



HR | Payroll | Benefits | Insurance

Paychex, Inc.

CDP Climate Change Response

August 2022

Includes disclosures aligned with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of integrated human capital management solutions for human resources, payroll, benefits, and insurance services. As a technology-enabled service company, the major source of our Scope 1 and Scope 2 greenhouse gas emissions is energy consumed to operate our office facilities, data centers and fulfillment centers.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

| Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|----------------------------|-------------|---|--|
| Reporting year June 1 2021 | May 31 2022 | Yes | 3 years |

C0.3

(C0.3) Select the countries/areas in which you operate.

- Denmark
- Germany
- India
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|--|--------------------------------|
| Yes, an ISIN code | JS7043261079 |

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

| Position of individual(s) | Please explain |
|---------------------------|--|
| Board-level committee | The Nominating and ESG Committee (the "Committee") of the Board of Directors is responsible for overseeing climate-related 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 social responsibility ("CSR") and environmental, social and governance ("ESG") matters, including climate-related risks and opportunities; - annually reviewing and providing ongoing oversight of the company's programs on CSR and ESG, including the activities of the company's Ethics and CSR Steering Committee (the "CSR Steering Committee"). The CSR Steering Committee is chaired by the Vice President, Chief Legal & Ethics Officer, and Secretary. The CSR 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, and legal compliance. |

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Scope of board-level oversight | Please explain |
|---|--|--------------------------------|---|
| Other, please specify (Three out of four quarterly meetings of the Nominating and ESG Committee of the Board of Directors.) | Reviewing and guiding strategy | <Not Applicable> | The Vice President, Chief Legal & Ethics Officer, and Secretary, who chairs the Ethics and Corporate Social Responsibility Steering Committee (CSR Steering Committee) updates the Nominating and ESG Committee of the Board about the activities of the CSR Steering Committee. These include the company's greenhouse gas (GHG) emissions report, climate change strategy, results of assessment of climate-related risks and opportunities, and initiatives being taken to reduce the company's GHG emissions, among other ESG activities. |

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

| | Board member(s) have competence on climate-related issues | Criteria used to assess competence of board member(s) on climate-related issues | Primary reason for no board-level competence on climate-related issues | Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future |
|-------|--|---|--|---|
| Row 1 | No, and we do not plan to address this within the next two years | <Not Applicable> | Important but not an immediate priority | We are currently exploring this and plan to provide an update within the next two years. |

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

| Name of the position(s) and/or committee(s) | Reporting line | Responsibility | Coverage of responsibility | Frequency of reporting to the board on climate-related issues |
|---|------------------|---|----------------------------|---|
| Other, please specify (Ethics and Corporate Social Responsibility Steering Committee) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | Half-yearly |
| Other C-Suite Officer, please specify (VP, Chief Legal & Ethics Officer, and Secretary) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | Half-yearly |

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The VP, Chief Legal & Ethics Officer, and Secretary reports to the Chief Financial Officer, who reports to the Chief Executive Officer. The VP, Chief Legal & Ethics Officer, and Secretary chairs the Ethics and Corporate Social Responsibility Steering Committee (CSR Steering Committee). The CSR Steering Committee is comprised of members representing Legal, Human Resources, Business Operations, Compliance, Finance, Marketing, Enterprise Risk Management, Sustainability, Enterprise Security, and Communications. These business units at Paychex are stakeholders in sustainability strategy and policy setting. The purpose of the CSR Steering Committee is to assist Senior Management in the development and sustenance of a world-class Ethics and Corporate Social Responsibility Program. The CSR 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 assessment and management of climate-related issues. There are currently 25 members in the CSR Steering Committee, including Vice President - Service Excellence and Operations, Vice President - Chief Human Resources Officer, Vice President - Marketing, Vice President & Controller - Accounting and Forecasting, Director - Legal, Director - Compliance Risk, Director - Business Operations, Director - Benefits & Wellbeing, Director of Internal Audit, Director of Corporate Communications and Senior Managers. Greenhouse Gas (GHG) emissions is one of the metrics we use for measuring climate-related risks and opportunities, and the business units represented on the committee provide data for the GHG emissions reporting, and lead GHG emission mitigation activities. The CSR Steering Committee meets at least four times per year, and reviews climate-related issues and mitigation initiatives. In this reporting year, the CSR Steering Committee performed an analysis of Political, Climate, Social, Legal, and Business Continuity risks that might affect the company, and assessed the mitigation initiatives being taken. An Environmental Risks Assessment was performed and the results and recommendations were presented to the CSR Steering Committee.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

| | Provide incentives for the management of climate-related issues | Comment |
|-------|--|----------------|
| Row 1 | No, not currently but we plan to introduce them in the next two years | |

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities? Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

| | From (years) | To (years) | Comment |
|-------------|---------------------|-------------------|----------------|
| Short-term | 0 | 3 | |
| Medium-term | 3 | 6 | |
| Long-term | 6 | 10 | |

