a supportive environment through development opportunities.

Intergenerational Network

Mission: To involve everyone in the conversation while representing all walks and stages of the employee life cycle by acknowledging, understanding, and respecting generational differences.

Diverse-Abilities Network

Mission: Celebrate and promote awareness of diverse abilities and work to ease the challenges faced by disabled and neurodiverse persons.

tAPIstry Network (Asian & Pacific Islander)

Mission: To engage our Asian & Pacific Islander communities, empowering their authentic voices, and promoting understanding with the greater organization.

Women's Initiative Network – USA

Mission: Support and empower women at Paychex, their business partners, and allies through community and education that will foster a culture of belonging reflected throughout Paychex's business goals.

Military & Veterans' Network

Mission: Support military service members, veterans, their family members, and allies by harnessing their unique skills, values, and experiences through transition and integration support, professional development, and facilitation of networking.

United Pride Network

Mission: Create a safe and inclusive environment where all employees, vendors, and clients can bring their authentic selves to Paychex, regardless of sexual orientation, gender identity, or expression. Build a culture where all employees feel valued and empowered.

Women's Initiative Network – India

Mission: Empower and elevate the women of Paychex in India, their allies, and business partners through programs and communities that facilitate communication, education, and professional development.

Honoring Diverse Communities

This year, the Paychex Charitable Foundation made $75,000 in gifts aligned with the Company's major observances honoring diverse communities. The benefiting organizations were recommended by Paychex EBRGs, and approved by the Foundation.

Leadership Development

Connections Mentoring Program

At Paychex, we believe in powering human potential. There is something uniquely valuable about firsthand wisdom passed down from seasoned professionals. Paychex's formal mentoring program, Connections, fosters professional and personal growth for employees of all backgrounds, tenures, and career stages. Connections is a robust program with many opportunities for employees to develop coaching skills, meet colleagues from across the organization, learn something new, and actively support our DEI initiatives. Those who are early in their career journey benefit from personalized mentorship from seasoned leaders. In FY24, 9% of program participants received a promotional move, and retention for those within the program versus those not enrolled were 91% and 73% respectively.

External Diverse Leadership Program Opportunities

Paychex has partnered with many external employee development platforms and providers to continue our commitment to building teams that reflect society's diversity. Some of these partners that Paychex works with include:

- **McKinsey Connected Leaders Academy:** A training program to help organizations make demonstrable progress on inclusion and equity, improve talent pipelines, and unlock the full potential of people within the Company. Together with McKinsey, our employees participate in affinity-based development programming designed to help accelerate racial equity and equip future leaders with the skills, peer networks, and sponsorship they need to achieve their aspirations and grow here at Paychex.
- **Irvine Tech Corp – Women in Leadership Program:** This custom-designed course, gives those women with the drive and passion to break barriers and pilot uncharted territory the means to do so on their own terms in the technology sector. The program dives into real-life scenarios Chief Information Officers face daily, whether they are leaders within a small enterprise or a vast Fortune 500 company.
- **Skillsoft – Percipio:** A customizable learning resource for leaders that includes thousands of on-demand programs and resources in the form of videos, audiobooks, and articles that are constantly updated.

Expansion of DEI & Culture-Specific Training Library

We are committed to promoting understanding of underlying historic and systemic issues that create unequal outcomes for underrepresented communities. In FY24, we strengthened our culture of inclusion and belonging through initiatives targeted to aligning the business objectives and outcomes to our corporate values, culture, and DEI.

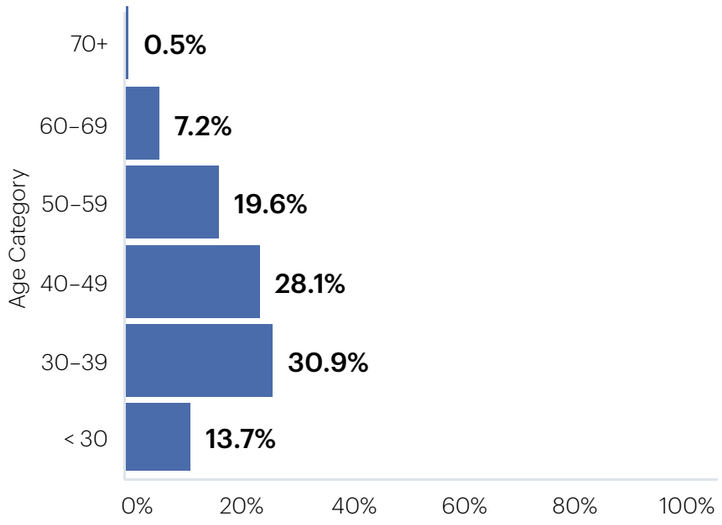
Performance

Pay Equity

Paychex is committed to pay equity across our entire workforce. We engaged a third-party vendor to conduct a regression analysis related to gender and racial pay equity, and the results confirmed that the actions taken by Paychex to ensure pay parity continue to be effective. We have made significant progress toward our goal of 100% gender pay equity, achieving 99.96% in our U.S. operations. That is, women are paid 99.96 cents for every dollar men are paid for the same job. Additionally, we have made progress toward our goal of 100% racial pay equity. Racial minorities as a group are paid 99.73 cents for every dollar that Caucasians are paid for the same job in our U.S. operations. We are proud of the progress we have made and will continue to make efforts toward achieving our goal of 100% pay equity.

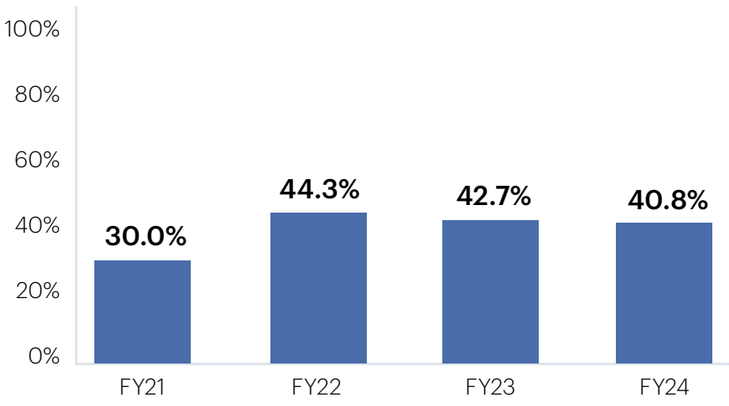
52.3% of leadership roles within Paychex are held by women.

Employee by Age Categories



Employees by Gender

% Racially Diverse Hires



We are proud of the progress we have made toward our DEI objectives and are pleased to have received recognition as a great workplace for diversity.

Privacy and Security

Privacy and security of personal and account information are among our top priorities

Cybersecurity

The **privacy** of our clients and employees—and their information—is important to us. We adhere to security protocols to secure personal and account information.

Data Security

Paychex has established policies and procedures to comply in a timely fashion with applicable federal and state legal requirements related to privacy, data security, and incident notification.

Paychex will provide notification to clients in compliance with individual state and federal regulations governing the exposure of personally identifiable information (PII) and/or individual or protected health information (IHI/PHI).

Our average external scoring services for FY24 have industry-leading ratings of:

Security Scorecard 88*

*Out of 100.

BitSight Security 770**

**Out of 900, considered an advanced rating.

Environment

We are committed to managing our environmental impact as an integral part of our operations

Climate

Environmental Impact

As a technology and software services provider, our key environmental impact lies in greenhouse gas ("GHG") emissions, energy consumption, resource consumption, and waste management.

More information about our commitment to environmental management, as well as our interim GHG emissions reduction targets can be found here at our website.

