PAYCHEX

2026 Corporate Responsibility Report

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This report is for Paychex and its controlled affiliates (collectively, "Paychex" or the "Company") for fiscal year 2026 (June 1, 2025, to May 31, 2026) ("FY26"). Unless otherwise noted, metrics included in this report pertain to United States (U.S.) operations only.

Letter from the President and CEO with the Ethics and Corporate Responsibility Steering Committee

At Paychex, our purpose has been clear since our founding in 1971: to help businesses succeed. More than five decades later, that purpose continues to guide how we serve our clients, support our employees, engage with our communities, and create long-term value for shareholders.

What began as a revolutionary payroll solution for small businesses has evolved into a comprehensive portfolio of technology and advisory solutions that help organizations navigate the growing complexity of HR, payroll, benefits, and compliance. While the needs of businesses have changed significantly over time, one thing has remained constant: our belief that lasting success is built by doing business the right way.

That principle starts with our values – Integrity, Partnership, Accountability, Respect, Innovation, and Service. These values shape our culture, inform our decision-making, and define how we show up for our stakeholders each day. They are also the foundation of our approach to corporate responsibility.

At Paychex, corporate responsibility is not a standalone program. It is embedded in our business strategy, our governance, and our operations. It is championed by employees across the organization, guided by our cross-functional Ethics and Corporate Responsibility Steering Committee, and overseen by our Board of Directors. This structure helps ensure that the issues most important to our stakeholders – including corporate governance and ethics, people, communities and environment – remain integrated into how we manage and grow the business.

In fiscal 2026, we continued to advance this work while also delivering on our mission at scale. We served approximately 840,000 customers and helped pay 1 in 11 U.S. private sector workers. We remained focused on helping businesses adapt to an evolving environment shaped by economic uncertainty, regulatory change, and rapid technological innovation. At the same time, we continued investing in the capabilities, talent, and responsible business practices that position our company for long-term success.

Our values-led culture continues to be one of Paychex's greatest strengths. In FY26, we invested in employee training, leadership development, mentoring, well-being, and belonging and engagement initiatives designed to help our people thrive. We know that when employees feel supported, connected, and empowered to grow, they are better positioned to innovate, collaborate, and deliver exceptional service to our clients.

We are equally committed to maintaining the trust placed in us by our clients, employees, and shareholders. As a company entrusted with highly sensitive information, we recognize that strong governance, ethical conduct, privacy, and cybersecurity are essential to our business and our reputation. In FY26, Paychex strengthened its AI governance framework through formal oversight by our Data and Artificial Intelligence Committee and the implementation of an Artificial Intelligence Acceptable Use Policy. We also achieved ISO/IEC 27001 certification, continued to strengthen our enterprise security practices, and maintained rigorous oversight of privacy and data protection. We were also honored to be named one of the World's Most Ethical Companies® by Ethisphere® for the 18th time – recognition that reflects the integrity and accountability our employees bring to their work every day.

Our commitment to corporate responsibility also extends beyond our own operations. Through the Paychex Charitable Foundation, employee giving, and volunteerism, we continue to support the well-being of the communities we serve. In FY26, the Foundation awarded a record 143 grants totaling $3 million, while Paychex and its employees raised nearly $1.7 million for United Way organizations. We were also honored to be one of just 43 companies globally recognized by United Way Worldwide as a Leading Corporate Partner, reflecting our long-standing support and the impact of our employees' generosity. These efforts are creating tangible impact in areas such as mental health, food security, workforce readiness, and economic opportunity.

We also continue to make progress on our environmental priorities. As a technology and services company, our environmental footprint is relatively low, and we are focused on driving continuous improvement in the areas where our impacts are most significant, including energy use, greenhouse gas emissions, and resource consumption. We remain committed to our ambition of net-zero greenhouse gas emissions by 2050 and continue to take practical steps to improve energy efficiency, optimize our facilities, and reduce emissions across our operations.

As we look ahead, we do so with confidence in our strategy, our people, and our purpose. The business environment will continue to evolve, but our focus remains the same: helping businesses succeed while creating positive, lasting impact for all our stakeholders.

Thank you for your interest in Paychex and in our corporate responsibility journey. I invite you to read this report to learn more about the progress we are making and the values that continue to guide us forward.

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

At Paychex, the decisions and actions we take are intended to maximize the positive impact we have on the stakeholders we serve. For more than 50 years, we've focused on making a meaningful difference in the lives of our customers, our employees, our shareholders, and people in our communities.

Our **customers** fuel our purpose.

Our **people** power our business.

Our **shareholders** benefit from our success.

Our **communities** grow through our contributions.

The Values that Drive Us

Paychex values are central to the impact we make on those we serve. As the pace of change accelerates daily, our values remain constant.

We conduct our business with integrity, because our customers entrust us with their most sensitive information and rely on us to help care for what matters most: their business and their people.

We are accountable for pursuing the best outcomes for our customers and thoughtfully managing our impacts on the environment and the communities in which we work.

We treat our employees with respect by supporting their ongoing development, fostering a culture of belonging and offering world-class benefits that promote all aspects of well-being.

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

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

We drive innovation in our products and services to meet our customers' evolving needs and create lasting value for shareholders.

Champions in Action

Nearly 5% of our employees – representing locations around the world – volunteer as Paychex Culture Champions. Our Culture Champions come from a broad range of roles within Paychex and embrace the responsibility of living our values and serving as role models for their colleagues.

How We Engage with Our Stakeholders

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

Stakeholder Group	Customers	People	Shareholders	Communities
How We Engage	Serving approximately 840,000 total customers, and paying 1 in 11 U.S. private sector workers, Paychex combines scale, trusted expertise, and innovation to help businesses succeed. As an extension of our customers' teams, **we offer flexible service experiences through our Human Resources (HR) solutions and engage with customers how they prefer across the full Paychex suite** – from human support to agentic engagement, reducing friction and wait times. Paychex also holds longstanding relationships with key channel partners like accounting and banking professionals, insurance brokers, financial advisors, franchises, and national associations.	**Paychex keeps its approximately 17,600 employees informed and inspired about Company news, priorities, strategies, and financial and operational performance** through a variety of channels, including our corporate intranet site, videos, podcasts, in-person and virtual meetings, and written communications. We also have an ongoing listening strategy that includes our biannual Employee Experience Survey, pulse surveys, leader forums, Q&A sessions, and our Ethics Hotline.	Paychex maintains regular, transparent communication with its shareholders. Our website provides the investment community with information about our strategy, news, senior leadership team, financial results, United States Securities and Exchange Commission (SEC) filings, governance, and corporate responsibility initiatives. Additionally, **we value meaningful engagement with our shareholders and actively seek their feedback** as we pursue strong financial performance. Our investor outreach focuses on company strategy, corporate governance, board tenure, and executive compensation and may include participation from members of our board.	Paychex and its employees are committed to supporting strong and vibrant communities. Through the Paychex Charitable Foundation, **we provide funding to programs in the communities where our employees live and work with an emphasis on supporting mental health, physical health, financial health, and professional skills development**. Our employees also support their communities through fundraising efforts, volunteerism, and donation drives for local nonprofit organizations.

Empowering Businesses

Raising the Bar in Human Capital Management Solutions

Over the last half-century, Paychex has remained steadfast in its purpose: helping businesses succeed. What began as a single, revolutionary payroll offering to address the unmet needs of small businesses has evolved into a comprehensive suite of expert-enabled technology and advisory solutions that help businesses manage HR, payroll, and benefits. Driven by this enduring commitment, we have long been an advocate for businesses of all sizes – anticipating their needs and delivering innovative solutions and support.

Our connectivity across people, data, and expertise is unmatched. It unlocks unprecedented operational insights and empowers organizations to achieve extraordinary results. By providing more choice, more expertise, and more flexibility, we are reimagining how companies address the needs of today's workforce.

Serving approximately 840,000 customers, and paying 1 in 11 U.S. private sector workers, Paychex combines scale, trusted expertise, and innovation to **help businesses grow and thrive, simplify payroll administration, navigate compliance with confidence, deliver innovation solutions to attract and retain talent, and expand access to affordable benefits.** And we're just getting started.

Visit Paychex.com to learn more about our solutions for businesses of all sizes.

Serving approximately
840,000
customers

paying 1 in 11 U.S. private sector workers

Corporate Governance and Ethics

We lead with integrity by safeguarding data privacy and security, engaging responsibly in public policy, and operating transparently to build trust and create long-term value.

Corporate Governance

We believe strong corporate governance is essential for long-term organizational success and the protection of shareholder value.

Board-level Oversight of Corporate Responsibility

Our Board is focused on the long-term sustainability of our business. **The Nominating and Governance Committee has oversight of Corporate Responsibility issues at Paychex.**

Among other things, the Committee is responsible for:

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

Management-level Oversight of Corporate Responsibility

Corporate responsibility efforts at Paychex are overseen by the Ethics and Corporate Responsibility Steering Committee, which is chaired by the Chief Legal & Ethics Officer and Secretary, and is comprised of members representing Human Resources & Organizational Development; Legal; External Reporting; Investor Relations; Corporate Marketing; Corporate Communications; Risk, Compliance and Data Analytics; Information Technology; Business Operations; Sustainability; and Internal Audit, including several Senior Executives. **These functions serve as key stakeholders in shaping Paychex's corporate responsibility strategies and policies.**

Our Corporate Responsibility strategy is focused on the following priority areas:

- Corporate Governance and Ethics
- People
- Communities
- Environment

The purpose of the Ethics and Corporate Responsibility Steering Committee ("the Committee") is to assist Senior Management in **the development and continuous improvement of a world-class Corporate Responsibility Program** ("the Program"). The 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, environmental sustainability, and legal compliance; and
- effectively manage Corporate Responsibility-related risks and opportunities.

Highlights of FY26 Corporate Governance

Purpose In Action: Performance & Results

Our purpose is clear: to help businesses succeed in an ever-changing and increasingly complex world. **This focus sets us apart, drives everything we do, and is reflected in the strength of our governance practices and the results they deliver.** While we are proud of our progress, we remain committed to continuous improvement.

Since 2022, Paychex has been included in the FTSE4Good Index Series

FTSE4Good

FTSE Russell ESG Score: 3.7

On a scale of 0 to 5, where higher scores are better.

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

Since 2024, Paychex has maintained a rating of AA from MSCI

MSCI ESG RATINGS AA
CCC B BB BBB A AA AAA

MSCI ESG Rating: AA

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

The use by Paychex of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Paychex by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Since 2023, Paychex has maintained a Prime Corporate ESG Performance rating from ISS ESG

Corporate ESG Performance Prime
RATED BY ISS ESG

Prime Status

Awarded to companies with an ESG performance above the sector-specific Prime threshold, which means that they fulfill ambitious absolute performance requirements.