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Paychex does not use a single definition of substantive financial or strategic impacts on our business, but rather evaluates each risk or opportunity individually. Criteria used in this assessment include, but are not limited to: (1) the nature of the potential risk or opportunity including risk to the reputation of our business and financial loss; (2) the likelihood of occurrence and magnitude of the event; (3) the scope of the potential impact on stakeholders including clients, shareholders, employees, and the communities in which we serve; (4) the investment required to implement changes; and (5) the potential financial and environmental return on investment. Paychex performs an enterprise-wide risk assessment, at least annually, including an environmental risk assessment to identify climate-related risks and opportunities. We disclose risks or opportunities in line with the United States Generally Accepted Accounting Principles. In relation to risks, we determine whether the risk of loss is remote, reasonably possible, or probable. If a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate of the loss. If a loss is considered reasonably possible, we disclose the risk and our estimate, or range of estimates of loss, if material. Our commitments and contingencies disclosure in our Annual Report on Form 10-K would include this disclosure, if applicable. If a potential opportunity is identified, it is not recognized in the financial statements until it has been realized. Disclosure of the opportunity would be considered if it were determined to have a substantial impact on our business trends, results of operations, or financial position.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Paychex is actively engaged in assessing the climate-related risks and opportunities. We perform an enterprise-wide risk assessment, at least annually, that includes an environmental-focused risk assessment to identify climate-related risks and opportunities. The CSR Steering Committee (composition of the committee described in C1.2a) performs an annual assessment of political, environmental, social, compliance, legal, and business continuity risks and opportunities that may affect the company, and the current control environments in place. Included in the Environmental Risk Assessment are identified risks, such as acute and chronic physical risks, energy consumption and spend, waste management activities, reputation risks, etc. Management identifies specific climate-related risks and the impact to different areas of the business including, but not limited to, our facilities, data centers, etc. The risks and opportunities may reside within the short-, medium- or long-term horizons. We then assess each risk or opportunity individually. Criteria used in this assessment include, but are not limited to: (1) the nature of the potential risk or opportunity including risk to the reputation of our business and financial loss; (2) the likelihood of occurrence and magnitude of the event; (3) the scope of the potential impact on stakeholders including clients, shareholders, employees, and the communities in which we serve; (4) the investment required to implement changes; and (5) the potential financial and environmental return on investment. Risks and opportunities are ranked by the residual risk rating. Residual risk is the net risk calculated after factoring in the existing control environment and related practices. The assessment includes evaluations of the control environment. The CSR Steering Committee recognizes these risks and opportunities as management issues that require enterprise-wide efforts in response and so establishes risk response plans and monitors progress. Each assessment involves reviewing previously identified items as well as any new assessments. All findings and activities are reported to the Board of Directors. We disclose risks or opportunities in line with the United States Generally Accepted Accounting Principles. In relation to risks, we determine whether the risk of loss is remote, reasonably possible, or probable. If a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate of the loss. If a loss is considered reasonably possible, we disclose the risk and our estimate, or range of estimates of loss, if material. Our commitments and contingencies disclosure in our Annual Report on Form 10-K would include this disclosure, if applicable. If a potential opportunity is identified, it is not recognized in the financial statements until it has been realized. Disclosure of the opportunity would be considered if it were determined to have a substantive impact on business trends, results of operations, or financial position.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

| | Relevance & inclusion | Please explain |
|---------------------|---------------------------|---|
| Current regulation | Relevant, always included | Paychex assesses several current climate change related regulations including but not limited to emissions reporting, pollution limits, and carbon taxes. Failure to comply with existing regulations applicable to our operations could negatively impact our organization in multiple ways. Any fines, suspension or revocation of licenses, or civil or criminal penalties could result in material damage to our reputation. In turn, day to day operations could be disrupted and the organization could face detrimental financial results. Paychex reviews climate-related risk from a facilities, operational, and business unit perspective. |
| Emerging regulation | Relevant, always included | Paychex continuously monitors emerging climate-related regulations including carbon price, mandatory environmental disclosures, and clean energy regulation. Paychex assesses the impact, likelihood, and velocity of new climate-related regulations to proactively prepare for potential financial impacts and operational changes. The United States Securities Exchange Commission has recently proposed disclosure rules which are an example of emerging regulation. Paychex recognizes the importance of maintaining compliance with climate-related regulations and takes into account the reputational, operational, and financial impacts that could result if consistent assessments are not completed and their results not addressed. |
| Technology | Relevant, always included | As a software and technology company, technology risks are relevant to our business and are always included in our assessment of climate-related risks. Technological advances and evolving needs and preferences of clients could impact our business. For example, as consumer demand for low-carbon digital products increases, failure to innovate and expand our portfolio of digital products could reduce demand for our products and our financial condition. We continue to encourage our clients to opt for electronic delivery of statements and products, rather than paper delivery. Paper delivery of products and services declined almost 33% from FY2019 to FY2022. |
| Legal | Relevant, always included | The risk of climate-related litigation is evaluated. Climate-related laws, regulations and disclosure requirements are expected to grow in the coming years, increasing the possibility of non-compliance resulting in possible litigation and/or regulatory enforcement action. We also evaluate and assess these risks at the Ethics & CSR Steering Committee level. Decreasing emissions and reducing overall environmental impact can mitigate potential legal risk as emerging regulations are enacted. For example, if there are regulations requiring reduction in GHG emissions, our failure to comply with them could result in litigation and/or regulatory enforcement action. |
| Market | Relevant, always included | As the world transitions to a lower-carbon economy, climate-related market risks could affect our company. For example, demand for our paper-based products could reduce. The risk assessment processes at Paychex assess all such risks across Paychex product and service offerings. To address such risks, we continue to innovate and expand our portfolio of technology-enabled products and services. |
| Reputation | Relevant, always included | In this reporting year, Paychex established short- and medium-term greenhouse gas emissions reduction targets, as follows: 50% reduction by 2030 and 70% reduction by 2040 in Scopes 1 and 2 and Scope 3 categories Employee Commuting, Leased Facilities, Business Travel, and Transportation of Products. If the company fails to measure and reduce its GHG emissions and committed, its perception amongst stakeholder groups like clients, investors, employees, community, and potential employees could be affected, thus creating climate-related reputation risks. For example, if Paychex does not report on GHG emissions from its operations and initiatives it's taking to reduce them, it could affect recruitment and talent retention at the company. Such risks are considered in company-wide risk assessments. |
| Acute physical | Relevant, always included | Paychex locations, client and third-party locations can all be impacted by acute physical risks. The frequency and severity of such risks are increasing and the need to monitor and mitigate potential impacts is extremely important. Acute physical risks could lead to temporary or permanent disruption of our operations. Damage from acute physical events, such as weather-related events like Hurricanes, can lead to increased costs. Established business continuity, crisis management and disaster recovery plans are tested at least annually and updated as needed to mitigate potential effects of acute physical risks. |
| Chronic physical | Relevant, always included | Chronic physical risks can impact Paychex, clients and third parties. Locations could be subject to damage from rising sea levels, increased energy bills due to extreme heat, and damage from physical impacts due to the changes in water availability. Chronic physical risks are monitored along with the potential impact to business operations, supply chain disruptions, financial loss from lost clients and/or assets, and reputational risks. The business continuity, crisis management and disaster recovery plans are reviewed and tested at least annually, chronic physical factors are assessed. |