Paychex has an Environmental Policy that is reviewed annually and updated as necessary.

Net-Zero GHG Emissions by 2050

In 2021, we announced our ambition to reach Net Zero GHG emissions by 2050.

In 2022, the Company announced GHG emissions reduction targets for 2030 and 2040, available here. The targets use FY19 as the baseline year. Since then, we have undertaken initiatives to reduce energy consumption and GHG emissions. Reduction of energy usage and GHG emissions is necessary to mitigate climate change and its impact on the economy, environment, and the human race.

We currently track year-over-year changes in energy consumption at a building level and in some cases conduct month-over-month evaluations. In FY25, we will begin conducting quarterly evaluations of energy consumption in an effort to better identify initiatives of energy use savings that have been successful and implement them at other facilities. We have implemented a process to gather trend data on individual pieces of equipment to rate their performance and will soon begin investigating interval data to understand how whole buildings operate throughout the day and seasonally. We also track the progress towards our GHG emissions reduction targets and reports out to relevant internal departments and senior management.

Energy Usage and Greenhouse Gas Emissions Reduction

Scope 1 and Scope 2 GHG emissions

Paychex is continually pursuing and prioritizing initiatives aimed at reducing its energy consumption and GHG emissions. In FY24, we replaced HVAC equipment at one of our owned facilities with energy efficient equipment and completed a partial replacement of existing lighting with LED lights at one of our data centers. We also modified building ventilation and lighting schedules to match building occupancy at 75% of our owned facilities, resulting in significant financial savings and emissions reduction. We continue to monitor and adjust our building automation system.

Scope 3 GHG emissions

Paychex has established emissions reduction targets for the following Scope 3 categories: Upstream Transportation and Distribution*; Business Travel; Employee Commuting; and Upstream Leased Assets.

Since our baseline year of FY19, we have reduced business travel miles by 71%, replacing in-person meetings with video conferencing, which continue to reduce Scope 3 Business Travel GHG emissions.

Our flexible workplace program, established in FY22, has decreased the number and frequency of employees commuting to offices, resulting in a reduction in Scope 3 Employee Commuting emissions. At the end of FY24, 68% of our U.S. workforce worked from home on a full-time basis, while another 20% commuted into the office only two or three days per week. Only 12% of our employees are now expending fuel and emissions by commuting to the office every day.

In FY24, Paychex vacated 93,751 sq. ft. of occupied facilities, resulting in reduced Scope 3 Upstream Leased Assets emissions. We also add language in all our new lease agreements to measure energy and water consumption and waste generation.

We continue to encourage our clients to transition from paper-based products to digital products.

Electric car charging stations at some of our facilities enable our employees to reduce their office commuting GHG emissions.

Data Centers

Paychex strives to reduce our overall environmental impact and GHG emissions. We continue to assess and improve the energy efficiency of our data centers, power systems, and cooling mechanisms.

Using a Data Center Infrastructure Monitoring (DCIM) application, we monitor our efficiency, distribution, and consumption. We proactively maintain our power and cooling systems while continuously looking for ways to conserve energy, including regularly decommissioning and recycling old equipment, migrating to energy-efficient, high-density computers, optimizing airflow, and converting to LED lighting in our data centers to improve Power Usage Effectiveness (PUE) scores.

We are actively exploring ways to retrofit green technology for our data centers to further reduce our GHG emissions and improve PUE scores. We are not currently designing any additional data centers. Our average data center PUE was 1.8 in FY24.

*Emissions from couriers and postal services previously reported under Scope 3 category Downstream Transportation and Distribution are now being reported under Scope 3 category Upstream Transportation and Distribution. Accordingly, Paychex's emissions reduction targets for Downstream Transportation and Distribution have now been replaced by the same targets for Upstream Transportation and Distribution.

Energy Consumption

The following figures reflect energy consumption data for our owned facilities.

