

putting good to work

Corporate Responsibility Highlights Report
Fall 2019



at Paychex,

putting good to work reflects our approach to corporate responsibility. It's empowering our **Employees** through well-being, inclusion, and diversity. It's giving back and making a positive impact in our **Communities**. It's serving as a good steward of the **Environment**. It's a commitment to **Ethics** and doing business the right way for ourselves and our clients.



our commitment

to corporate responsibility and all of our business practices is guided by six Paychex values:

- We act with uncompromising **integrity**.
- We provide outstanding **service** and build trusted relationships.
- We drive **innovation** in our products and services and continually improve our processes.
- We work in **partnership** and support each other.
- We are personally **accountable** and deliver on our commitments.
- We treat each other with **respect** and dignity.

We invite you to read on and learn more about our efforts during the past year.

1 employees

Our approximately 16,000 employees embody Paychex's commitment to putting good to work. That's one of the many reasons we offer programs that support the total well-being of our employees, including their physical, emotional, and financial health, along with their professional growth and sense of community—all while reflecting our commitment to inclusion and diversity. An important part of that process is understanding what's on employees' minds.



Along with a culture profile survey we launched last year, we also send out pulse surveys that use an online tool to regularly measure employee sentiment within business units. Managers and leaders are given feedback that's immediately actionable, while senior executives review and analyze results for trends that might apply to wholesale groups of employees. In the fall of 2019, we issued a companywide pulse survey, giving all employees the opportunity to weigh in on the same questions at the same time. Seventy-eight percent of employees participated.

Here are other Employee highlights from fiscal 2019:

Training, Development, and Recognition

#12 on *Training* magazine's 2019 list of **Top 125** Training Organizations—our 18th consecutive appearance.

Provided nearly **5,300** workforce training, skills, and leadership development programs through in-person, virtual classroom, and online self-paced modules.

389 employees participated in our Women in Leadership mentoring program, with an 87% satisfaction rate among mentors/mentees.

427 full- and part-time employees received college tuition reimbursement totaling **\$1.8M**

156 children of employees have received nearly \$500,000 in higher-ed scholarships since 2005.

Well-Being

- Introduced a family leave program of up to **six weeks** of full pay for employees to care for a new baby or sick family member. In fiscal 2019, more than 570 employees (44% male, 56% female) participated.
- Preventative healthcare programs include annual onsite health screenings, annual onsite flu shot clinics, a pediatric weight loss program, full coverage of annual routine screening exams—such as mammograms—built into medical plans, and the Quit for Life™ tobacco cessation program.
- Thousands of employees participate in our award-winning well-being programs, which include walking challenges with subsidized Fitbit devices. In fiscal 2019, employees walked or ran nearly **1.6 million miles** in these challenges, while also participating in stress management, resiliency programs, and health coaching.

Employees by the Numbers

Average number of new employees added annually over the last five years: **2,996**

EMPLOYEES BY AGE CATEGORIES:

17-24 (4%)	46-55 (22%)
25-35 (30%)	56-65 (12%)
36-45 (31%)	66+ (1%)

10% of employees who participate in flex and part-time schedules. (exclusive of informal flexible schedule arrangements)

Paychex workforce: **60%** FEMALE | **40%** MALE

All numbers are for FY19.

communities



From employees volunteering their time, serving on boards, and making donations to not-for-profit organizations, to corporate support and contributions from the Paychex Charitable Foundation, we're putting good to work every day in the 100+ communities where our employees live and work.

“we run, walk, cheer, care”

A great example of employees, the company, and our Foundation working together is what happens when top-performing sales reps get together at our sales conference. Along with celebrating a successful year, hundreds of reps participate in the annual charity 5k by walking, running, cheering from the sidelines, and/or making donations to that year’s charity.

In 2019, the sales team raised a record \$23,000, which was matched by a \$10,000 Foundation grant. Funds benefited the American Cancer Society and the Seattle Children’s Hospital, in honor of a sales peer (and one of the top Paychex reps for 20 years) whose teenaged son was battling cancer.