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business? No

C2.3b

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

| | Primary reason | Please explain |
|-------|--|---|
| Row 1 | Risks exist, but none with potential to have a substantive financial or strategic impact on business | Paychex is exposed to climate-related risks. In particular, climate-related weather events threaten the entire U.S. and could have an impact on our ability to service our clients, and on our client's ability to sustain operations. Our fulfillment centers are most impacted by rising sea levels, hurricanes and extreme rainfall. It is imperative that we remain able to service our clients even during climate-related events. To mitigate these risks and ensure business continuity for our clients, we have various disaster recovery and business continuity plans that are reviewed to confirm business operations are not significantly impacted by climate-related disasters. Testing of these plans is completed routinely throughout the year for numerous potential events. In addition, we have over 730,000 clients throughout the U.S. and parts of Europe with no one client contributing a significant portion of our revenue. It would require extreme weather events hitting clients in many areas at once to have a significant impact to revenue. Reputational risks and the risk of lost business if the Company does not minimize environmental impacts are continuously evaluated. Currently, climate-related risks do not have the potential to have a substantive financial impact on our business based on our risk assessments and the evaluation of potential risks individually for materiality. Criteria used in evaluating a potential risk for materiality include: (1) the nature of the risk including risk to the reputation of our business, risk to operations, and financial loss; (2) the likelihood of occurrence and magnitude of the event; and (3) the scope of the potential impact on stakeholders including clients, shareholders, employees, and the communities in which we serve. Paychex consistently evaluates climate-related impacts on Paychex' reputation and potential financial loss. Risks are identified through the normal course of business, industry sources, and the annual Environmental Risk Assessments. |

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business? No

C2.4b

(C2.4b) Why do you not consider your organization to have climate-related opportunities?

| | Primary reason | Please explain |
|-------|--|--|
| Row 1 | Opportunities exist, but none with potential to have a substantive financial or strategic impact on business | Climate-related opportunities exist for Paychex, including but not limited to, use of sustainable resources in all buildings; reduction in data center energy use; increasing employee awareness to contribute to environmental-related initiatives; the opportunity to offer clients (consisting of over 730,000 small and mid-sized businesses across the U.S. and parts of Europe) low-products and services, overall waste reduction and recycling efforts, among others. At this time, none have the potential to have a substantive financial impact on the business. The used to determine if an opportunity is substantive include: (1) the nature of the opportunity and potential for strengthening our reputation or financial gain; (2) the likelihood we will realize the opportunity; (3) the scope of the impact on stakeholders including clients, shareholders, employees, and the communities in which we serve; (4) the investment required to implement changes; and (5) the potential financial and environmental return on investment. In line with US GAAP standards, we do not recognize an opportunity until it has been realized. Disclosure of such opportunities would be considered if it was determined to have a substantial impact on our business trends, results of operations, or financial position. |

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)

<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

In this reporting year we have established short- and medium-term greenhouse gas emissions reduction targets that are aligned with a 1.5°C scenario. We are currently working on developing a transition plan that aligns with a 1.5°C world.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

| | Use of climate-related scenario analysis to inform strategy | Primary reason why your organization does not use climate-related scenario analysis to inform its strategy | Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future |
|-------|---|--|---|
| Row 1 | Yes, qualitative | <Not Applicable> | <Not Applicable> |

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

| Climate-related scenario | Scenario analysis coverage | Temperature alignment of scenario | Parameters, assumptions, analytical choices |
|---|----------------------------|-----------------------------------|--|
| Physical climate scenarios Bespoke physical scenario | Company-wide | Unknown | The goal of the analysis is to ensure that in the case of a climate-related weather event, we maintain the ability to provide services to our clients, preserve revenue and protect employee safety. Paychex uses specific climate-related scenario analysis twice annually to assess service center facility impact and data center impact. Hurricanes and winter storms are the foundation of each analysis. U.S. based operations that are prone to severe rain/flooding/wind damage/power interruptions are reinforced with auxiliary power and partner locations that are assigned to transfer client support. This planning assures the client service operations will continue without impacts due to severe climate related events. Data center facilities are hardened against meteorological events with raised flooring, N+1 HVAC equipment, redundant network and power feeds, physical security, and adequate infrastructure capacity to run 100% of critical workload from any single location. BCP planning is invoked multiple times each year in response to unplanned events and protects Paychex assets and the service that Paychex provides to its clients. |

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Focal questions include: - What climate and weather-related threats exist? - What solutions would minimize impact to the organization? - What does it take to sustain the business during those events?