Figure 1: Total Electrical Power consumption within the organization

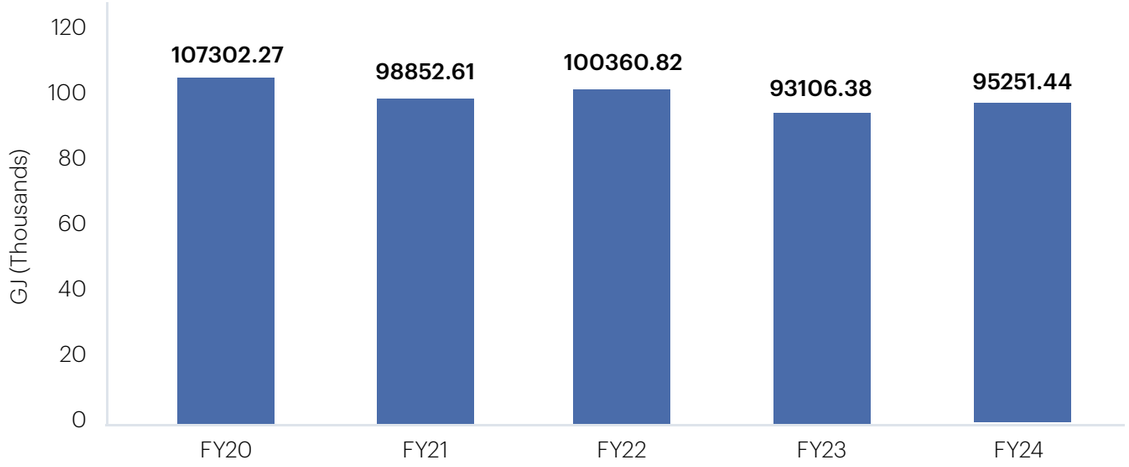


Figure 3: Percentage grid electricity consumption within the organization

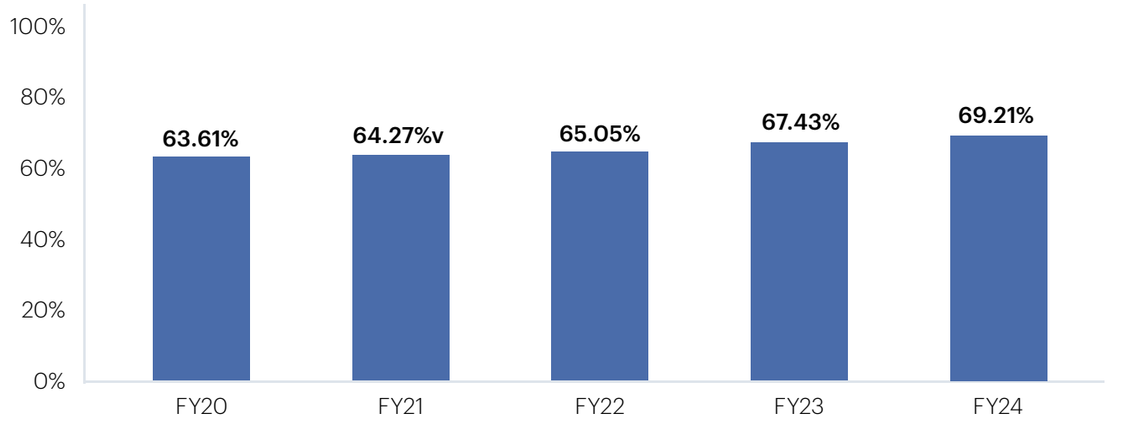


Figure 2: Total Energy consumption within the organization

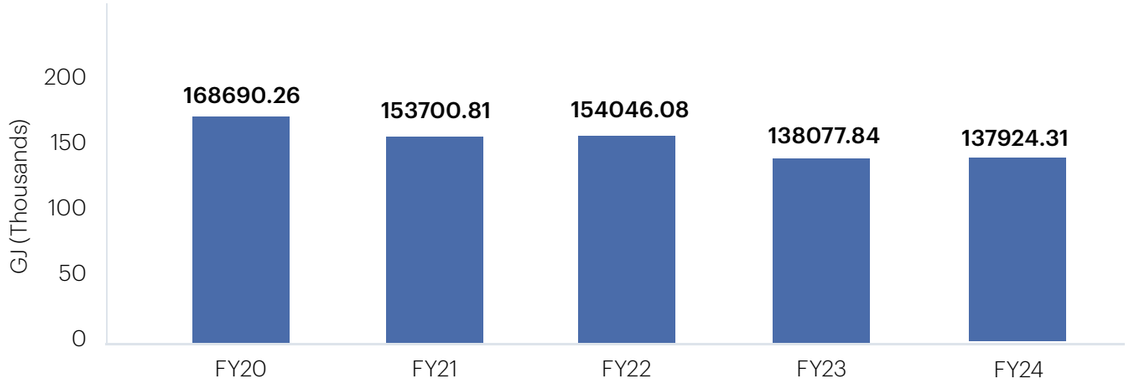


Figure 4: Percentage renewable electricity in energy consumption within the organization

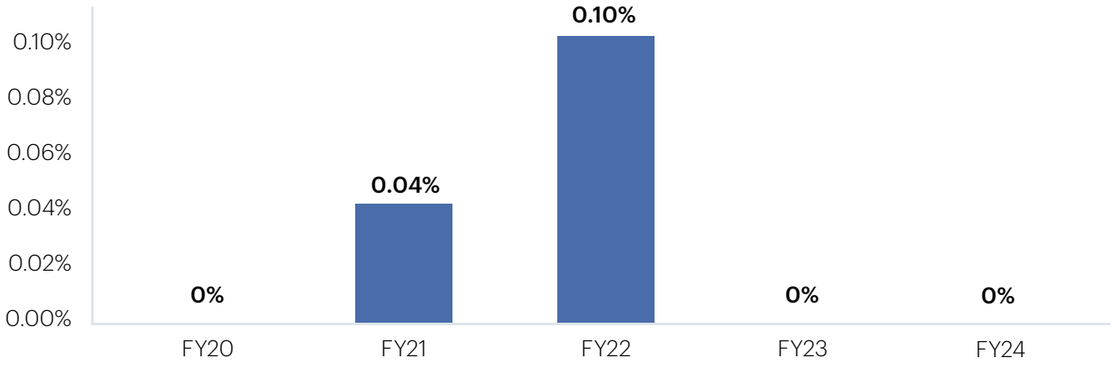


Figure 5: Energy intensity ratio for energy used within the organization

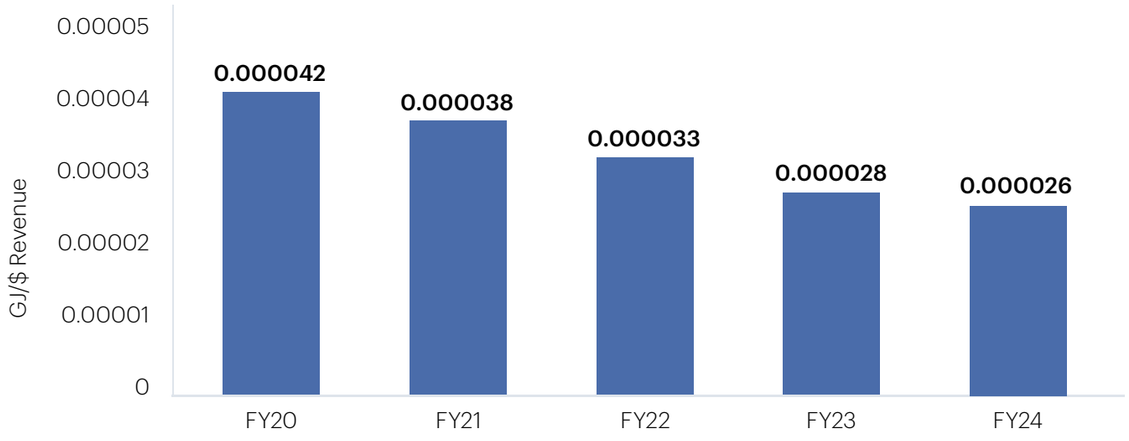
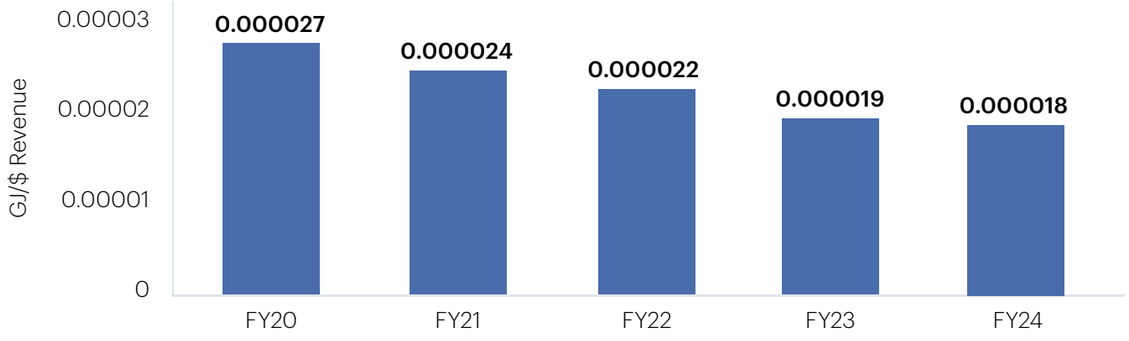


Figure 6: Normalized electricity use within the organization



Third-Party Verification of GHG emissions

In FY24, Paychex's GHG emissions report for FY23 was successfully verified by a third-party for assurance at Limited-level. The verification statement is available here.

GHG Emissions Reporting – Scope 1 and Scope 2

Scope 1 and Scope 2 GHG emissions from our owned facilities and co-located data centers across the Company are reported in Figure 7 and Figure 8 respectively. FY19 is the baseline year for all GHG emissions reduction targets. The reduction in FY24 Scope 1 emissions is a result of the energy usage and GHG emissions reduction initiatives previously described.

Methodology

The reported numbers include emissions of carbon dioxide, methane, and nitrous oxide. GHG emissions were calculated following The Greenhouse Gas Protocol—A Corporate Accounting and Reporting Standard and GHG Protocol Scope 2 Guidance—an amendment to the GHG Protocol Corporate Standard. The emissions were consolidated using the Financial Control approach. As a result, emissions for the facilities that we leased are being reported under Scope 3 Category 8 Upstream Leased Assets.

FY24

Scope 1 and Scope 2 location-based and market-based emissions were determined using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. IPCC Fifth Assessment Report 100-Year Global Warming Potential values were employed.

For Scope 1 and Scope-2 location-based emissions, U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified February 2024) were used. Scope 2 Market-based emissions were calculated using Green-e® Residual Mix Emissions Rates.

Prior years

Scope 1 and Scope 2 location-based and market-based emissions for FY19, FY20, FY21, FY22, and FY23 were calculated using fuel-based method and IPCC Fourth Assessment Report 100-Year Global Warming Potential values. Estimations were made for activity data in certain cases where data availability was limited.