Ethics

Paychex is a purpose-driven organization. With a team of approximately 17,600 employees, we help businesses succeed, always with integrity at the core. **Our values form the foundation of our purpose, guiding how we govern, how we care for our people, communities, and the environment, and how we operate every day. At Paychex, ethical behavior isn't just a policy – it's who we are.**

In FY26, we celebrated our 18th appearance on Ethisphere's World's Most Ethical Companies list, which recognizes organizations that demonstrate exceptional leadership and a steadfast commitment to business integrity through best-in-class ethics, compliance, and governance practices. Only eleven other companies worldwide have earned this distinction 18 times. The values and principles that helped earn us this ongoing recognition are the same ones that drive our customer interactions every day. Consistent with this philosophy, we incurred no monetary or other losses related to legal proceedings concerning anti-corruption or anti-competitive behavior regulations in FY26.

Visit Paychex Ethics to learn more.

Ethical Use of Artificial Intelligence

Paychex is committed to developing and using artificial intelligence (AI) in a way that is Human-Centered, Ethical, Accountable, Reliable, and Transparent (HEART). Human judgment remains at the center of AI-enabled work at Paychex, especially in areas that impact people and business decisions. AI solutions are designed to augment – not replace – human expertise and thought.

We have established a Data and Artificial Intelligence Committee and an Artificial Intelligence Acceptable Use Policy to set clear expectations for the responsible use of AI, including required security standards.

Our approach to AI aligns with our Code of Business Ethics and Conduct, Guiding Principles, and Corporate Responsibility commitments. At Paychex, AI systems must be developed and used responsibly, with appropriate governance, ethical oversight, and compliance with applicable regulations.

We are committed to building AI systems that are rigorously tested, continuously monitored for quality, and designed to deliver reliable and consistent results. Human review and intervention remain an important part of AI-supported processes.

We promote transparency in our use of AI and work to identify, assess, and mitigate bias in both human and AI-assisted decision-making.

To learn more about our approach to the ethical use of AI, please visit our website.

Government Relations

At Paychex, ethical conduct is more than a compliance requirement – it is a foundational pillar guiding every aspect of how we operate, including in our approach to government relations. **We are unwavering in our commitment to act with integrity and transparency, ensuring full compliance with all applicable federal and state laws and regulations in every location where we do business.** We are committed to freedom of expression, and we do not operate in any country where our core products or services are subject to government-required monitoring, blocking, content filtering, or censorship.

It remains our policy and practice to make no political contributions. In FY26, Paychex made no financial or in-kind contributions to political candidates, parties, or political organizations. We also received no material financial assistance from any government entity during this reporting period. Employees are prohibited from making political contributions or engaging in lobbying activities on behalf of the Company, unless they have been specifically authorized to do so. Our Code of Business Ethics and Conduct further reinforces these standards.

Our areas of advocacy on behalf of our customers:

- Electronic filing at the IRS and sound tax administration
- Small business retirement and tax policy
- FSA / HSA enhancements

We disclose the issues for which we have lobbied on behalf of our customers in our publicly available quarterly Form LD-2 filings. For FY26, these included:

- **Public Law 119-21** – The One Big Beautiful Bill Act implementation.
- **H.R. 3223** – To amend the Internal Revenue Code of 1986 to establish procedures relating to the attribution of errors in the case of third-party payors of payroll taxes, and for other purposes.
- **H.R. 6458** – The Electronic Filing Improvement and Logistical Efficiency ("E-FILE") Act
- **S. 1840** – The Retirement Investment in Small Employers ("RISE") Act
- **S. 3931** – Taxpayer Assistance and Service ("TAS") Act
- **H.R. 548** – HSA Modernization Act
- **H.R. 919** – Chronic Disease Flexible Coverage Act
- **H.R. 138** – Lowering Costs for Caregivers Act
- **H.R. 1650 & S. 763** – Telehealth Expansion Act of 2025

Visit Paychex Government Relations to learn more.

Privacy and Security

We uphold the highest standards across all aspects of our business, and that includes data security and user privacy.

Cybersecurity

At Paychex, safeguarding the privacy and personal information of our customers and employees is a top priority. We follow robust security protocols designed to protect both personal and account-related data across all of Paychex, Inc.

Our Enterprise Security program leverages recognized frameworks including the NIST Cybersecurity Framework (CSF) and International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) information security management systems. We illustrate our commitment to these frameworks through oversight from both internal and external auditors who provide annual SOC 2 Type II reports, demonstrating our adherence to rigorous controls around data security, availability, and confidentiality. Additionally, we are proud to announce that in FY26 we achieved ISO/IEC 27001 certification, further validating our dedication to implementing and maintaining a robust information security management system.

To proactively manage cybersecurity risk, we implement a multipronged assessment strategy that includes technical risk evaluations, vulnerability scanning, penetration testing, and bug bounty programs. In addition, our Security Incident Response function operates 24/7/365 to collect and analyze potential security violations or unusual activity.

We also take a rigorous risk-based approach to third-party risk management. Third parties are subject to nondisclosure agreements, formal security risk assessments of their information protection practices, and contract terms that define expectations for ongoing data protection.

Data Security

Paychex has implemented robust policies and procedures to ensure timely compliance with all applicable federal and state legal requirements related to privacy, data security, and incident notification. In the event of a data exposure involving personally identifiable information (PII) and/or individual or protected health information (IHI/PHI), Paychex will notify customers in accordance with individual state and federal regulations. In FY26, monetary losses related to legal proceedings concerning user privacy were less than $45,000.

Visit Paychex Privacy & Security to learn more.

Our average FY26 BitSight Security Rating was industry-leading

780*

*Out of 820, considered an advanced rating.

bsi
ISO/IEC 27001
Information Security Management
CERTIFIED

In FY26 we achieved ISO/IEC 27001 certification

People

We foster a dynamic work environment where employees are empowered through professional development, a sense of belonging, safety, and wellness, while offering competitive rewards that support personal growth and, ultimately, our shared success with customers.

Training and Development

World-Class Training

Every year, Paychex delivers multiple workforce-training, skill-building, and leadership-development programs through in-person, virtual classroom, and self-paced online modules. **New hires in our service organization participated in training sessions designed to build product knowledge, develop and strengthen consultative skills, and clarify performance expectations.** Sales onboarding programs enhanced skills such as discovery, presenting, negotiation, and closing a sale. All employees had access to ongoing personal and professional-development opportunities on topics such as emotional intelligence, growth mindset, career development, and digital literacy.

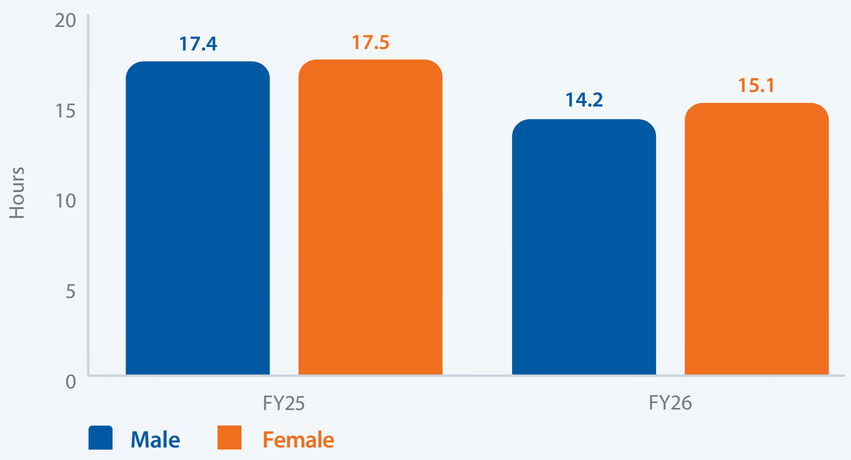
Training has been a pillar of our success throughout our more than 50-year history. From role-specific functional training to professional and personal development, our commitment to continuous learning has earned Paychex a place among the best. **We've been named to Training magazine's Top Training Organizations list 23 consecutive times, and, after four straight years in the MVP Awards Top 10, we earned entry into the Training Hall of Fame – an honor shared by just 16 companies to date.**

207 employees received tuition reimbursement

Average Hours of Training by Job Level in FY26

Job Level	Hours
Individual Contributor	34.0
Sr. Individual Contributor	7.4
Sales	28.8
Supervisor	23.2
Manager	10.4
Sr. Manager	10.4
Sr. Leadership	7.6

Average Training Hours by Gender



Right Way Training

Each year, all Paychex employees complete engaging and informative training focused on conducting business "the right way," **reinforcing our commitment to ethical practices and integrity across our organization**. As an extension of the Paychex Code of Business Ethics and Conduct, the training covers topics such as cybersecurity and identifying malicious software, safeguarding confidential information, acceptable use of AI, avoiding conflicts of interest, and understanding the escalation path for problem resolution, including access to the confidential Paychex Ethics Hotline, hosted by an independent third-party provider.

Workplace Non-Harassment Training

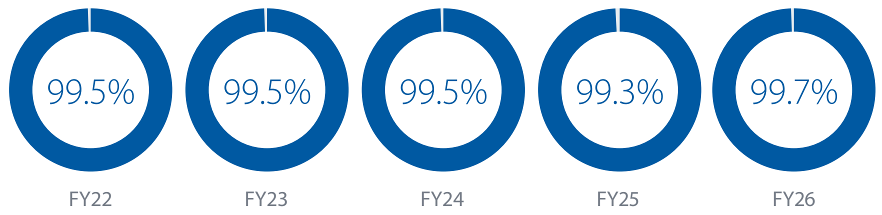
Our Workplace Non-Harassment training provides employees with the knowledge to:

- **Understand** workplace harassment
- **Identify** inappropriate behaviors
- **Prevent** harassment through respectful interactions
- **Respond** by speaking up and using established reporting channels

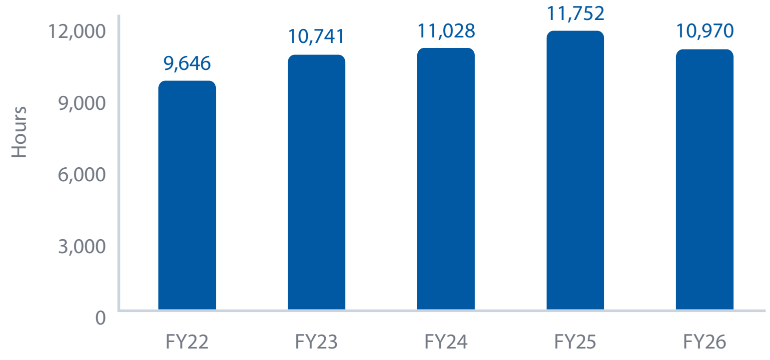
The training features real-world scenarios, best practices for respectful interactions, and the importance of speaking up. Participants receive a refresher on the Paychex Problem-Solving Policy, which outlines how employees can raise concerns with management, and the Non-Harassment and Sexual Harassment Prevention policies. The training also includes foundational tenets of our Belonging & Engagement (BE) program.