Results of the climate-related scenario analysis with respect to the focal questions

Paychex uses specific climate-related scenario analysis twice annually to assess service center facility impact and data center impact. Hurricanes and winter storms are the foundation of each analysis. U.S. based operations that are prone to severe rain/flooding/wind damage/power interruptions are reinforced with auxiliary power and partner locations that are assigned to transfer client support. This planning assures the client service operations will continue without impacts due to severe climate related events. Data center facilities are hardened against meteorological events with raised flooring, N+1 HVAC equipment, redundant network and power feeds, physical security, and adequate infrastructure capacity to run 100% of critical workload from any single location. BCP planning is invoked multiple times each year in response to unplanned events and protects Paychex assets and the service that Paychex provides to its clients.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

| | Have climate-related risks and opportunities influenced your strategy | Description of influence |
|---------------------------------|---|---|
| Products and services | Yes | As the world transitions to a lower carbon economy, climate-related Market risks and opportunities related to Products and Services can affect us both negatively and positively. As our clients become conscious of the impacts of their choices on climate, the demand for digital and other low-carbon products and services will increase. In response to that, as a software and technology service company, we consider the impact of our products and services on climate and are constantly striving towards creating more low-carbon products and services. A few examples of our low-carbon product portfolio include: digital on-boarding system that replaces the need for the use of paper during onboarding of a new employee; digital Applicant Tracking System that replaces the need for paper resumes and streamlines the hiring process; digital time and attendance machines that replace the need for paper and ink based time clocks; direct deposit and digital pay stubs that replace the use of paper checks and paper stubs, digital W2s; and, in our PEO business, HR generalists can provide their services remotely instead of travelling to the clients' offices. We also have initiatives in place to encourage clients to move to such low-carbon products and services from their conventional counterparts. |
| Supply chain and/or value chain | Yes | To reduce the impact of climate-related market risks and utilize climate-related opportunities in the area of Products and Services, we continue to expand our portfolio of low-carbon products. As a consequence of that, both upstream and downstream aspects of our value chain have been affected. This includes reduced purchasing of paper for paper-based products, and reduced transportation and distribution services for delivery of our products. These decisions also help reduce our Scope 3 GHG emissions. The specific Scope 3 categories affected are: Purchased Goods and Services, and Downstream Transportation and Distribution. We have also revised our Code of Vendor Conduct to expand its scope to include all third parties Paychex engages with and it is now called Paychex Third Party Code of Conduct; we seek to engage third parties who take initiatives to manage and reduce their impact on the environment. |
| Investment in R&D | Yes | Our Product Development and Software Engineering teams are constantly exploring ways to digitize existing products and services which are currently manual or paper based. To encourage further development of low-carbon products, realize climate-related opportunities, and reduce possible impact of climate-related risks, we train our employees to consider climate impact when making business decisions on product development. In the past we have conducted such trainings for Vice President - Corporate Strategy and Product Management, and Vice President - Software Engineering and their respective teams of Directors. In this reporting year, we continued conducting such trainings for other internal departments whose business decision-making can affect the company's impact on the environment. These trainings are helping us create a culture of awareness on considering impact of products on climate into our product development life cycle. Paychex has also been expanding its API integrations transforming old manual paper processes into electronic workflow. |
| Operations | Yes | We continue to evaluate the impact of climate-related risks and opportunities when making strategy decisions on the company's operations. In this reporting year, the possible impacts of climate-related risks and opportunities were considered when making several business decisions. We have continued to execute on our initiative to reduce our geographic footprint by reducing the number of Paychex facilities. Many of the employees assigned to those facilities transitioned to work from home. In addition, as offices began to reopen starting in October 2021, the option was provided to certain teams to allow hybrid schedules which allowed a certain number of days working from home per week. These decisions reduced the GHG emissions from our operations, and from Scope 3 - Employee Commuting. We also continue to evaluate other initiatives to reduce impact from Scope 3 - Employee Commuting. To reduce our Scope 2 emissions from electricity usage, we committed to replace existing lighting with energy efficiency LED light fixtures at more facilities. |

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

| | Financial planning elements that have been influenced | Description of influence |
|-------|---|--|
| Row 1 | Direct costs Indirect costs Capital expenditures Assets Liabilities | Climate-related risks and opportunities have affected several elements of our financial planning. In this reporting year, to reduce the impact of climate-related risks from operation of facilities, we continued execution of our plans to reduce the number of Paychex facilities. Our financial planning for the reporting year and upcoming fiscal year was affected by way of costs including time lease acceleration and facilities decommissioning costs, along with future savings on rent and facilities maintenance costs. To reduce the impact of climate-related risks from emerging regulations, we are taking initiatives to reduce our GHG emissions. The investments in infrastructure made to reduce GHG emissions is one way by which our financial planning has been affected. Infrastructure initiatives include replacement of existing light fixtures with energy efficient LEDs to reduce Scope 2 GHG emissions from electricity usage, Electric Car Chargers to reduce Scope 3 GHG emissions from Employee Commuting. |

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

3235.09

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

3235.09

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

1617.545

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

2750.53

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

2750.53

% of target achieved relative to base year [auto-calculated]

29.9565081651515

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target is company-wide and covers 100% of our Scope 1 emissions from owned facilities and assets. All our GHG emissions reporting and this target are for fiscal years.

Plan for achieving target, and progress made to the end of the reporting year

We are pursuing opportunities for remote working and replacing existing HVAC components with energy efficient ones. We are also exploring opportunities to replace existing HVAC components with energy efficient ones.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

4871.3

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

4871.3

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2019

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

2435.65

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

3814.34

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

3814.34

% of target achieved relative to base year [auto-calculated]

43.3953975324862

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target is company-wide and covers 100% of our Scope 2 emissions from owned facilities and leased (co-lo) data centers. All our GHG emissions reporting and this target are for fiscal years.