U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories last modified March 2020 version was used for FY19 and FY20 reporting. For FY21, FY22 and FY23 reporting, U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories last modified April 2021, April 2022 and April 2023, were used respectively.

Figure 7: Paychex Global Scope 1 GHG Emissions

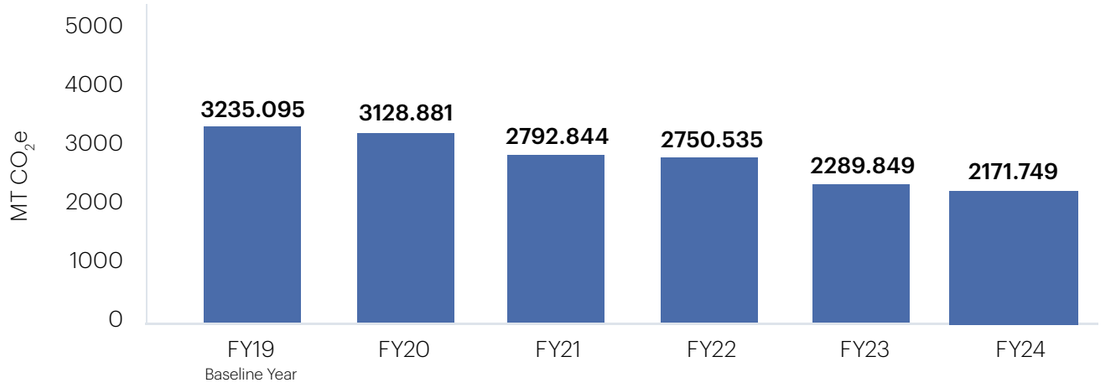


Figure 8: Paychex Global Scope 2 GHG Emissions

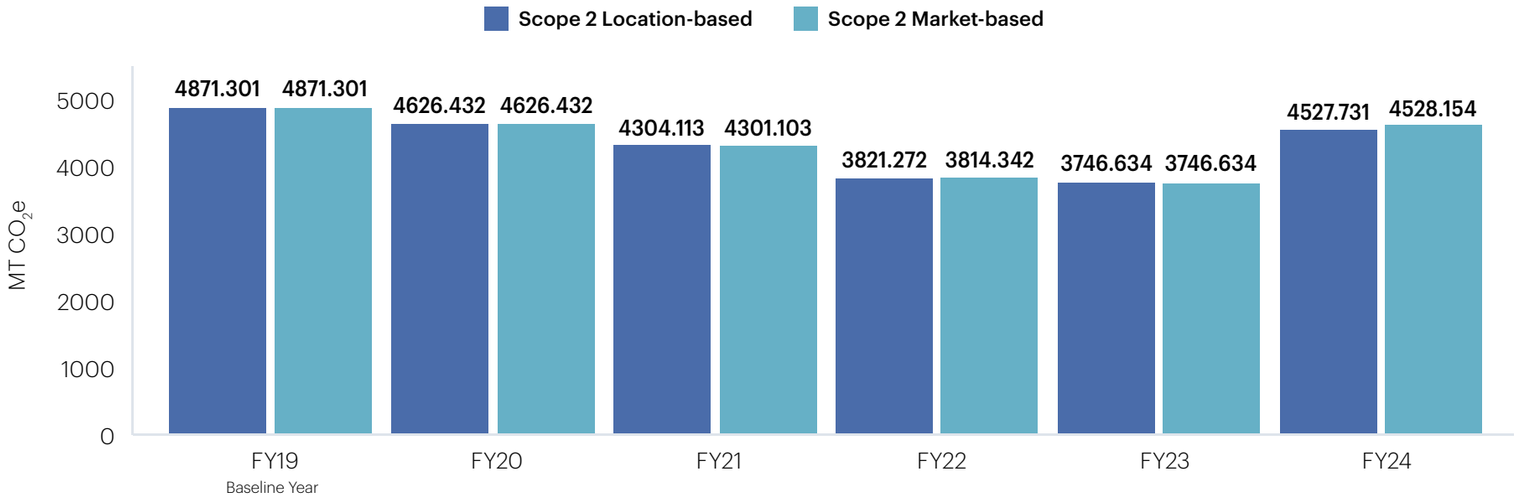
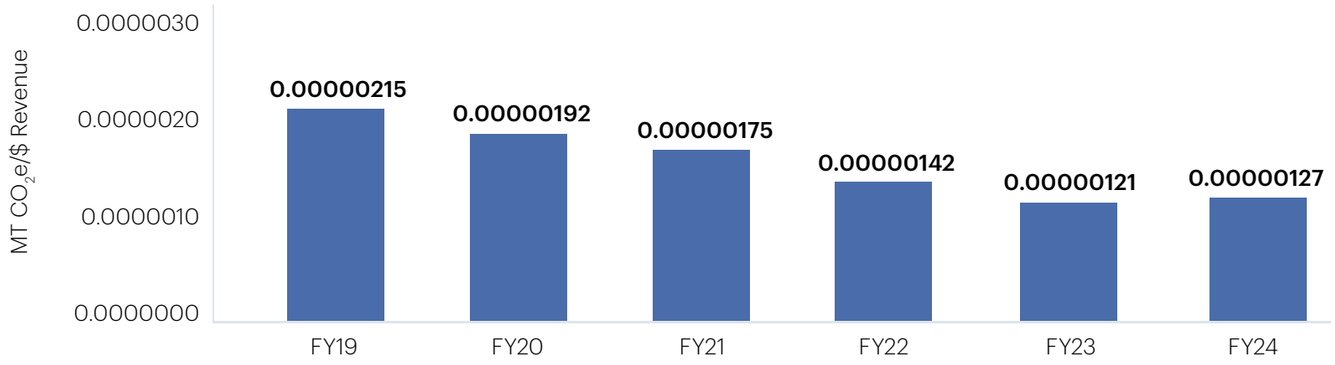


Figure 9: GHG emission intensity ratio



GHG Emissions Reporting – Scope 3

We report our Scope 3 emissions following the GHG Protocol Corporate Value Chain Scope 3 Accounting and Reporting Standard for four relevant categories: Upstream Transportation and Distribution*, Business Travel, Employee Commuting, and Upstream Leased Assets (refer to Figures 10-13). These include emissions of carbon dioxide, methane, and nitrous oxide. Emissions reported under Category 8 Upstream Leased Assets include emissions from natural gas and electricity usage in the facilities that we lease in our operations worldwide.

As stated in Figure 10, Scope 3 Upstream Transportation and Distribution Emissions have decreased significantly as compared to prior years. This is a result of an increase in clients using digital products and services over paper products, resulting in a decrease in volume and thereby spend on courier and postal services.

While several GHG emissions categories of the Scope 3 standard are not applicable to Paychex, we continue to expand our accounting and reporting efforts to report emissions from the remaining relevant categories.

*Emissions from couriers and postal services previously reported under Scope 3 category Downstream Transportation and Distribution are now being reported under Scope 3 category Upstream Transportation and Distribution. Accordingly, Paychex's emissions reduction targets for Downstream Transportation and Distribution have now been replaced by the same targets for Upstream Transportation and Distribution.

Methodology for FY24

Upstream Transportation and Distribution* emissions were determined using supplier specific emissions and spend-based method. Business Travel emissions were determined using spend-based, distance-based, and fuel-based methods. Employee Commuting emissions were determined using distance-based method and average-data method. Upstream Leased Assets emissions were calculated using market-based, asset-specific, and average-data methods.