Visit Paychex Training & Development to learn more.

Percentage of Employees that Completed the Right Way Training



Total Right Way Employee Training Hours



Total Workplace Non-Harassment Training Hours in FY26

11,456

Percentage of Employees that Completed the Non-Harassment Training in FY26

98.8%

Career Connections Mentoring Program

We believe our people are central to driving innovation, delivering strong business performance, and sustaining our reputation as an employer of choice for both current and prospective talent. We also value the perspectives and experience that employees bring at every career stage and recognize the importance of learning through connection and shared growth. **Our formal mentoring program, Career Connections, supports employees across backgrounds, tenures, and levels by creating opportunities for development, collaboration, and meaningful relationships across the organization.** Through the program, participants strengthen coaching and leadership capabilities, expand their networks, and engage more deeply in our culture. Whether serving as a mentor or mentee, employees benefit from personalized support and opportunities for growth.

In FY26, we expanded Career Connections by launching a Leader-to-Leader Network designed to create a community where people leaders can learn from one another, share experiences, and support each other's growth. The network provides leaders with opportunities to build connections across the organization, exchange insights, and further develop their capabilities while advancing their own careers.

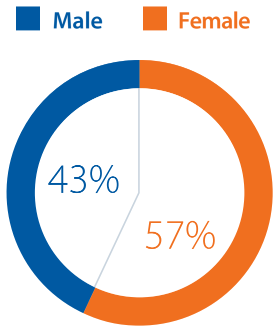
724 Total participants

105.5%* Mentoring engagement rate

98% Satisfaction rate

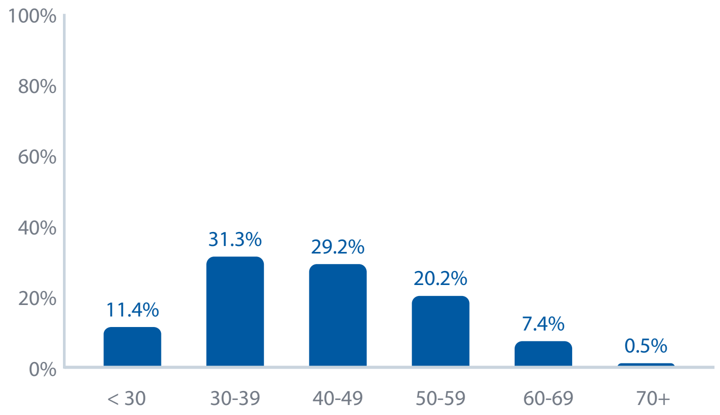
*Mentors can have multiple mentees

Employees by Gender

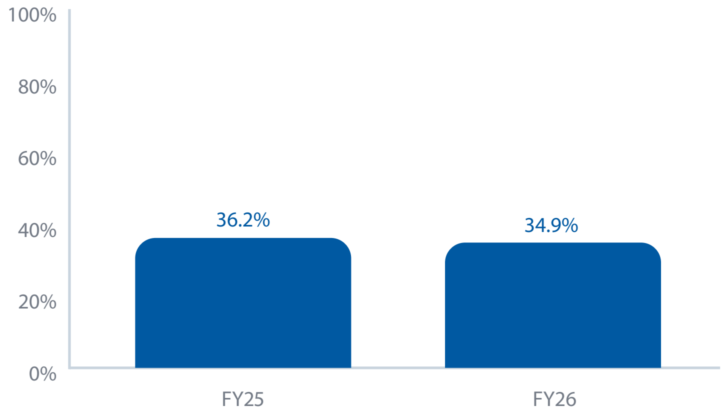


51.9% of people manager roles at Paychex are held by women

% Employees by Age Categories



% Racially Diverse Hires



Performance Feedback

97.2% of active and eligible U.S. employees received a performance review from their manager in FY26.

99.8% of active and eligible U.S. employees received a performance rating in FY26.

Shaping the Culture of our Workforce

This year, Paychex embarked on a company-wide campaign to reinforce our corporate values among leaders across the organization. **Starting with our CEO and his executive officers, every leader in the Company attended a full-day Culture Shaping training session.** These sessions focused on our corporate values, behaviors that fuel growth, the importance of relationships, storytelling as a source of connection, and infusing those cultural values into our daily work.

In February 2026, we began facilitating training sessions across the U.S. and India for all 2,200 leaders in the Company. Participants rated the training at 99% effectiveness.

Occupational Safety

Performance

Paychex leadership is committed to maintaining a safe and healthy workplace environment. Our people are our greatest asset, and their well-being is the reason safety is embedded in everything we do.

All employees are expected to take responsibility for performing their work in accordance with established safety standards and practices.

With our continued focus on employee safety, we experienced no work-related fatalities or catastrophic injuries in FY26. The Paychex Safety and Ergonomics team responded to 346 safety inquiries and observations through our reportable event process. This process empowers employees to identify and correct unsafe conditions or behaviors, escalate safety concerns, and suggest safety improvements. Employees completed self-guided workstation assessments, which resulted in recommended ergonomic adjustments to improve workspace comfort.

Visit Paychex Occupational Safety to learn more.

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

Fiscal year	Number of covered employees as percentage of total work force
FY22	100%
FY23	100%
FY24	100%
FY25	100%
FY26	100%

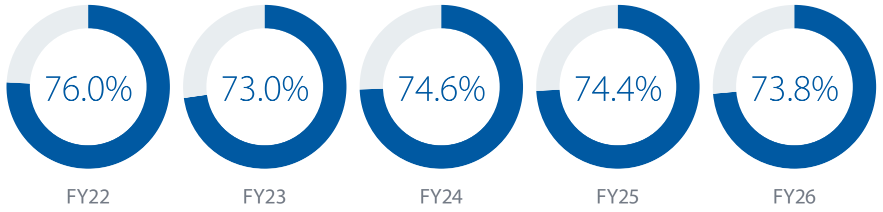
10% reduction

Through the ongoing efforts of our Safety and Ergonomics team, which provides all employees with access to essential safety information, resources, and training materials, together with an increase in employees working from home, we recorded a 10% reduction in reported new workers' compensation claims over the past three years.

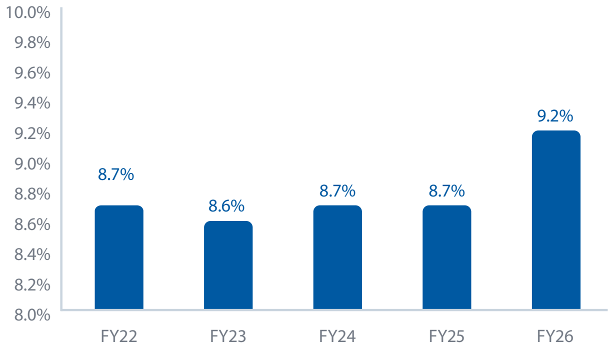
Global Benefits and Well-Being, Total Rewards

Paychex takes a holistic approach to employee well-being by offering comprehensive healthcare coverage, financial benefits like retirement savings with a company match, and a wide range of mental, emotional, and physical resources that provide actionable tools to reduce stress, support overall wellness, and help employees thrive both at work and in life.

Paychex 401(k) Plan Participation



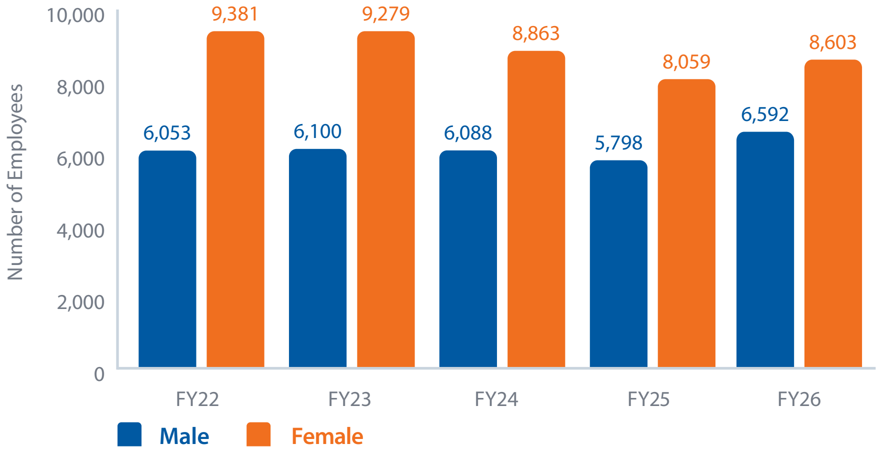
Voluntary Employee Contribution (Average Deferral)