Plan for achieving target, and progress made to the end of the reporting year

We are pursuing opportunities for remote working, replacing existing light fixtures with LEDs, and replacing existing HVAC components with energy efficient ones. We are also exploring opportunities to purchase more electricity generated from renewable sources.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 3

Year target was set

2022

Target coverage

Country/region

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 6: Business travel

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

8154.49

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

8154.49

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes****Target year**

2030

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

4077.245

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

978.91

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

978.91

% of target achieved relative to base year [auto-calculated]

175.990895813227

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target covers emissions from business travel by our employees in the US, which represent ~95% of our operations. All our GHG emissions reporting and this target are for fiscal years.

Plan for achieving target, and progress made to the end of the reporting year

We are exploring opportunities to reduce business travel and other opportunities to reduce emissions from business travel.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 4

Year target was set

2022

Target coverage

Country/region

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 7: Employee commuting

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

42726.61

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

42726.61

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

Target year

2030

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

21363.305

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1649.47

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1649.47

% of target achieved relative to base year [auto-calculated]

192.278956837437

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target covers emissions from commuting by our employees in the US, which represent ~95% of our operations. All our GHG emissions reporting and this target are for fiscal years.

Plan for achieving target, and progress made to the end of the reporting year

We are pursuing opportunities for remote working and installing electric car chargers to reduce emissions from employee commuting.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 5

Year target was set

2022

Target coverage

Country/region

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 9: Downstream transportation and distribution

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

25830.04

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
25830.04

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

Target year
2030

Targeted reduction from base year (%)
50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
12915.02

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
19122.31

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
19122.31

% of target achieved relative to base year [auto-calculated]
51.9374340883715

Target status in reporting year
New

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
This target covers emissions from delivery of products to clients by couriers and postal service in our operations in the US, which represent ~95% of our operations. All our GHG emissions reporting and this target are for fiscal years.

Plan for achieving target, and progress made to the end of the reporting year
We are pursuing opportunities to create low-carbon alternatives for our products and services. We encourage clients to adopt these products and services when available.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 6

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
3235.09

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
3235.09

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2040

Targeted reduction from base year (%)

70

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

970.527

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

2750.53

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

2750.53

% of target achieved relative to base year [auto-calculated]

21.3975058322511

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target is company-wide and covers 100% of our Scope 1 emissions from owned facilities and assets. All our GHG emissions reporting and this target are for fiscal years.

Plan for achieving target, and progress made to the end of the reporting year

We are pursuing opportunities for remote working and replacing existing HVAC components with energy efficient ones. We are also exploring opportunities to replace existing HVAC components with energy efficient ones.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 7

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

4871.3

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

4871.3

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2040

Targeted reduction from base year (%)

70

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

1461.39

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

3814.34

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

3814.34

% of target achieved relative to base year [auto-calculated]

30.9967125232044

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target is company-wide and covers 100% of our Scope 2 emissions from owned facilities and leased (co-lo) data centers. All our GHG emissions reporting and this target are for fiscal years.

Plan for achieving target, and progress made to the end of the reporting year

We are pursuing opportunities for remote working, replacing existing light fixtures with LEDs, and replacing existing HVAC components with energy efficient ones. We are also exploring opportunities to purchase more electricity generated from renewable sources.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 8

Year target was set

2022

Target coverage

Country/region

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 6: Business travel

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

8154.49

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

8154.49

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

Target year

2040

Targeted reduction from base year (%)

70

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

2446.347

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

978.91

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

978.91

% of target achieved relative to base year [auto-calculated]

125.707782723733

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target covers emissions from business travel by our employees in the US, which represent ~95% of our operations. All our GHG emissions reporting and this target are for fiscal years.

Plan for achieving target, and progress made to the end of the reporting year

We are exploring opportunities to reduce business travel and other opportunities to reduce emissions from business travel.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 9

Year target was set

2022

Target coverage

Country/region

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 7: Employee commuting

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

42726.61

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

42726.61

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

Target year

2040

Targeted reduction from base year (%)

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

12817.983

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1649.47

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1649.47

% of target achieved relative to base year [auto-calculated]

137.342112026741

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target covers emissions from commuting by our employees in the US, which represent ~95% of our operations. All our GHG emissions reporting and this target are for fiscal years.

Plan for achieving target, and progress made to the end of the reporting year

We are pursuing opportunities for remote working and installing electric car chargers to reduce emissions from employee commuting.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 10

Year target was set

2022

Target coverage

Country/region

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 9: Downstream transportation and distribution

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

25830.04

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

25830.04

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes****Target year**

2040

Targeted reduction from base year (%)

70

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

7749.012

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

19122.31

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

19122.31

% of target achieved relative to base year [auto-calculated]

37.0981672059797

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

This target covers emissions from delivery of products to clients by couriers and postal service in our operations in the US, which represent ~95% of our operations. All our GHG emissions reporting and this target are for fiscal years.

Plan for achieving target, and progress made to the end of the reporting year

We are pursuing opportunities to create low-carbon alternatives for our products and services. We encourage clients to adopt these products and services when available.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

| | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---------------------------|-----------------------|--|
| Under investigation | 1 | |
| To be implemented* | 1 | |
| Implementation commenced* | 2 | |
| Implemented* | 4 | |
| Not to be implemented | 1 | |

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

| | |
|---------------|--------------------|
| Transportatio | Employee commuting |
|---------------|--------------------|

Estimated annual CO2e savings (metric tonnes CO2e)

0

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 7: Employee commuting

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

180000

Payback period

No payback

Estimated lifetime of the initiative

21-30 years

Comment

In this reporting year, we installed electric car charging stations at another one of our owned facilities. We also received approval to install electric car changing stations at another facility that will be started in the current fiscal year (next reporting year for CDP). We have not yet measured the impact of electric car chargers on our Scope 3 Employee Commuting emissions.