Across the four Scope 3 categories, for spend-based method, where ever applicable, US E.E.I.O. Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6 were used. For fuel-based and distance-based methods, used for Business Travel and Employee Commuting, U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified February 2024) were used. For Upstream Leased Assets, U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified February 2024) were used for emissions from fuel usage, and for electricity Green-e® Residual Mix Emissions Rates, AIB Residual Mixes and European Attribute Mix of 2023, and IEA 2020 Emission Factors were used. All Scope 3 emissions reported were determined using IPCC Fifth Assessment Report 100-Year Global Warming Potential values.

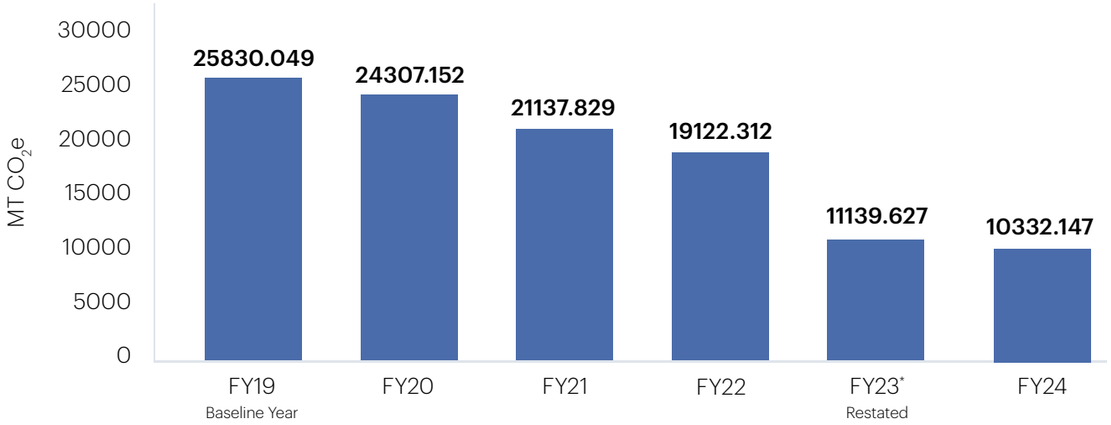
Methodology for Prior years

For FY19, FY20, FY21, FY22, and FY23 emissions across the four Scope 3 categories, the following methodology was used: Upstream Transportation and Distribution emissions were determined using spend-based method; Business Travel emissions were determined using distance-based, and fuel-based methods; Employee Commuting emissions were determined using distance-based and average-data methods; and, Upstream Leased Assets emissions were calculated using asset-specific and average-data methods. All Scope 3 emissions reported were determined using IPCC Fourth Assessment Report 100-Year Global Warming Potential values.

For spend-based method employed for FY19 through FY22 for Upstream Transportation and Distribution emissions, US E.E.I.O. Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1 adjusted for inflation were used. For FY23 reporting, US E.E.I.O. Supply Chain Greenhouse Gas Emission Factors v1.2 by the NAICS-6 were used.

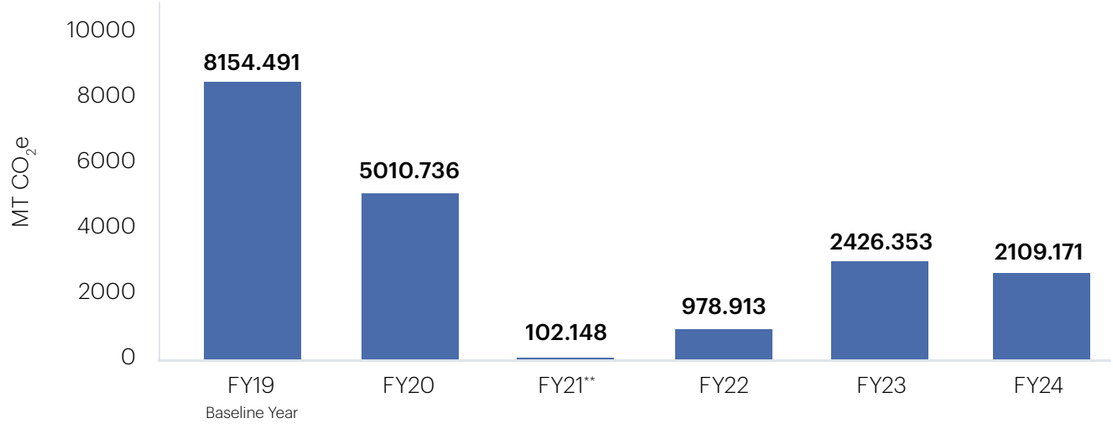
For reporting of the remaining three Scope 3 categories, for fuel-based, distance-based, and average-data methods, U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories last modified March 2020 was used for FY19 and FY20. For FY21, FY22 and FY23 reporting, U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories last modified April 2021, April 2022, and April 2023 respectively were used. For business travel via rail in our operations in Germany reported in FY19 and FY20, United Kingdom DEFRA Greenhouse Gas Reporting: Conversion Factors 2019 and United Kingdom DEFRA Greenhouse Gas Reporting: Conversion Factors 2020 were used respectively. For emissions from leased facilities in countries other than the U.S., that are reported under Scope 3 Category 8 Upstream Leased Assets, IEA 2020 Emission Factors were used for reporting through FY19-FY23.

Figure 10: Scope 3 category - Upstream Transportation and Distribution



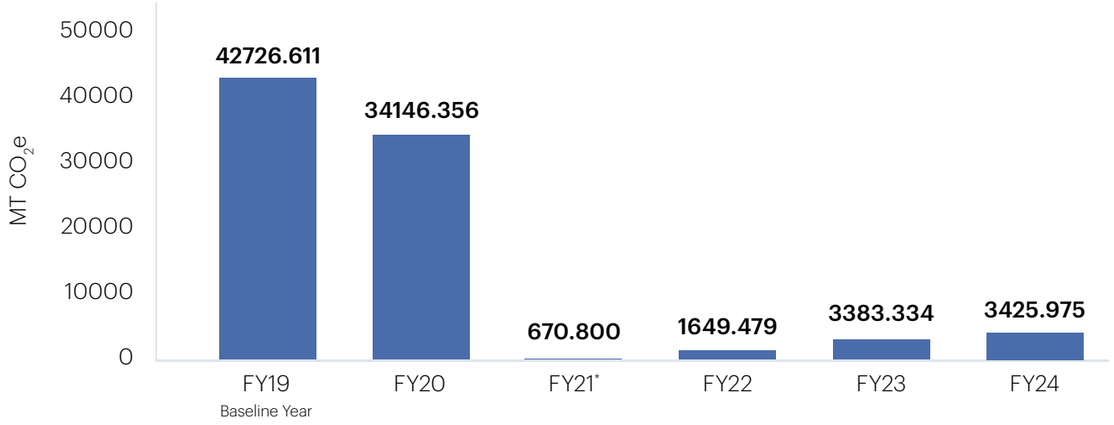
*Emissions recalculated to account for availability of more accurate activity data and emissions factors that resulted in the revised emissions meeting the Company's emissions recalculation policy that requires a metric to be restated if the change meets the significance threshold of ±5%. Emissions from couriers and postal services previously reported under Scope 3 category Downstream Transportation and Distribution are now being reported under category Upstream Transportation and Distribution.

Figure 11: Scope 3 category - Business Travel



**During FY21, because of the COVID-19 pandemic, business travel was limited and much less than in prepandemic reporting years.