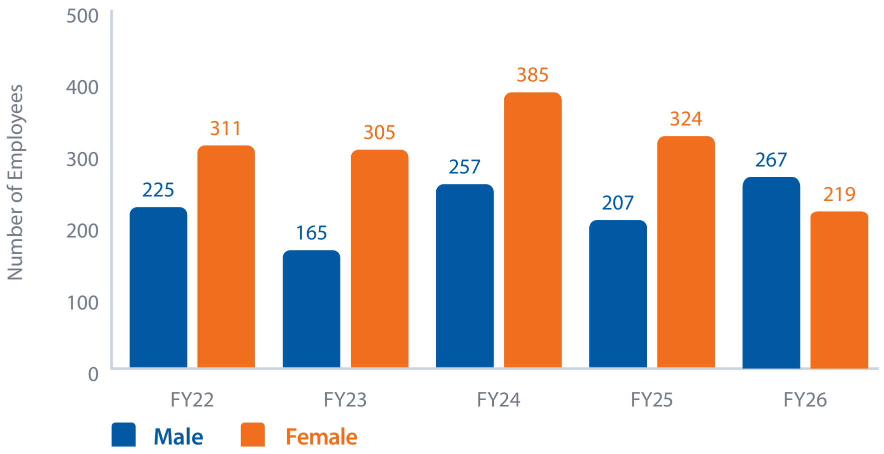
Paid Family Leave

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

U.S. employees entitled to PSPFL*

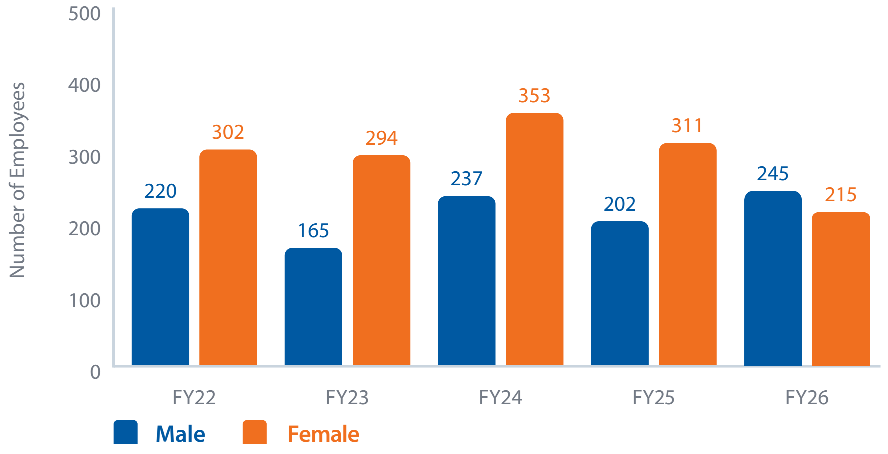


U.S. employees who took PSPFL

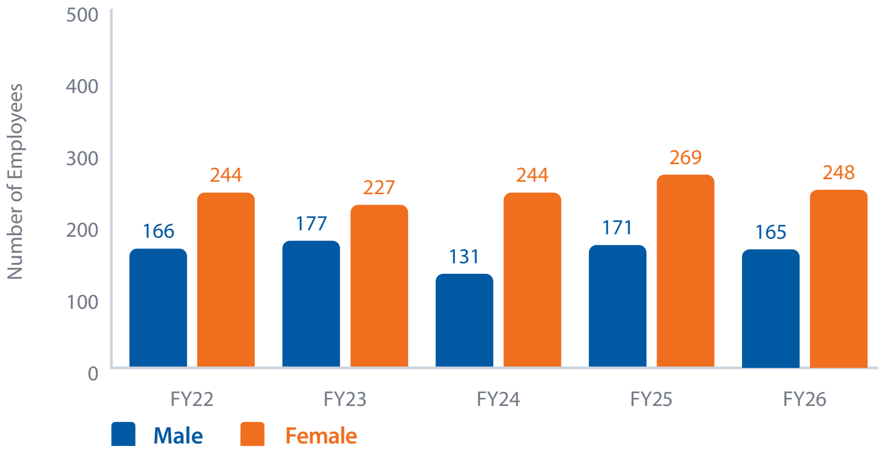


*Full- and part-time employees scheduled to work 20 or more hours per week are eligible for PSPFL.

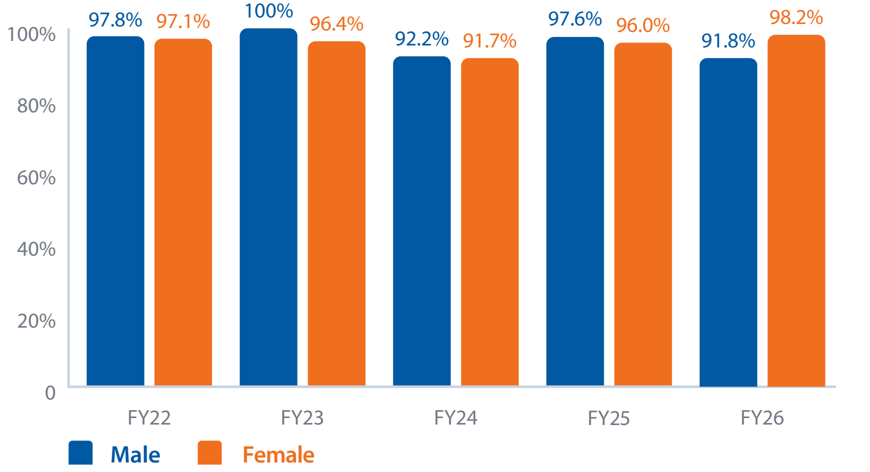
U.S. employees who returned to work after PSPFL ended



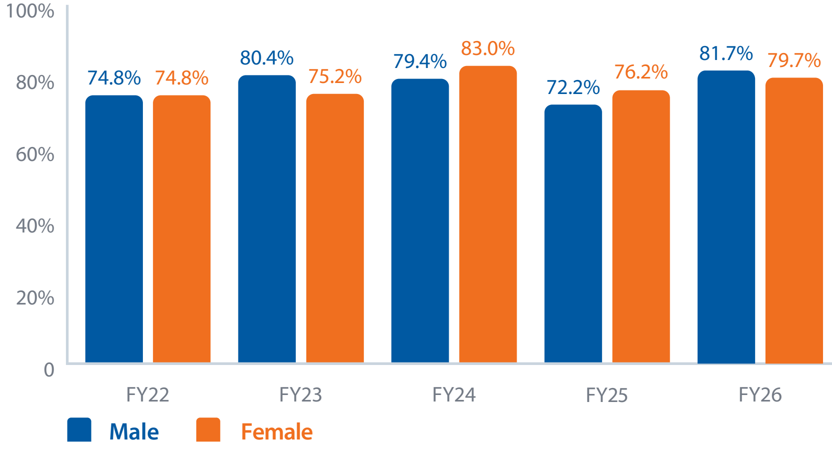
U.S. employees who returned to work after PSPFL ended and were still employed 12 months after their return to work



Return-to-work percentage rate of U.S. employees who took PSPFL



Retention percentage rate* of U.S. employees who took PSPFL



*Retention rate is defined as "employees retained 12 months after returning to work following a period of parental leave".

Supporting Employee Emotional and Mental Well-Being

Paychex takes a proactive approach to supporting employee mental and emotional well-being, with employees in the U.S. and India accessing our Employee Assistance Program ("EAP") at a rate of more than 12% – compared to the 8.03% vendor median utilization – reflecting the trust they place in the resources we provide.

In FY26, an average of **12.5%** of U.S. Paychex employees utilized EAP services and **1.3%** of eligible household members used these services.

A key component of our well-being ecosystem is meQuilibrium, an online resilience training platform that helps users measure and improve their mental and physical health across 17 well-being factors, including sleep, eating habits, physical activity, and stress-related pain protection. The program is introduced during new-hire orientation and promoted during Mental Health Awareness Month and other key touchpoints throughout the year.

Testimonials from our meQuilibrium Users

"I absolutely love the app....I look forward to it every day and it helps me personally and professionally."

"I use meQ because it helps me focus on me and how I can improve myself."

"meQuilibrium really helped me a lot, it is really motivational."

Physical Well-Being

Our investment in award-winning well-being programs demonstrates our commitment to supporting healthy, balanced lifestyles, with thousands of employees participating each year. **In FY26, 32% of employees competed in our walking challenges, averaging 8,480 steps per day.** To encourage participation, Paychex offers quarterly raffles for prizes. Additional offerings include subsidized gym memberships, stress management programs, resiliency training, and personalized health coaching.

Clinics

To promote employee health, Paychex offers annual flu vaccine clinics for employees and their spouses. **In FY26, clinics were hosted in Rochester, NY, and Allentown, PA, two of our largest employee campuses.** The clinics are open to all staff in the region, regardless of whether they typically report to a physical office.

The Paychex Scholarship Program for Children of Employees

253 children of Paychex employees have received more than **$929,500** toward college tuition since the program's inception.

Visit Paychex [Global Benefits and Well-Being, Total Rewards](#) to learn more.

Belonging and Engagement

In FY26, Paychex strengthened its commitment to a personal employee experience by embedding the Belonging and Engagement (BE) team within the Employee Experience and Engagement division of Human Resources. **This integration ensures belonging is intentionally built into every stage of the employee journey and serves as a driver of performance, talent, and culture.**

Through this aligned approach, we foster accountability, collaboration, and a sense of belonging while creating an environment where employees feel supported and motivated to do their best work. In partnership with teams across the Company, this work continues to strengthen engagement, connection, and overall workforce performance.

A key focus this year involved equipping more than 2,000 leaders globally with the skills and expectations needed to champion our culture, grounded in connection, growth, innovation, belonging, and ownership. This reflects our belief that culture is intentionally led and that leadership accountability is critical to ensuring every employee feels valued.

To further advance this work, we launched a comprehensive Employee Listening Strategy informed by our enhanced eNPS survey and a 2026 maturity assessment. This approach enables ongoing insight into employee sentiment and supports data-driven decisions aligned with business priorities.

Together, these efforts reinforce our commitment to continuously improving the employee experience and creating a more connected, engaged, and high-performing workforce.

Belonging and Engagement Priorities

Vision

Foster a culture of intentional connection where every employee feels represented, engaged, and a true sense of belonging; works in alignment with our values, which form the foundation of our culture; and has the support needed to contribute to our shared success.

Mission

Empower and inspire our people to cultivate meaningful connections and partnerships while providing opportunities to learn, grow and develop at Paychex.

Goal

Attract, retain, and engage top talent that reflects the communities and customers we serve by embracing dialogue, seeking to understand others, and serving as mentors, coaches, and sponsors to help create positive experiences for all.

We are committed to increasing partnership with our global workforce and embracing a wide range of perspectives across the Company. By doing so, **we are better equipped to understand and meet the evolving needs of our customers, employees, and communities**. We also expect our leaders to champion an environment where every perspective is respected and all employees feel their ideas and contributions are valued, creating better business outcomes and making Paychex a destination where high-performance talent will remain and grow.

FY26 Initiatives to Operationalize BE at Paychex

We took meaningful steps in FY26 to emphasize the importance of workplace culture and belonging among teams across the organization. The programs, initiatives, and overall strategies we implemented were purposefully designed to strengthen connections across our global offices, enhance leader effectiveness in shaping workplace culture, and provide meaningful opportunities for mentoring, learning, and development.

- **Launched a global culture-shaping program** for people leaders to reinforce our corporate values and our signature "culture power ups," refresher courses on bringing our values to life.
- **Expanded Belonging & Engagement initiatives globally**, beginning with our India offices, to reinforce a shared culture and strengthen connections across our workforce.
- **Advanced our employee-listening strategy** within the employee experience team to translate employee feedback into meaningful improvements to the employee experience.
- **Launched an enhanced quarterly series of BE Signature Events**, building on previous programming to create new opportunities for employees in the U.S. and around the world to connect, learn, and share perspectives.
- **Enhanced our mentorship program**, training, and data reporting to strengthen program effectiveness.
- **Strengthened team development workshops** to deepen collaboration and prepare the workforce of tomorrow.
- **Expanded support through the Paychex Charitable Foundation** for nonprofit organizations that provide critical assistance to the communities we serve.

Strengthening Global Connections Across Paychex

Paychex is strengthening connections between employees in the U.S. and our global offices through a structured, long-term approach to cross-border collaboration, knowledge sharing, and cultural understanding. We launched these efforts in FY26 with our largest global offices and plan to expand them to additional Paychex locations around the world in the coming fiscal year.

Global collaboration benefits our employees by expanding opportunities to build relationships, share knowledge, broaden perspectives, and learn from colleagues across our global organization. These experiences strengthen engagement, support professional development, and reinforce the collaborative culture that drives innovation and long-term business success.

By creating intentional connections across our global workforce, Paychex is helping employees:

- **Build relationships** and expand professional networks across countries and cultures
- **Broaden their perspectives** through cross-cultural collaboration, knowledge sharing, and meaningful learning opportunities
- **Strengthen their connection** to our global workforce while contributing to a collaborative, high-performing culture

As we continue expanding these efforts, we will create even more opportunities for employees around the world to learn from one another, strengthen relationships, and contribute to a connected global organization.