Initiative category & Initiative type

| | |
|----------------------|----------|
| Energy efficiency in | Lighting |
|----------------------|----------|

Estimated annual CO2e savings (metric tonnes CO2e)

8.86

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

30000

Investment required (unit currency – as specified in C0.4)

430000

Payback period

11-15 years

Estimated lifetime of the initiative

21-30 years

Comment

In this reporting period we completed purchase of LED light fixtures to replace existing light fixtures in a facility that will be installed in the next coming months.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

| Method | Comment |
|---|---------|
| Dedicated budget for energy efficiency | |
| Dedicated budget for other emissions reduction activities | |
| Employee engagement | |

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify (Digital Products and Services)

Type of product(s) or service(s)

| | |
|-------|---|
| Other | Other, please specify (Digital Products and Services) |
|-------|---|

Description of product(s) or service(s)

Our low-carbon product portfolio includes: digital on-boarding system that replaces the need for the use of paper during onboarding of a new employee; digital Applicant Tracking System that replaces the need for paper resumes and streamlines the hiring process; digital time and attendance machines that replace the need for paper and ink based time clocks; direct deposit and digital pay stubs that replace the use of paper checks and paper stubs; and, in our PEO business, HR generalists can provide their services remotely instead of going into the clients' offices. Our Paychex Flex® mobile app allows clients and their employees to receive and provide information in a paperless format.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

<Not Applicable>

Functional unit used

<Not Applicable>

Reference product/service or baseline scenario used

<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario

<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

Flock IS, Inc. Gelman Financial Services, LLC d/b/a NannyChex

Details of structural change(s), including completion dates

The Flock IS, Inc., acquisition was completed on October 1, 2021. The NannyChex acquisition was completed on April 30, 2022. These acquisitions led to an increase in emitting activities reported under Scope 3 Upstream Leased Assets.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

| | Change(s) in methodology, boundary, and/or reporting year definition? | Details of methodology, boundary, and/or reporting year definition change(s) |
|-------|---|--|
| Row 1 | Yes, a change in methodology | We are now reporting emissions from leased data centers under Scope 2. |

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

| | Base year recalculation | Base year emissions recalculation policy, including significance threshold |
|-------|-------------------------|--|
| Row 1 | Yes | We recalculate emissions when the change is greater than 5% of the emissions for that Scope. |

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

June 1 2018

Base year end

May 31 2019

Base year emissions (metric tons CO2e)

3235.095

Comment

The emissions provided above represent our owned facilities across the company and include emissions from all the owned vehicles.

Scope 2 (location-based)

Base year start

June 1 2018

Base year end

May 31 2019

Base year emissions (metric tons CO2e)

4871.301

Comment

The emissions provided above represent our owned facilities across the company and leased data centers.

Scope 2 (market-based)

Base year start

June 1 2018

Base year end

May 31 2019

Base year emissions (metric tons CO2e)

4871.301

Comment

The emissions provided above represent our owned facilities across the company and leased data centers.

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

June 1 2018

Base year end

May 31 2019

Base year emissions (metric tons CO2e)

8154.491

Comment

Scope 3 category 7: Employee commuting

Base year start

June 1 2018

Base year end

May 31 2019

Base year emissions (metric tons CO2e)

42726.611

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

June 1 2018

Base year end

May 31 2019

Base year emissions (metric tons CO2e)

25830.049

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

2750.535

Start date

June 1 2021

End date

May 31 2022

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

2792.844

Start date

June 1 2020

End date

May 31 2021

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

3128.881

Start date

June 1 2019

End date

May 31 2020

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)

3235.095

Start date

June 1 2018

End date

May 31 2019

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Following the GHG Protocol Scope 2 Guidance Hierarchy for market-based Scope 2 emissions reporting, we have used grid-average factors for the electricity units for which there was no purchase of contractual instruments. Residual mix is not available for the US.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

3821.272

Scope 2, market-based (if applicable)

3814.342

Start date

June 1 2021

End date

May 31 2022

Comment

Past year 1

Scope 2, location-based

4304.113

Scope 2, market-based (if applicable)

4301.103

Start date

June 1 2020

End date

May 31 2021

Comment

Both Scope 2, location-based and market-based emissions are being reinstated to include emissions from our leased (co-lo) data centers, which were not included in the Scope 2 emissions reported in 2021 CDP reporting.

Past year 2

Scope 2, location-based

4626.432

Scope 2, market-based (if applicable)

4626.432

Start date

June 1 2019

End date

May 31 2020

Comment

Both Scope 2, location-based and market-based emissions are being reinstated to include emissions from our leased (co-lo) data centers, which were not included in the Scope 2 emissions reported in 2021 CDP reporting.

Past year 3

Scope 2, location-based

4871.301

Scope 2, market-based (if applicable)

4871.301

Start date

June 1 2018

End date

May 31 2019

Comment

Both Scope 2, location-based and market-based emissions are being reinstated to include emissions from our leased (co-lo) data centers, which were not included in the Scope 2 emissions reported in 2021 CDP reporting.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4 a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Fugitive emissions from refrigerants

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

This emission source is not material to the overall emissions inventory.

Estimated percentage of total Scope 1+2 emissions this excluded source represents

Explain how you estimated the percentage of emissions this excluded source represents

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Capital goods

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Upstream transportation and distribution

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Waste generated in operations**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Paychex is a software and technology company. Our business does not involve activities that generate significant amounts of waste whose management would contribute significantly to our Scope 3 emissions. Therefore, Scope 3 'Waste generated in operations' emissions are not relevant to our business.

Business travel**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

978.913

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

75

Please explain

Emissions reported here include emissions from air travel, rail travel, road travel on rental cars and road travel on employee owned cars. Emissions reported here represent business travel by employees in our US based offices which represent ~95% of our operations.