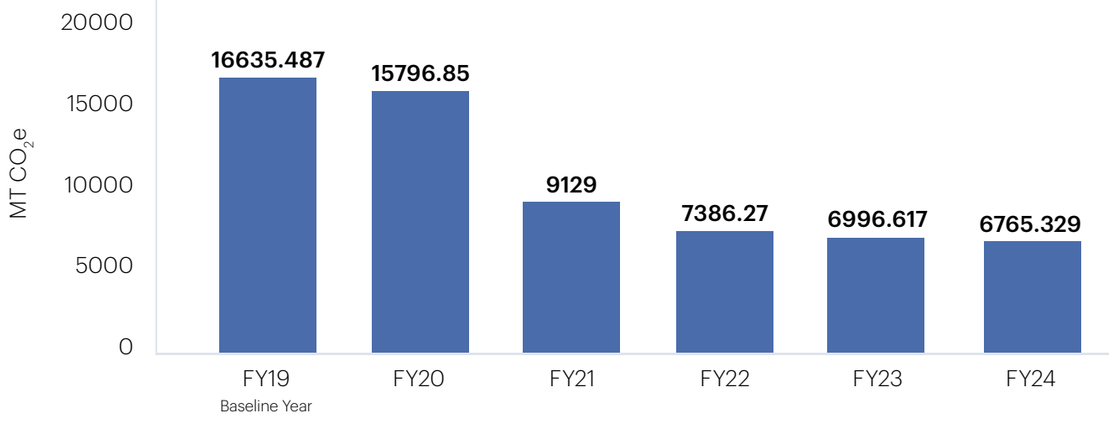
Figure 12: Scope 3 category - Employee Commuting



These emissions represent emissions for our employees in the U.S., which account for ~95% of our worldwide operations.

*During FY21, because of COVID-19 pandemic, only a fraction of our employees worked from the office. The emissions reported here represent commuting by those employees.

Figure 13: Scope 3 category - Upstream Leased Assets



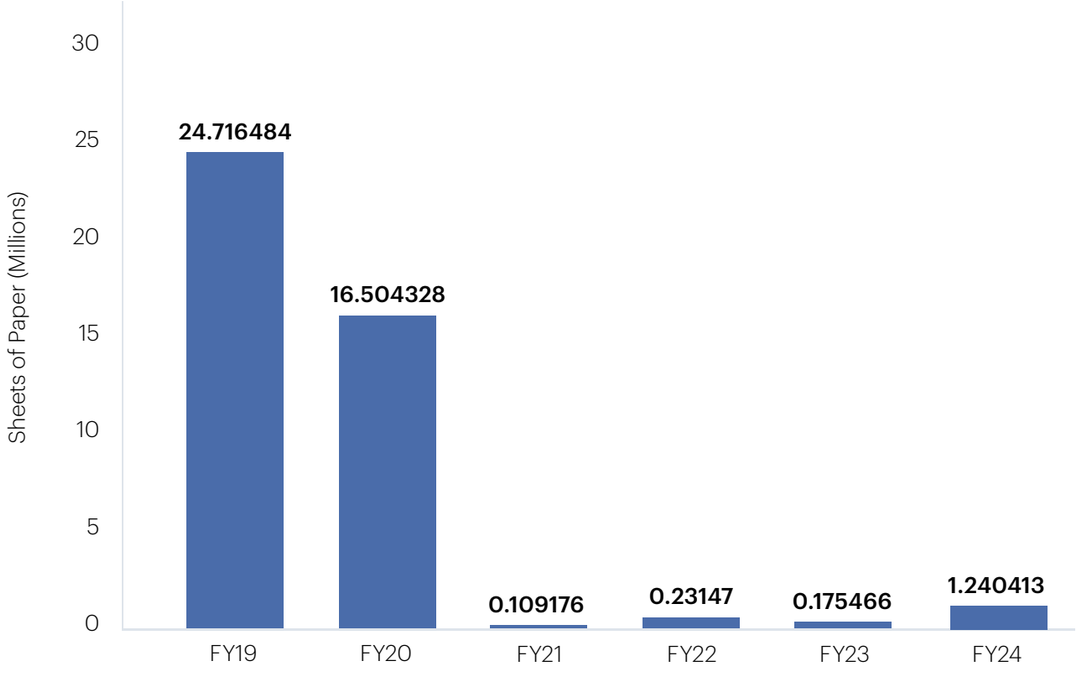
Emissions were calculated using actual energy usage data where available, and estimated energy usage where actual usage data was not available.

Resource Use

Paper Use

Paychex continues to encourage its clients to transition from paper-based products and services to their digital counterpart. We restrict paper mailings to only those clients who opt into the policy or as required by state and federal regulations. In FY24, 2.8 million W-2s that were traditionally printed and mailed to our clients were delivered electronically. Additionally, in office, we have made every effort to go paperless, avoiding printing hundreds of thousands of sheets of paper.

Figure 14: Paper consumption in Paychex U.S. offices



Water Use

We have started tracking water withdrawal for our owned office facilities, fulfillment centers, and data centers and leased office facilities and fulfilment centers in the U.S. All our owned data centers use water only for drinking and sanitation purposes.

Using the World Resources Institute's ("WRI") Aqueduct Water Risk Atlas, we have performed an assessment of Baseline Water Stress for our owned office facilities, fulfillment centers, and data centers and leased office facilities and fulfillment centers in the U.S. WRI defines Baseline Water Stress as the ratio of total water demand to available renewable surface and groundwater supplies. The results of the assessment indicate that all our owned office facilities and data centers are in areas that have low water stress. One of our leased co-located data centers that uses water for cooling is in a "Medium to High water stress" area; however, it only comprises a minor share of our data center infrastructure. Figure 15 below provides Water Withdrawal data categorized by Baseline Water Stress for our owned facilities which include offices, fulfillment centers, and data centers. Figure 16 provides Water Withdrawal data categorized by Baseline Water Stress for our leased facilities in the U.S. which include offices and fulfillment centers.

Figure 15: Water Withdrawal in owned facilities in the U.S.

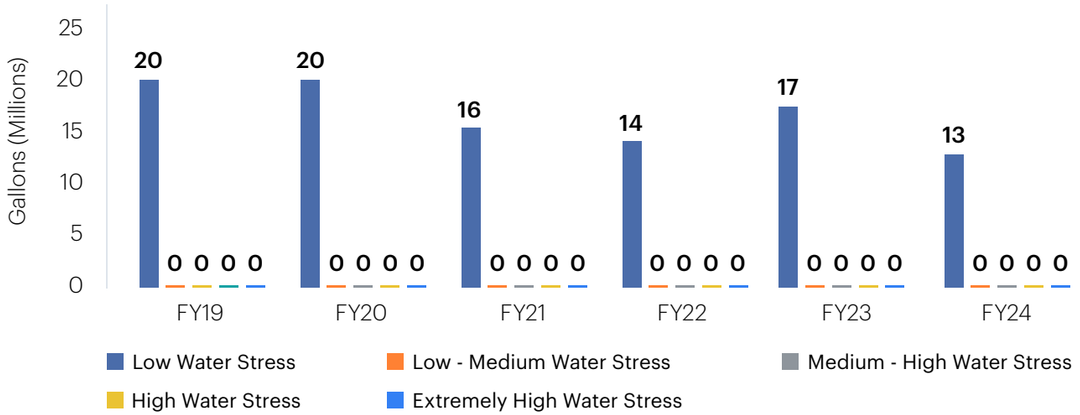
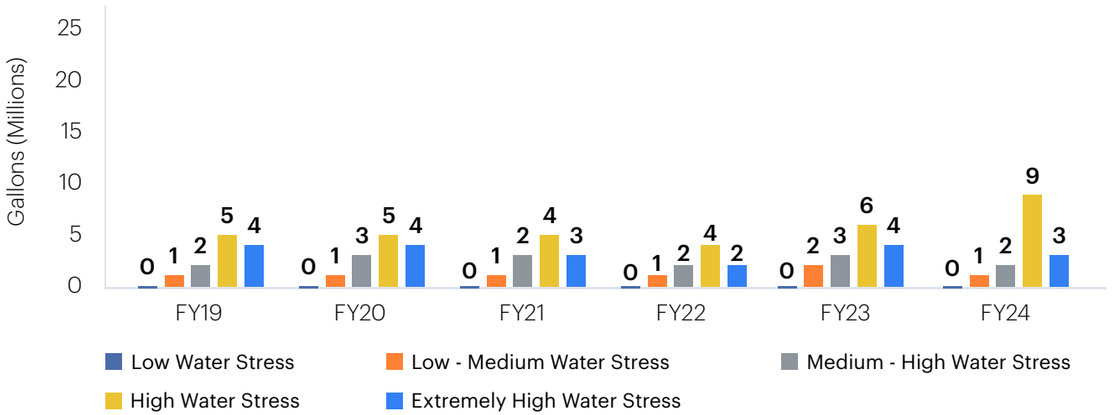