BE Global Signature Events: Cultivating Connection, Culture, and Belonging

In FY26, Paychex launched a refreshed BE Global Signature Events program, delivering three highly attended quarterly experiences focused on helping employees strengthen connections with one another, the business, and our shared culture. Following integration, the series began in August 2025 with **Navigating Change**, equipping employees and leaders with practical tools to adapt, support their teams, and access available resources during periods of transformation.

In November 2025, **Service to Others** celebrated Paychex's commitment to service by highlighting the impact of our Employee Business Resource Groups (EBRGs), the Paychex Charitable Foundation, and employees who go above and beyond for customers, communities, and colleagues.

In March 2026, **A Global Mosaic of Our Culture** brought together employees from around the world to explore cultural intelligence, learn from colleagues in India, Serbia, Denmark, and Germany, and celebrate the diverse experiences that strengthen our global workforce.

- **More than 34% of employees participated** across the three events
- Employee satisfaction exceeded **95% across the series**
- **Employee feedback highlighted stronger connections to the business**, with many employees describing the events as among the best they had attended at Paychex

Visit Paychex Belonging and Engagement to learn more.

Communities

We invest in the communities we serve – helping businesses thrive, creating meaningful charitable impact, and mobilizing employees to make a difference.

Paychex Charitable Foundation

Making a positive impact is core to who we are at Paychex. We strive to enrich the lives of the business owners and employees we serve and to strengthen the communities where we live and work.

In FY26, the Foundation awarded 143 grants totaling $2.95 million, a new record and a 15% increase in giving from the prior fiscal year. **These grants support local organizations in the communities Paychex employees call home, addressing health and wellness, entrepreneurship and education, economic opportunity and workforce development, and community engagement**. The Foundation also supports the charitable initiatives of Paychex employees through matching grants for group fundraising and volunteer efforts.

Visit Paychex [Charitable Foundation] to learn more.

FY26 Paychex Charitable Foundation Giving Impact

143	grants
$2.95M	in giving
15%	increase in giving from FY25

Strategic Giving Initiative Focused on Well-Being

As a leading HCM provider, Paychex has unique insight into the challenges facing businesses and employees, including the growing need to support workforce well-being.

In FY23, the Paychex Charitable Foundation launched a $4 million, four-year initiative to advance mental, physical, and financial health, as well as professional skills development. This investment supports national partners including Mental Health America, Feeding America, Junior Achievement USA, and the National Urban League.

Through this initiative, we are improving well-being in the communities where our employees live and work, while creating meaningful opportunities for employee volunteerism. At the close of FY26, we completed the third year of this grant program, helping connect thousands of individuals to services that support long-term stability and growth.

Strategic Giving Initiative: Three Years of Measurable Impact

MHA Mental Health America

24,841

individuals connected with mental health resources and support

FEEDING AMERICA

1,539,430

meals provided to communities experiencing high rates of food insecurity

Junior Achievement

13,375

students supported through financial literacy education

National Urban League

847,377

hours of comprehensive job-readiness and workforce-development training delivered

Paychex Junior Achievement Discovery Center

In addition to the Paychex Charitable Foundation's $1 million commitment to Junior Achievement USA, **Paychex is proud to be a marquee supporter of the Paychex Junior Achievement Discovery Center**. The Discovery Center helps build financial literacy and workforce readiness for middle and high school students across the Greater Rochester and Finger Lakes region. The immersive experience develops work readiness skills, career awareness, financial self-sufficiency, and entrepreneurial thinking.

In FY26, more than **7,200 students** gained valuable financial literacy skills at the Paychex Junior Achievement Discovery Center. Paychex employees also actively volunteered, contributing more than **300 hours of service**.

Employee Giving and Support of United Way

With approximately 17,600 employees, support of United Way remains one of the most effective ways Paychex delivers local community impact, addressing critical needs through a trusted network of regional organizations.

Our FY26 campaign reached new heights, raising nearly $1.7 million – another record-breaking year. This included nearly $820,000 in employee contributions, along with $875,000 in support through the Paychex Charitable Foundation. These contributions will make a meaningful impact in all the communities where Paychex employees call home.

Our support of United Way is a global priority. **This year, Paychex India donated 5.4 million INR (approximately $52,000) to United Way of Bengaluru**, supporting Anganwadi childcare centers with resources for early childhood education and other community needs.

FY26 United Way Campaign Impact

$1.69M a new giving record

United Way Worldwide Leading Corporate Partner Recognition

This year, for the first time ever, **Paychex was recognized by United Way Worldwide as a Leading Corporate Partner, joining an elite group of just 43 companies globally to earn this distinction**. The recognition celebrates more than just the dollars raised for United Way. It celebrates partner innovation, volunteer power, in-kind support, and more.

$19M Since 2006, Paychex and its employees have given $19 million to United Way Organizations.

Employee Volunteerism and Community Support

At Paychex, we are committed to making a positive impact in the communities where our employees live and work and on the lives of those we serve. To support this, **each employee receives a volunteer benefit day, providing eight hours of paid time off to serve their community.**

Employees engage in a wide range of volunteer efforts, from local service projects and donation drives to fundraisers and team-based initiatives. **Our annual Pay It Forward Day events continue to bring employees together across our strategic employment centers, expanding opportunities to support community partners through hands-on service.**

To further amplify employee impact, the Paychex Charitable Foundation provides matching grants for group volunteer and fundraising efforts. In FY26, more than $40,000 in matching grants supported employee-led initiatives, extending the reach of their contributions in communities across the country.

FY26 Pay It Forward Day Impact

800	Employee Volunteers
4,800	Hours of Volunteer Service

Pay it Forward Hometown Huddle

As part of Pay It Forward Day in Cincinnati, employees partnered with United Way and the Cincinnati Bengals during the Hometown Huddle to enhance a local park, supporting community spaces that serve children and families.

Environment

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

Climate

Environmental Impact

As a technology and software services provider, **our key environmental impacts include greenhouse gas ("GHG") emissions, energy and resource consumption, and waste generation.**

More information about our commitment to environmental management, as well as our interim GHG emissions reduction ambitions can be found here at our website. Paychex has an Environmental Policy that is reviewed annually and updated as necessary.

Net-Zero GHG Emissions by 2050

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

In 2022, we established GHG emissions reduction ambitions for 2030 and 2040, with FY19 as the baseline year. These ambitions reflect our commitment to environmental stewardship. Since setting these climate objectives, we have undertaken initiatives to reduce energy consumption and GHG emissions. This year, Paychex is restating its historical GHG emissions data for FY19-FY25 to include Paycor. The company remains on track to achieve its 2030 interim ambitions for Scope 1 and all Scope 3 categories, with Scope 1 emissions down 27% and each applicable Scope 3 category individually down 58% or more, both measured against the FY19 baseline year. **These efforts support broader actions to mitigate climate change and its impact on the economy, the environment, and communities we live in and serve.** We have not used offsets or Renewable Energy Certificates to achieve these ambitions, relying instead on behavioral change and infrastructure investments.

We currently track year-over-year changes in energy consumption at the building level and, in most cases, conduct month-over-month evaluations. In FY26, we continued refining operational strategies across our portfolio of buildings. We collect trend and interval data from individual pieces of equipment at our owned facilities to evaluate performance, improve operational efficiency, and optimize building operations throughout the day and across the seasons. In addition, **we track progress toward our GHG emissions reduction ambitions and report findings to internal departments and senior management.**

Energy Usage and GHG Reduction

Scope 1 and Scope 2 GHG emissions

We continue to upgrade heating, ventilation, and air conditioning equipment at our data centers and owned facilities with energy-efficient alternatives. We have also adjusted mechanical equipment and lighting schedules to align with building occupancy at 80% of our owned facilities, resulting in further emissions reductions. **We continue to monitor and optimize our building automation system on a weekly basis to improve energy efficiency.**

Scope 3 GHG emissions

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

Our flexible workplace program, introduced in FY22, has decreased the number and frequency of employee commutes. Electric car charging stations are available for employee use at some of our facilities.

We continue to strategically rightsize our physical office footprint. **Since FY21, we have reduced our office footprint by almost half, significantly decreasing our Scope 3 Upstream Leased Assets emissions.** At the end of FY26, 69.7% of our U.S. workforce worked from home on a full-time basis, while another 22.5% commuted into the office only two or three days per week. Only 7.8% of employees now travel to the office every day, reducing fuel costs and commuting-related GHG emissions. All new lease agreements now include provisions to ensure the measurement of energy (electricity and natural gas), water consumption, and waste generation.

We continue to encourage our clients to transition from paper-based products to digital solutions, helping reduce environmental impacts.

Electric car charging stations at some of our facilities encourage our employees to opt for more environmentally friendly rides.

Data Centers

Paychex is committed to reducing our overall environmental impact and GHG emissions by improving the energy efficiency of our data centers, power systems, and cooling mechanisms.

We use a Data Center Infrastructure Monitoring (DCIM) application **to monitor efficiency, distribution, and consumption, and proactively maintain power and cooling systems to conserve energy**. This includes regularly decommissioning and recycling outdated equipment, migrating to energy-efficient, high-density computers, optimizing airflow, and transitioning to LED lighting to improve Power Usage Effectiveness ("PUE") scores.

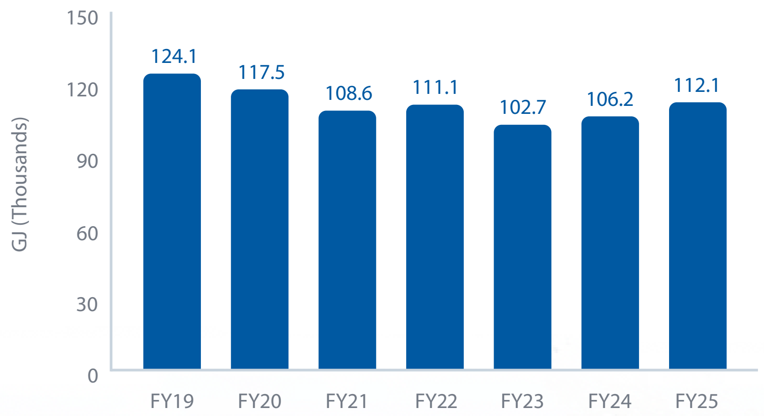
We are also exploring ways to retrofit green technology to further reduce our GHG emissions and improve PUE scores. **The average PUE for our owned data centers was 1.6 in FY26.** We are not currently planning any additional data centers, allowing us to remain focused on optimizing our existing facilities.