Over the past four years, funds raised at the annual sales conference and matching Foundation grants have totaled nearly \$70,000, benefiting One More Wave, Make-a-Wish, Hire Heroes, the American Cancer Society, and Seattle Children’s Hospital.



Other recent highlights include:

\$547k

in Foundation-funded grants in fiscal 2019

More than \$75k

(and counting) through Veterans Day jeans fundraisers benefiting veteran organizations, including more than \$10,000 raised in 2019 for the Fisher House Foundation.

Employees across the country participated in **countless local community events** — everything from a year-long commitment to adopt an apartment at a homeless shelter to volunteering at soup kitchens, holding food and clothing drives, and more.

More than \$120k

raised for the American Heart Association over the past two years, with employee walk teams in Rochester, Phoenix, Tampa, and more cities expected in 2020.

\$842,809

in employee donations to United Way in 2019.

3 environment

Being a good steward of the earth is an important part of putting good to work. Every year, we find more ways to take care of our planet.

Whether it's our plan to replace all lighting in our Rochester buildings with more energy-efficient LED lights, eliminating paper-filled binders in favor of electronic documents in our training programs, using a 100% geothermal HVAC system at three buildings on our Rochester campus, planting a pollinator garden along a walking trail at one of our buildings, or encouraging grassroots efforts from environmentally conscientious employees, the "Paychex Cares" mantra applies to caring for Mother Earth as well as our community and each other.



Here are some other recent environmental sustainability highlights:



With our "Smart Print" program, we've replaced printing equipment with more efficient devices that enable printing to the cloud.

We've also replaced many client-facing paper outputs with electronic reports. In fiscal 2019, these efforts reduced printing by more than 40 million pages, equivalent to 4,970 trees.

Environmental impact estimates were made using the Environmental Paper Network Paper Calculator Version 4.0. For more information visit www.papercalculator.org.

In fiscal 2019, we recycled **8,983 units** of electronics companywide. And during a week-long recycling event in Rochester, employees brought in **6,145 pounds** of outdated electronic equipment for recycling, providing safe disposal that reduced greenhouse gas emissions by **17,000 pounds**.

Emission reduction estimates based on a report from EWaste+, the recycling center that took the materials.



Through efficiencies in remote and online training, we reduced employee air travel by more than **1 million miles** in FY19, reducing our carbon footprint.

We eliminated Styrofoam from all buildings in Rochester and replaced it with compostable and recyclable items, eliminating **2.5 tons** of Styrofoam a year.

We eliminated paper from sales and service new hire training programs, saving about **50,000 sheets** of paper annually. Every new program added will be paperless.



rochester employees make every day earth day

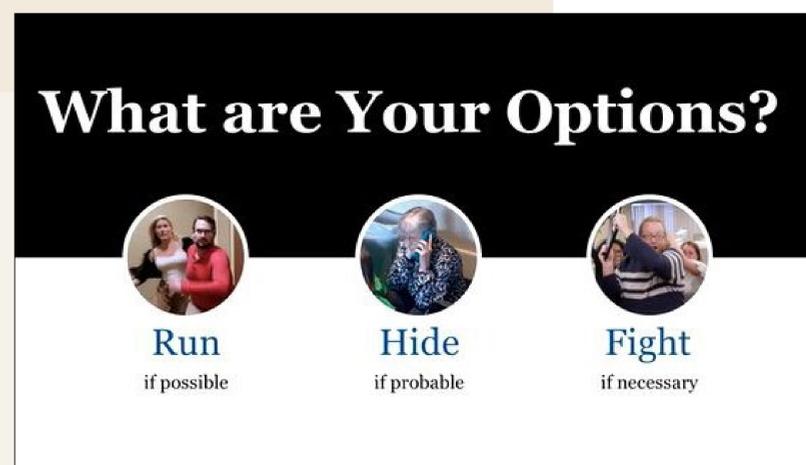
It began with a group of IT professionals who thought they could do a better job of recycling at their office. After improving signage and increasing the number of recycling receptacles in their building, they knew they could do more, so they widened their scope to include other Rochester buildings, and are partnering with the facilities team to implement many of their initiatives. Here are some of their fiscal 2019 efforts:

- **“Kick the Can”** encourages employees to turn in their deskside trash cans and to walk their trash to community receptacles in break rooms and cafés. Nearly **200 employees** at one location kicked the can, preventing thousands of plastic liners from being used in smaller trash cans—and ultimately keeping them out of landfills and waterways.
- K-Cups are now being recycled at all Rochester locations. Although the county doesn’t accept K-Cups for recycling, special arrangements were made to send them to an organization that sorts and repurposes them into **innovative products** instead of sending them to a landfill.
- Container deposit refunds from **bottle and can recycling** are being used to support charitable initiatives such as a local high school marching band, a Boy Scout troop, and a local Ronald McDonald house.
- A **governance oversight committee** comprised of employees from various Rochester buildings meets monthly to discuss current-state and drive desired-state activities.



4 ethics

Adhering to the highest ethical standards in the industry is a fundamental tenet of putting good to work at Paychex. One of the ways we deliver on that promise is through our commitment to protecting the confidentiality, integrity, and availability of data for our clients, their employees, and our partners.



Cybersecurity

Through the Paychex Information Protection Program, we apply best practices in information security, proven technology, and effective policies and procedures to maintain a comprehensive program to monitor and safeguard information from unauthorized access or destruction. The Paychex Information Protection Program follows an industry-recognized security policy framework, Code of Practice for Information Security Management (ISO/IEC 27002:2013), from the International Organization for Standardization.

Physical Security

One of our most important responsibilities is to keep Paychex employees, assets, and information safe. With the rise of active shooter incidents across the country, Paychex launched Active Threat Preparedness Training in 2019 to help our employees understand what they can do to prepare for and—if necessary—minimize the impact should the unthinkable happen.

But we didn't just provide off-the-shelf training. We partnered with the Monroe County Sheriff's Office in Rochester, New York, to create a comprehensive training video that includes powerful information, statistics, and a realistic re-enactment of an active

threat situation. It was filmed at Paychex locations in Rochester and features our own employees and local law enforcement, who volunteered to be actors and extras in the compelling and powerful re-enactment. Paychex underwrote the training because we believe it's critical to be as prepared as possible.

The training is also available on the Monroe County Sheriff's Office website, accessible and free of charge to other businesses and individuals in Rochester and beyond, to help as many people as possible be prepared to take appropriate action to minimize loss of life.



This image is a scene from the re-enactment.

Other highlights:

- According to our food service vendor's sustainability scorecard, **100% of their coffee is fair trade/eco-certified**, 99% of milk and 100% of yogurt is free of rBGH, 85% of eggs are from cage-free facilities, and 90% of chicken is produced without the use of non-therapeutic human antibiotics.
- In the first half of the 2019 fiscal year, nearly **200 employees** at nine Rochester sites participated in The Good Food Collective, which provided weekly deliveries of local, fresh food to their office locations. More than **23,000 pounds** of local produce, sustainably sourced from 76 farmers and producers, put more than \$54,000 back into the local food economy.

- In a 2019 companywide engagement survey that 78% of employees participated in, 87% indicated that their team **works in partnership** and supports each other to deliver quality work, 81% said they **can rely on their leader** to have effective conversations to help them succeed, and 85% feel **motivated to do their very best** to help make Paychex successful.



- Our **Vendor Code of Conduct** provides standards for business conduct, reflective of our values, that must be adhered to by our vendors.



of our employees participated in our training program **"The Right Way,"** which includes modules on ethics.

thank
you

to learn more

about Paychex's commitment to corporate
responsibility, go to [Paychex.com/corporate](https://www.paychex.com/corporate).