Figure 16: Water Withdrawal in leased facilities in the U.S. categorized by Baseline Water Stress in the area



*These include leased office facilities and fulfillment centers only in the U.S. Data for all leased facilities for FY19 through FY23 was estimated using Water Withdrawal/Person calculated from Water Withdrawal for owned facilities for corresponding years. Data for leased facilities for which FY24 data wasn't available, was estimated using Water Withdrawal/Person calculated from FY24 Water Withdrawal data for owned and leased facilities for which data was available.

Waste Management

We are committed to reducing the waste generated in our facilities that goes to landfills and have implemented numerous initiatives to increase recycling. Figure 17 and Figure 18 provide waste management data for our owned and leased facilities in the U.S. respectively. This data represents waste generated in offices, owned data centers, and a distribution and fulfillment center, and includes municipal waste, single stream recycling, cardboard, and cafeteria kitchen food waste. In Figure 19 and Figure 20, municipal waste is reported under "Waste Landfilled" and the remaining waste streams are reported under "Waste Recycled," since all those waste streams are sent for recycling.

Other Waste – Furniture and Electronics

A significant percentage of equipment and furniture from our decommissioned facilities are salvaged through a recycling, repurposing, or donation process.

We work with a recycling partner to manage the electronic waste generated from our operations. Our recycling partner removes electronic data following necessary guidelines and manages the waste by resale and recycling. In FY24, we recycled 56 MT of electronic waste in our operations in the U.S.

Figure 17: Total Waste Generated in our owned facilities, fulfillment and distribution center in Rochester

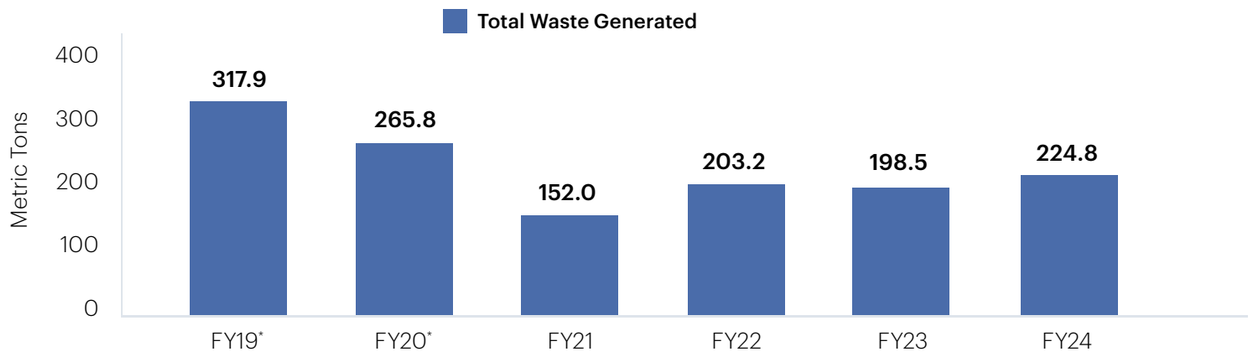
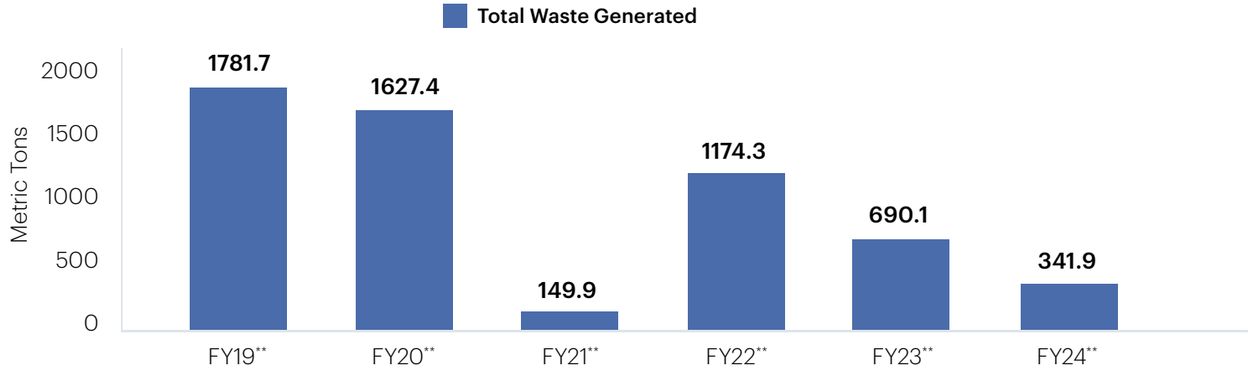


Figure 18: Total Waste Generated in our leased facilities in the U.S.



*FY19 and FY20 Total Waste Generated and Waste Recycled data does not include waste generated in our fulfillment and distribution center, all of which are sent for recycling. As a result, the % Waste Landfilled in FY19 and FY20 is overstated and Total Waste Generated is understated.

**Data for all leased facilities for FY19 through FY23 was estimated using Waste Landfilled/Person and Waste Recycled/Person calculated from Waste Landfilled and Waste Recycled for owned facilities for corresponding years. Data for leased facilities for which FY24 data wasn't available, was estimated using Waste Landfilled/Person and Waste Recycled/Person calculated from FY24 Waste Landfilled and Waste Recycled data for owned and leased facilities for which data was available. For all fiscal years, the facilities for which waste landfilled and waste recycled data wasn't available, if recycling services were available in the area, it was assumed that waste was recycled.

Figure 19: Waste Management at our owned facilities, fulfillment and distribution center in the U.S.