Energy Consumption

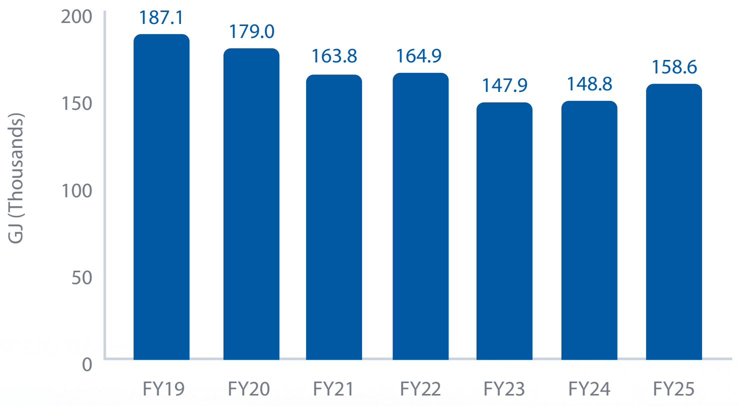
On April 14, 2025, Paychex completed its acquisition of Paycor, Inc. This year, Paychex is restating its historical energy consumption and greenhouse gas emissions data to include Paycor and, going forward, will report these metrics for the prior fiscal year rather than the most recently ended fiscal year. Revenue used for FY25 intensity metrics includes Paycor revenue only from the acquisition closing date through the end of FY25.

The restated FY25 energy* and electricity* intensity ratios were 28.5 GJ/million USD revenue and 20.1 GJ/million USD revenue, respectively. The following figures reflect energy consumption data for our owned facilities and leased colocation data centers.

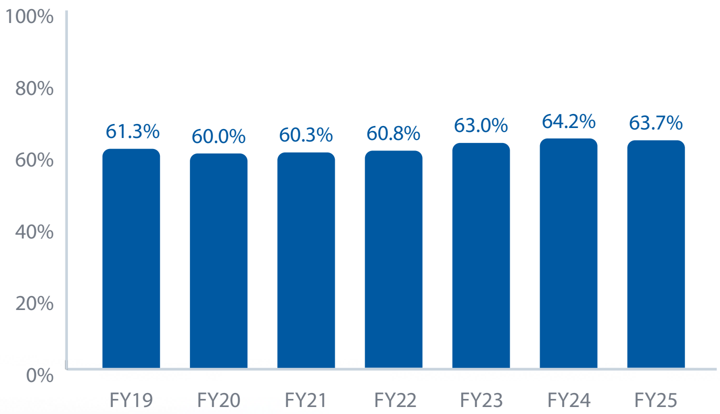
Restated total electrical power consumption within the organization



Restated total energy consumption within the organization



Restated percentage grid electricity consumption within the organization



* Revenue figure used includes Paycor revenue only from the acquisition closing date through the end of FY25. Paychex has not restated the intensity metrics for fiscal years prior to the acquisition, as financial reporting standards do not permit the restatement of historical revenue to include acquired entities. Using only Paychex revenue while incorporating Paycor's energy and electricity consumption would result in artificially inflated intensity values.

Third-Party Verification of GHG Emissions

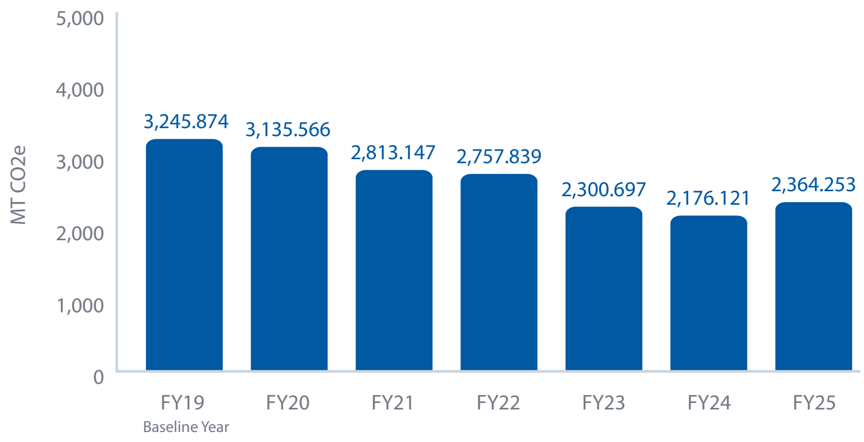
In FY26, Paychex's originally reported FY25 emissions were successfully verified by a third party at a limited assurance level. The verification statement is available here.

GHG Emissions Reporting – Scope 1 and Scope 2

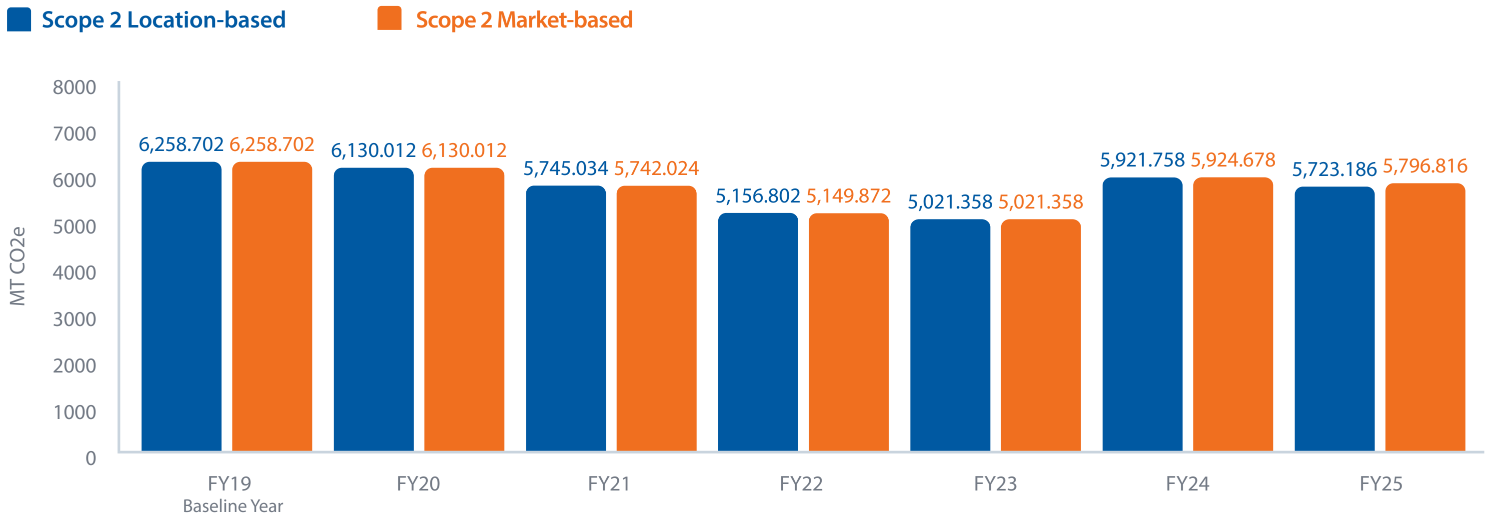
As noted earlier, Paychex is restating its FY19 through FY25 GHG emissions to include Paycor, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Because Paycor began tracking energy usage in FY21 and data was unavailable for one leased data center, the restated emissions are based, in part, on a significant level of estimation. The methodology used to calculate GHG emissions, including estimation approaches, is outlined in the Appendix. FY19 serves as the baseline year. For the baseline year, restated Scope 1 and Scope 2 emissions are 0.3% and 28% higher, respectively, than originally reported. Paychex's restated FY25 Scope 1 emissions increased by only 0.5% due to the inclusion of Paycor's emissions. By contrast, the restatement significantly increased Paychex's FY25 Scope 2 location-based and market-based emissions, resulting in a 29% increase over the amounts originally reported .

Paychex's restated FY25 GHG emissions* intensity is 1.46 MTCO2e/m$ revenue, 18.7% higher than originally reported.

Restated global Scope 1 GHG emissions



Restated global Scope 2 GHG emissions



* Revenue figure used includes Paycor revenue only from the acquisition closing date through the end of FY25. Paychex has not restated the intensity metrics for fiscal years prior to the acquisition, as financial reporting standards do not permit the restatement of historical revenue to include acquired entities. Using only Paychex revenue while incorporating Paycor's GHG emissions would result in artificially inflated intensity values.

GHG Emissions Reporting – Scope 3

Historically, Paychex has reported four relevant Scope 3 categories: Upstream Transportation and Distribution, Business Travel, Employee Commuting, and Upstream Leased Assets. Because Paycor subleases certain leased facilities, Downstream Leased Assets is now also relevant to Paychex's Scope 3 emissions reporting.

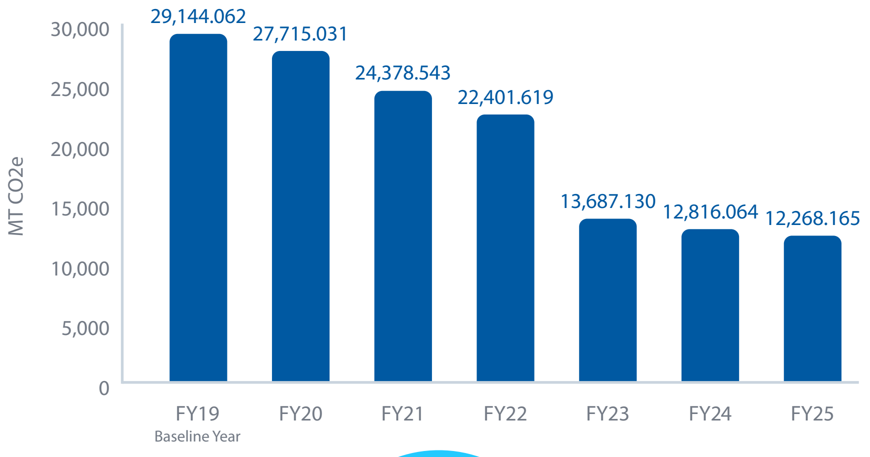
The restatement combining Paychex's and Paycor's GHG emissions significantly increased Paychex's FY19 baseline-year Scope 3 emissions. For the baseline year, restated emissions from Upstream Transportation and Distribution, Business Travel, Employee Commuting, and Upstream Leased Assets are 13%, 6%, 9%, and 8% higher, respectively, than originally reported.

Although Scope 3 Upstream Transportation and Distribution emissions have declined over time, driven by increased client adoption of digital products and services in place of paper-based solutions, restated FY25 emissions for this category are 24% higher than originally reported. Scope 3 Business Travel emissions are 27% higher than originally reported. These emissions include business travel by employees in the U.S. and India offices for all years, and, for FY25, also include business travel by employees in Denmark offices, contributing to a 21% year-over-year increase in reported emissions. Employee Commuting emissions, which in FY25 include commuting by employees in Denmark, Germany, and India offices for the first time, increased by only 1% due to the restatement, as most Paycor employees are remote. The expanded geographic scope contributed to a 91% year-over-year increase in reported Employee Commuting emissions.