Employee commuting**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1649.479

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions reported here represent commuting by employees in our US based offices which represent ~95% of our operations.

Upstream leased assets**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7386.27

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

25

Please explain

Emissions reported here represent our leased facilities in the US, Denmark, Germany and India. Actual energy usage data was used where available and estimations for energy usage were made where such data was not available.

Downstream transportation and distribution**Evaluation status**

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

19122.312

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions from courier and postal services used to deliver products to our clients in the US are reported here. These were calculated using spend-based method and US EPA EEIO emissions factors.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Paychex is a software and technology company, and does not produce any intermediate products that produce emissions on processing.

Use of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Paychex does not have products whose use generates emissions that would contribute significantly to the company's Scope 3 emissions inventory. Therefore, emissions from Scope 3 'Use of Sold Products' are not relevant.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Paychex does not have products whose end of life treatment may generate significant amount of emissions. Therefore, Scope 3 'End of life treatment of sold products' emissions are not relevant.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Paychex does not own any assets that it leases to other entities.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Paychex is not a franchisor.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Following the guidance provided in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, we have determined that Paychex does not have investments whose emissions would be required to be reported here.

Other (upstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

June 1 2020

End date

May 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

102.148

Scope 3: Employee commuting (metric tons CO2e)

670.8

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

21137.829

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 2

Start date

June 1 2019

End date

May 31 2020

Scope 3: Purchased goods and services (metric tons CO2e)

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

5010.736

Scope 3: Employee commuting (metric tons CO2e)

34146.36

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

24307.152

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 3

Start date

June 1 2018

End date

May 31 2019

Scope 3: Purchased goods and services (metric tons CO2e)

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

8154.491

Scope 3: Employee commuting (metric tons CO2e)

42726.611

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

25830.049

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00000142

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

6564.87

Metric denominator

unit total revenue

Metric denominator: Unit total

4611700000

Scope 2 figure used

Market-based

% change from previous year

18.59

Direction of change

Decreased

Reason for change

The following reasons have led to a reduction in our emissions intensity: (i) more use of electricity generated from wind energy at one of our facilities; (ii) many of our facilities do not operate at full capacity because many employees regularly work from home; (iii) we replaced light fixtures in more facilities with energy efficient LEDs.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

| Greenhouse gas | Scope 1 emissions (metric tons of CO2e) | GWP Reference |
|----------------|---|--|
| CO2 | 2747.372 | IPCC Fourth Assessment Report (AR4 - 100 year) |
| CH4 | 1.361 | IPCC Fourth Assessment Report (AR4 - 100 year) |
| N2O | 1.801 | IPCC Fifth Assessment Report (AR5 - 100 year) |

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

| Country/Region | Scope 1 emissions (metric tons CO2e) |
|--------------------------|--------------------------------------|
| United States of America | 2750.535 |
| Denmark | 0 |
| Germany | 0 |
| India | 0 |

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

| Activity | Scope 1 emissions (metric tons CO2e) |
|-----------------------|--------------------------------------|
| Stationary Combustion | 2712.364 |
| Mobile Combustion | 38.172 |

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|--------------------------|--|--|
| United States of America | 3814.342 | 3814.342 |
| Denmark | 6.96 | 0 |
| Germany | 0 | 0 |
| India | 0 | 0 |

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Please select

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

| | Change in emissions of change (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|--|---------------------|------------------------------|--|
| Change in renewable energy consumption | | <Not Applicable > | | |
| Other emissions reduction activities | | <Not Applicable > | | |
| Divestment | | <Not Applicable > | | |
| Acquisitions | | <Not Applicable > | | |
| Mergers | | <Not Applicable > | | |
| Change in output | | <Not Applicable > | | |
| Change in methodology | | <Not Applicable > | | |
| Change in boundary | | <Not Applicable > | | |
| Change in physical operating conditions | | <Not Applicable > | | |
| Unidentified | 529.07 | Decreased | 7.458 | The following are the identified reasons that have led to a reduction in our emissions: (i) we have expanded the scope of our remote and hybrid work policies to allow many more employees to work remote fully or partially; (ii) in the previous reporting year many of our facilities were not operating at full capacity because employees were working from home during the COVID-19 pandemic; (iii) increased use of electricity from renewable sources; (iv) we replaced light fixtures in more facilities with energy efficient LEDs; (v) we replaced HVAC components in a key office facility with energy efficient ones. |
| Other | | <Not Applicable > | | |

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

| | Indicate whether your organization undertook this energy-related activity in the reporting year |
|--|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | Yes |

C8.2a**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total (renewable and non-renewable) MWh |
|---|----------------------------|----------------------------|--------------------------------|---|
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | 0 | 14912.57 | 14912.57 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 40.88 | 42480.24 | 42521.12 |
| Consumption of purchased or acquired heat | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | | <Not Applicable> | |
| Total energy consumption | <Not Applicable> | 40.88 | 57392.81 | 57433.69 |

C8.2b**(C8.2b) Select the applications of your organization's consumption of fuel.**

| | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity | Yes |
| Consumption of fuel for the generation of heat | Yes |
| Consumption of fuel for the generation of steam | No |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | No |

C8.2c**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.****Sustainable biomass****Heating value****Total fuel MWh consumed by the organization****MWh fuel consumed for self-generation of electricity****MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam**

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other biomass

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

667.32

MWh fuel consumed for self-generation of electricity

508.38

MWh fuel consumed for self-generation of heat

158.94

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuel used for generation of electricity reported here is the fuel used in our company owned generators. Fuel used for generation of heat reported here is the fuel used in our company owned vehicles.