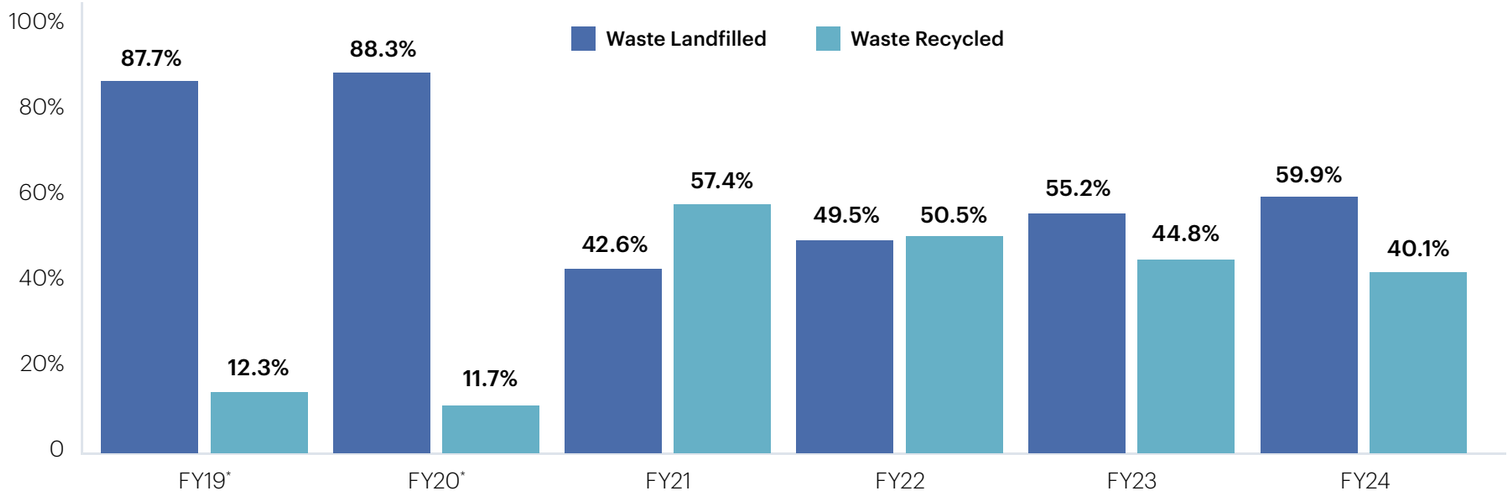
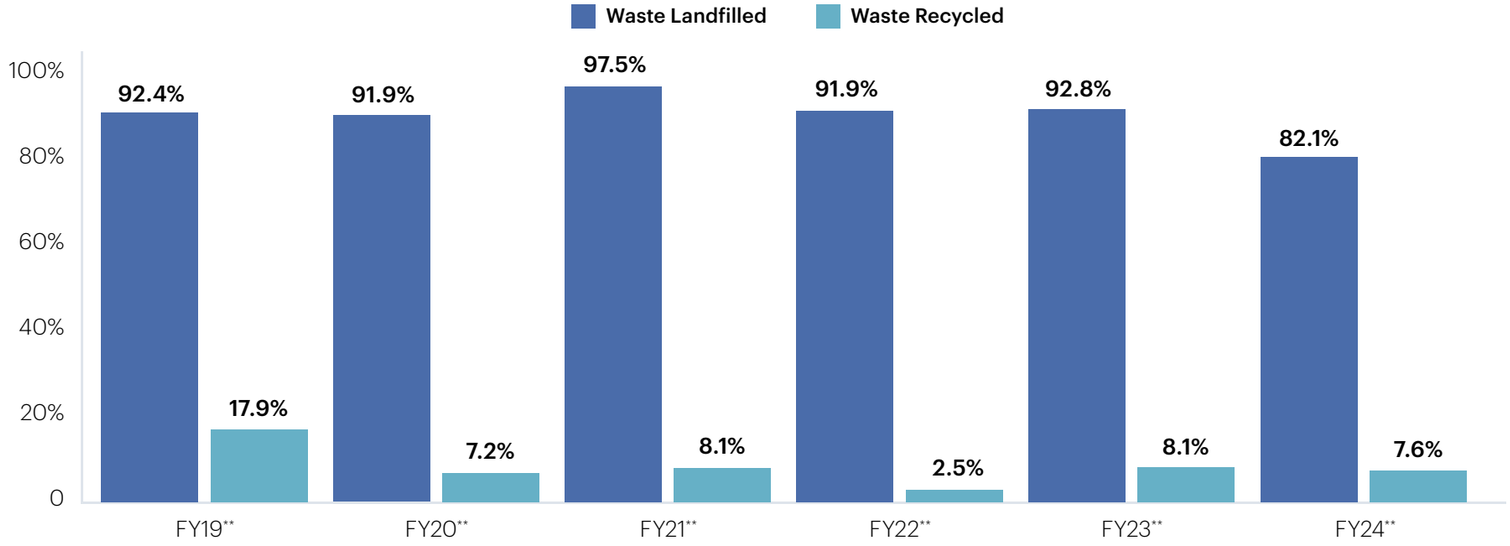


Figure 20: Waste Management at our leased facilities in the U.S.



*FY19 and FY20 Total Waste Generated and Waste Recycled data does not include waste generated in our fulfillment and distribution center, all of which is recycled. As a result, the % Waste Landfilled in FY19 and FY20 is overstated and Total Waste Generated is understated.

**Data for all leased facilities for FY19 through FY23 was estimated using Waste Landfilled/Person and Waste Recycled/Person calculated from Waste Landfilled and Waste Recycled for owned facilities for corresponding years. Data for leased facilities for which FY24 data wasn't available, was estimated using Waste Landfilled/Person and Waste Recycled/Person calculated from FY24 Waste Landfilled and Waste Recycled data for owned and leased facilities for which data was available. For all fiscal years, the facilities for which waste landfilled and waste recycled data wasn't available, if recycling services were available in the area, it was assumed that waste was recycled.

Occupational Safety

We are committed to providing our employees with a safe and comfortable working environment

Number of U.S. employees covered by an occupational health and safety management system

Fiscal year	Number of covered employees	Number of covered employees as percentage of total work force
FY21	14,451	100%
FY22	15,498	100%
FY23	15,419	100%
FY24	14,952	100%

Performance

With our continued focus on employee safety, we have not had any work-related fatalities or catastrophic injuries. In FY24, the Paychex Safety and Ergonomics team assisted 473 employees with their ergonomic issues.

In conjunction with the ongoing efforts of our Safety and Ergonomics team in providing all employees with access to various safety information, resources, and training material, we have seen a **22% reduction** in the number of reported new workers compensation claims in the last five years.

PAYCHEX

We will keep working for a better world–for everyone

Doing business the right way is in our DNA at Paychex – it always has been. In FY25, we will keep finding ways to be the very best version of our Company – for our clients, shareholders, employees, communities, and planet.

Thank you!

To learn more about Paychex's commitment to corporate responsibility, visit our website.

Our annual CDP Climate Change response and disclosures aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), are available here.

This report covers Paychex's fiscal year 2024 and provides qualitative and quantitative information on our approach to managing our Corporate Responsibility focus areas. We report on Corporate Responsibility issues that pertain to us through this report and the Paychex Corporate Responsibility website. This report is for Paychex and its affiliates (collectively, "Paychex" or the "Company) for fiscal year 2024 (June 1, 2023 to May 31, 2024) ("FY24"). It was prepared with reference to the GRI Standards and follows the Sustainability Accounting Board Standards (SASB) for Software & IT Services industry. GRI used: GRI 1: Foundation 2021. The GRI and SASB Indices can be found on our Corporate Responsibility website. Information about our Company can be found through our submissions to the CDP (formerly Carbon Disclosure Project), in our annual and quarterly reports and our proxy statement on file with the U.S. Securities and Exchange Commission, and on the Paychex Investor Relations website. Links and references included throughout the report provide direction on where to find additional information.

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties. For additional information regarding our use of forward-looking statements, please see our latest 10-K. We undertake no obligation to update or revise any forward-looking statements.

Data in this report reflect estimates using methodologies and assumptions, which may change in the future as a result of new information or subsequent developments. Statements regarding the Company's future direction and intent are subject to change or withdrawal without notice and represent goals and objectives only.