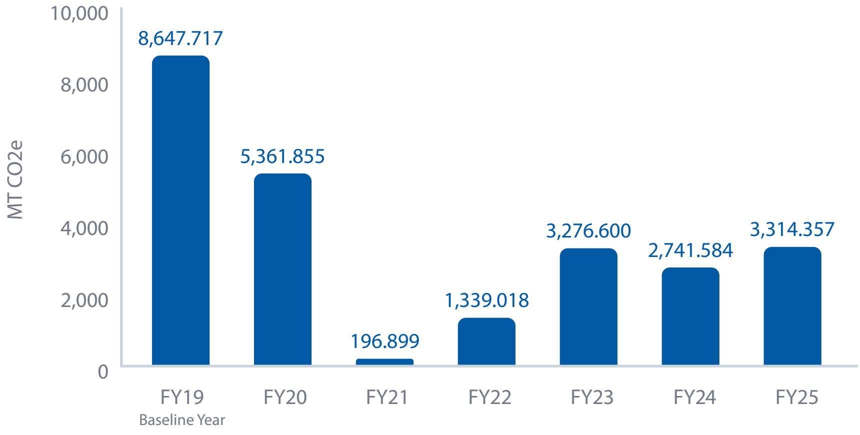
Paycor's facility subleasing activity began in FY21. Accordingly, Scope 3 Downstream Leased Assets emissions are reported for FY21 through FY25 and have increased over time as Paycor has expanded its subleasing activity.

Additional methodological details for reported Scope 3 emissions are provided in the Appendix. While several Scope 3 categories under the GHG Protocol are not applicable to Paychex, we continue to expand our accounting and reporting efforts to include emissions from the remaining relevant categories.

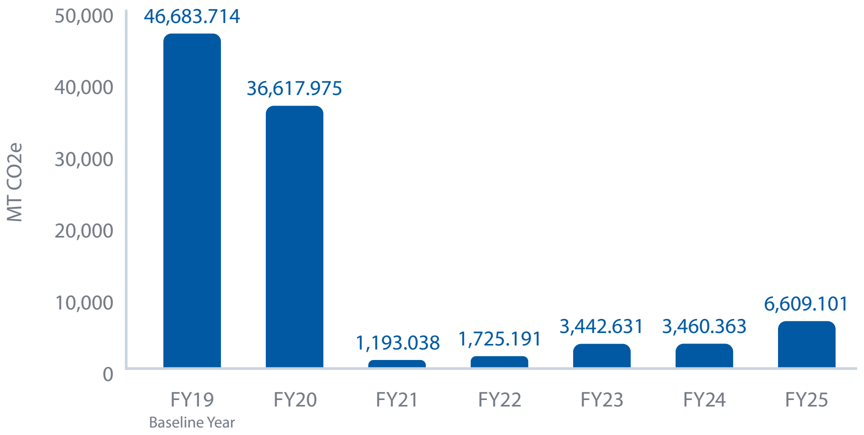
Restated Scope 3 - Upstream Transportation and Distribution



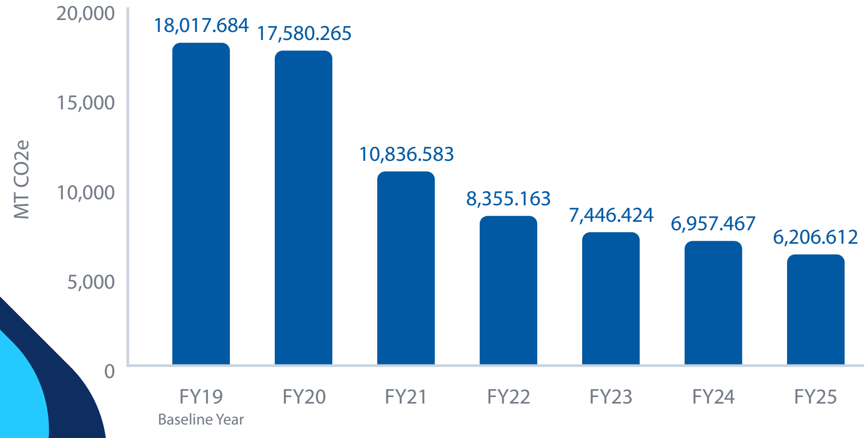
Restated Scope 3 - Business Travel



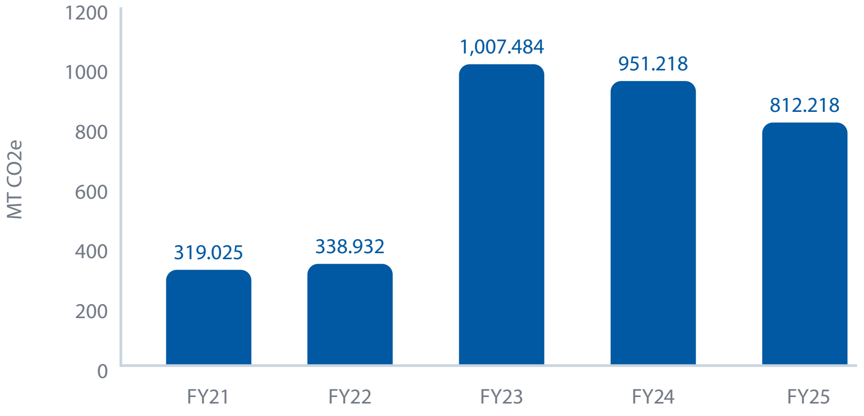
Restated Scope 3 - Employee Commuting



Restated Scope 3 - Upstream Leased Assets



Restated Scope 3 - Downstream Leased Assets



Resource Use

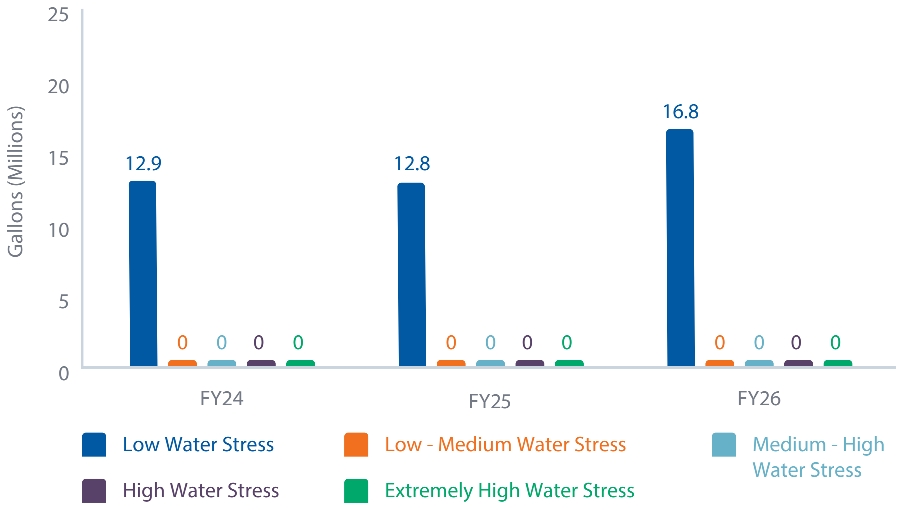
Paper Use

Paychex continues to encourage its customers to transition from paper-based products and services to their digital counterpart. We restrict paper mailings to only those customers who opt into the policy or as required by state and federal regulations. In FY26, 5.8 million W-2s that were traditionally printed and mailed to our customers were delivered electronically. Additionally, in office, we have made every effort to go paperless, avoiding printing hundreds of thousands of sheets of paper.

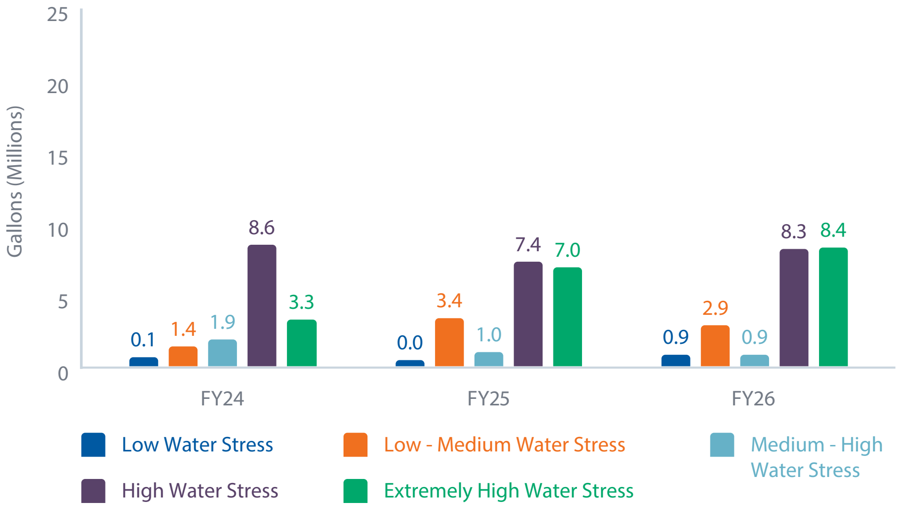
Water Use

We actively track water withdrawal for our owned office facilities, fulfillment centers, and data centers and leased office facilities and fulfillment centers in the U.S., Denmark, India, and Serbia. All our owned data centers use water only for drinking and sanitation purposes. Using the World Resources Institute's ("WRI") Aqueduct Water Risk Atlas, we have performed an assessment of Baseline Water Stress for our owned office facilities, fulfillment centers, and data centers and leased office facilities and fulfillment centers for which we actively track water withdrawal. WRI defines Baseline Water Stress as the ratio of total water demand to available renewable surface and groundwater supplies. The results of the assessment indicate that our owned office facilities and data centers are in areas that have low water stress. One of our leased co-located data centers that uses water for cooling is in a "Medium to High" water stress area and another is in a "High" water stress area; however, those facilities represent only a small portion of our data center infrastructure. Water Withdrawal data is categorized by Baseline Water Stress for our owned facilities, which include offices, fulfillment centers, and data centers, as well as for our leased facilities in the U.S., Denmark, India, and Serbia. Data for the U.S. is included in all fiscal years; Denmark and India were added in FY25, and Serbia was added in FY26. For leased facilities without available FY24, FY25, or FY26 water withdrawal data, water withdrawal was estimated using a per-person factor derived from available water withdrawal data for owned and leased facilities during the corresponding fiscal year. The increase in water usage at owned facilities in FY26 as compared with prior years is due to the activation of irrigation systems across all buildings and the addition of Paycor's facilities and water usage to Paychex's reporting.