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

14245.24

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

14245.24

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuel used for generation of heat reported here is the fuel used for heating our facilities.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Total fuel

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

| | Total Gross generation (MWh) | Generation that is consumed by the organization (MWh) | Gross generation from renewable sources (MWh) | Generation from renewable sources that is consumed by the organization (MWh) |
|-------------|------------------------------|---|---|--|
| Electricity | 508.38 | 508.38 | 0 | 0 |
| Heat | 14404.19 | 14404.19 | 0 | 0 |
| Steam | 0 | 0 | 0 | 0 |
| Cooling | 0 | 0 | 0 | 0 |

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Denmark

Tracking instrument used

GO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

40.88

Country/area of origin (generation) of the low-carbon energy or energy attribute

Please select

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

United States of America

Consumption of electricity (MWh)

27837.11

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

27837.11

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Denmark

Consumption of electricity (MWh)

40.88

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

40.88

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C0. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

| | Verification/assurance status |
|--|--|
| Scope 1 | No third-party verification or assurance |
| Scope 2 (location-based or market-based) | No third-party verification or assurance |
| Scope 3 | No third-party verification or assurance |

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5? No, we do not verify any other climate-related information reported in our CDP disclosure

C0. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)? No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon? No, and we do not currently anticipate doing so in the next two years

C1. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers/clients
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

% total procurement spend (direct and indirect)

0.03

% of supplier-related Scope 3 emissions as reported in C6.5

75

Rationale for the coverage of your engagement

We engage at least annually with our travel services partner to collect climate change and carbon information. We established our GHG emissions reduction targets with FY 2019 as baseline year. Scope 3 emissions from Category 6 Business Travel were significant in that year and hence this supplier group was chosen.

Impact of engagement, including measures of success

This engagement helps us understand our emissions from Scope 3 Category 6 Business Travel. We continue to explore ways to reduce our emissions and achieve our GHG emissions reduction target for this emissions category, and we consider emissions reduction over time success.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

| | |
|-----------------------|--|
| Education/information | Run an engagement campaign to education customers about your climate change performance and strategy |
|-----------------------|--|

% of customers by number

14.15

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

This group includes customers of some of our key products and services that can affect our Scope 3 emissions. We engage with them at least annually to educate them about our climate change performance and strategy, and initiatives that we are taking to reduce our GHG emissions.

Impact of engagement, including measures of success

Paychex has initiatives in place to encourage clients to move to our low-carbon digital products, wherever such alternatives are available. Engaging with clients on our climate change performance and strategy demonstrates to clients our commitment to reducing our impact on climate. Success is measured by increase in adoption of low-carbon digital products by clients. This has led to a decrease in paper usage because of an increase in adoption of digital products.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We engage with landlords and or property managers to collect climate change and carbon information for our leased facilities, at least annually. We continue to encourage them to take initiatives to reduce their emissions, which can consequently reduce our emissions from Scope 3 Category 8 Upstream Leased Assets and drive progress towards meeting our GHG emissions reduction target for this Scope 3 category.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

No

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

<Not Applicable>

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy Paychex has committed to reporting: Annual Scope 1 through 3 GHG emissions Any net zero by 2050 and interim GHG emissions reduction targets covering all relevant emissions scopes Climate transition plans with goals and time frames proposed to adopt to reduce its GHG emissions over time Annual progress made in achieving GHG emissions reduction targets Capital allocation alignment indicators and methodology where relevant

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Other, please specify (Our main focus is to assist businesses with payroll & HR needs and advocate for related causes. We support climate mitigation policies and have established GHG reduction targets. However, we do not engage in activities that influence climate policy.)

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Our primary focus is to assist businesses with their payroll and human resource needs and we actively advocate for causes specifically related to them. However, our concentration with our service offerings has increasingly emphasized giving clients to choose environmentally friendly options such as paperless reports and electronic Form W-2's for their employees. Our strategy is to move toward clients receiving paperless reports and tax forms unless they opt-out. Thus, further reducing the carbon emissions related to delivery and natural resources related to printing.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

Paychex-CSR-Report-2020.pdf

Page/Section reference

Pages 30 - 36

Content elements

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Emissions reduction targets were established in this reporting year and will be disclosed in the voluntary sustainability report for this reporting year.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

| | Board-level oversight and/or executive management-level responsibility for biodiversity-related issues | Description of oversight and objectives relating to biodiversity | Scope of board-level oversight |
|-------|--|--|--------------------------------|
| Row 1 | Please select | <Not Applicable> | <Not Applicable> |

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

| | Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity | Biodiversity-related public commitments | Initiatives endorsed |
|-------|---|---|----------------------|
| Row 1 | Please select | <Not Applicable> | <Not Applicable> |

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

| | Does your organization assess the impact of its value chain on biodiversity? | Portfolio |
|-------|--|------------------|
| Row 1 | Please select | <Not Applicable> |

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

| | Have you taken any actions in the reporting period to progress your biodiversity-related commitments? | Type of action taken to progress biodiversity- related commitments |
|-------|---|--|
| Row 1 | Please select | <Not Applicable> |

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

| | Does your organization use indicators to monitor biodiversity performance? | Indicators used to monitor biodiversity performance |
|-------|--|---|
| Row 1 | No | Please select |

C15.6

(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

| Report type | Content elements | Attach the document and indicate where in the document the relevant biodiversity information is located |
|-------------|------------------|---|
|-------------|------------------|---|

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

| | Job title | Corresponding job category |
|-------|---|----------------------------|
| Row 1 | Vice President, Chief Legal & Ethics Officer, and Secretary | Other C-Suite Officer |

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

| | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---------------------------------------|---|---------------------|
| Please select your submission options | Yes | Public |

Please confirm below

I have read and accept the applicable Terms