Water withdrawal in owned facilities in the U.S. categorized by Baseline Water Stress in the area



Water withdrawal in leased facilities in the U.S., Denmark, and India categorized by Baseline Water Stress in the area



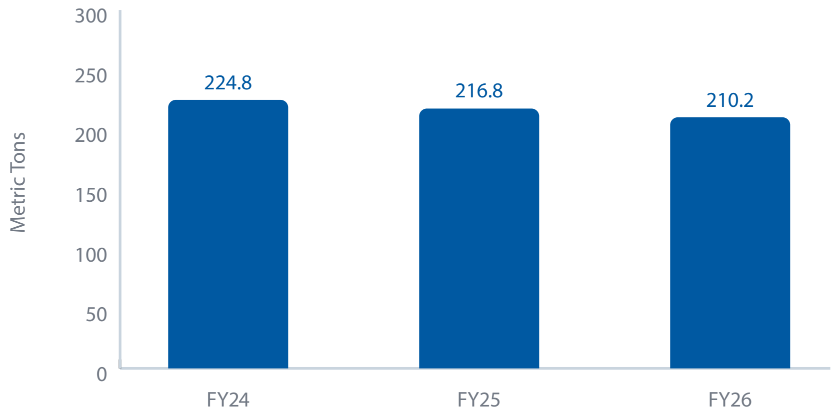
Waste Management

We strive to minimize waste sent to landfills by salvaging a significant portion of equipment and furniture from our decommissioned facilities through reuse, warehousing, recycling, repurposing, or donation. Only a very small percentage ultimately requires landfill disposal.

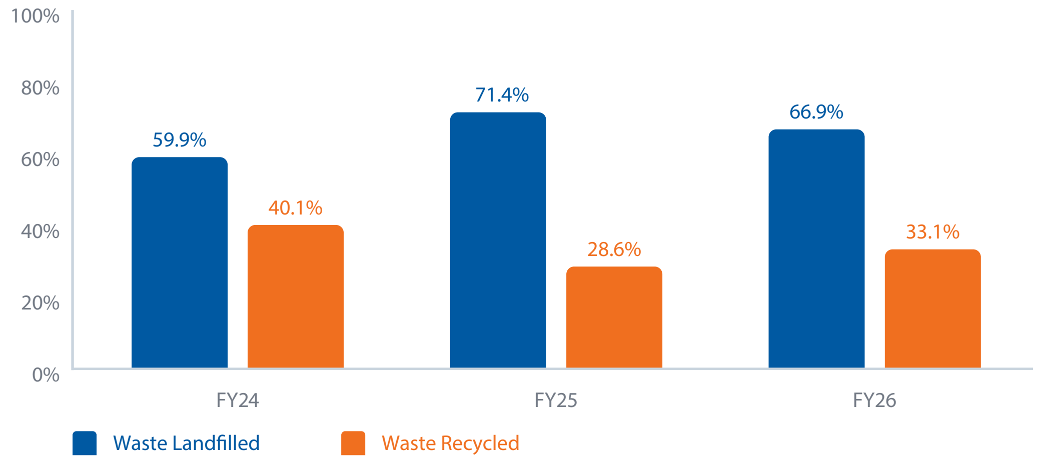
We also partner with a certified electronics recycler to responsibly manage e-waste from our operations. As part of that process, the removal of electronic data follows all necessary guidelines, and our partner manages the waste by resale and recycling. **In FY26, we recycled 39.3 metric tons of electronic waste in our operations in the U.S.**, including capturing 1,950 pounds of toxic metals and reclaiming 10.4 metric tons of valuable and precious metals.

The waste management data presented in the charts does not include the e-waste metric reported here. For leased facilities without available FY24, FY25, or FY26 waste data, total waste generated was estimated using per-person factors for waste landfilled and waste recycled, derived from available waste data for owned and leased facilities during the corresponding fiscal year. For all fiscal years, when facility-specific waste landfilled and waste recycled data were unavailable and recycling services were available locally, waste was assumed to be recycled. More than 70% of the increase in waste generated at leased facilities was driven by the addition of Paycor, primarily due to the construction of a new facility.

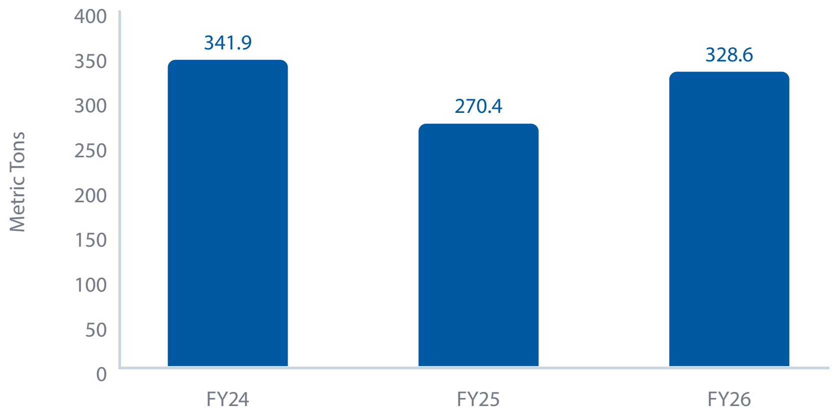
Total waste generated in owned facilities, fulfillment and distribution center in the U.S.



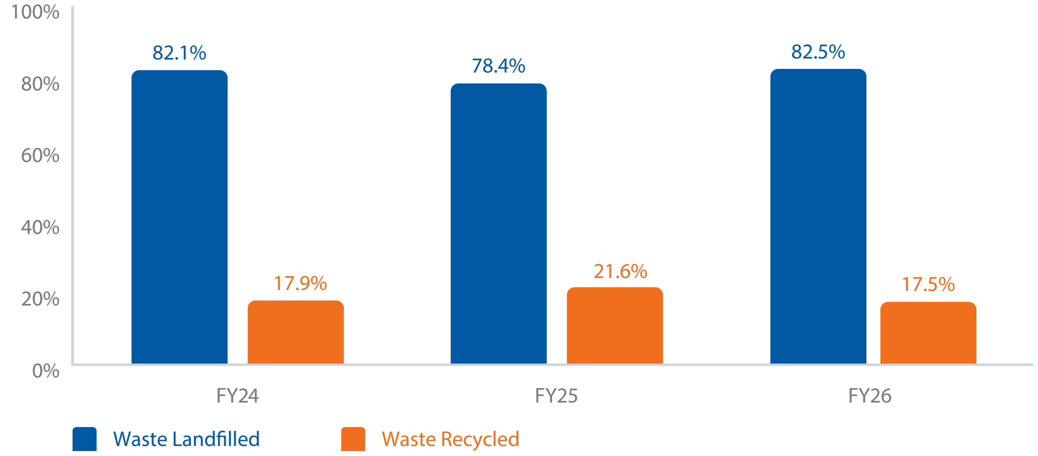
Waste management at owned facilities, fulfillment and distribution center in the U.S.



Total waste generated in leased facilities in the U.S.



Waste management at leased facilities in the U.S.



Appendix

Appendix

Methodology Component	Scope	FY	Details
Reporting Standard	Scope 1	FY19-FY25	Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
	Scope 2	FY19-FY25	Greenhouse Gas Protocol Corporate Accounting and Reporting Standard GHG Protocol Scope 2 Guidance – an amendment to the GHG Protocol Corporate Standard
	Scope 3 – all categories	FY19-FY25	Greenhouse Gas Protocol Corporate Accounting and Reporting Standard Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard
Greenhouse Gases	Scope 1 Scope 2 Scope 3 – all categories	FY19-FY25	Carbon dioxide, methane, and nitrous oxide
Consolidation Approach	Scope 1 Scope 2 Scope 3 – all categories	FY19-FY25	Financial Control, resulting in emissions from leased facilities being reported under Scope 3 Category 8 Upstream Leased Assets
Data Methodology	Scope 1	F19-FY20	Fuel-based with estimations using therm/sq ft factor for Paycor's facilities
		FY21-FY25	Actual fuel data
	Scope 2	FY19-FY20	Fuel-based with estimations using kWh/sq ft factor for Paycor's facilities and relative capacity for leased co-located data centers
		FY21-25	Fuel-based with actual data for office facilities. Estimations using relative capacity for leased co-located data centers

Appendix

Methodology Component	Scope	FY	Details
Data Methodology	Scope 3: Upstream transportation and distribution	FY19	Spend-based with actual data and estimations for part of the FY
		FY20-FY25	Spend-based with actual data
	Scope 3: Employee Commuting	FY19-FY21	Distance-based and fuel-based. Estimations made for Paycor employees using a mile/Employee factor obtained from later year data
		FY22-FY25	Distance-based and fuel-based with actual data
	Scope 3: Upstream Leased Assets	FY19- FY25	Fuel-based and spend-based. Estimations for the former made using kWh/sq ft and therm/sq ft based factors
	Scope 3: Downstream Leased Assets	FY21-FY25	Fuel-based. Estimations made using kWh/sq ft and therm/sq ft based factors
Emissions factors	Scope 1, Scope 2 Location-based	FY19-FY21	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified March 2020)
		FY22	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2022)
		FY23	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2023)
		FY24	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified February 2024)
		FY25	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified January 2025)
	Scope 2 Market-based	FY19-FY21	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified March 2020)
		FY22	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2022)
		FY23	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2023)
		FY24	2023 Green-e® Residual Mix Emissions Rates adjusted to align wih eGRID data used for EPA factors used for location-based method
		FY25	2024 Green-e® Residual Mix Emissions Rates adjusted to align wih eGRID data used for EPA factors used for location-based method

Appendix

Methodology Component	Scope	FY	Details
Emissions factors	Scope 3: Upstream Transportation and Distribution	FY19-FY22	USEEIO Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1, adjusted for inflation
		FY23	USEEIO Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6, adjusted for inflation
		FY24-FY25	USEEIO Supply Chain Greenhouse Gas Emission Factors v1.3, adjusted for inflation
	Scope 3: Business Travel	FY19-FY21	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified March 2020) USEEIO Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1, adjusted for inflation
		FY22	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2022) USEEIO Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1, adjusted for inflation
		FY23	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2023) USEEIO Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6, adjusted for inflation
		FY24	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified February 2024) USEEIO Supply Chain Greenhouse Gas Emission Factors v1.3, adjusted for inflation
		FY25	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified January 2025) USEEIO Supply Chain Greenhouse Gas Emission Factors v1.3, adjusted for inflation CEDA by Watershed, Version 2024 DEFRA GHG Conversion Factors for Company Reporting 2024 Version 1.1
	Scope 3: Employee Commuting	FY19-FY21	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified March 2020)
		FY22	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2022)
		FY23	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2023)

Appendix

Methodology Component	Scope	FY	Details
Emissions factors	Scope 3: Employee Commuting	FY24	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified February 2024)
		FY25	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified January 2025) DEFRA GHG Conversion Factors for Company Reporting 2024 Version 1.1 Denmark Metro 2024 Sustainability Report India GHG Program: India Specific Road Transport Emission Factors 2015 IEA 2020 Emission Factors
	Scope 3: Upstream Leased Assets	FY19-FY21	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified March 2020) IEA 2020 Emission Factors USEEIO Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1, adjusted for inflation DEFRA GHG Conversion Factors for Company Reporting 2020 version 1.0
		FY22	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2022) IEA 2020 Emission Factors USEEIO Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1, adjusted for inflation DEFRA GHG Conversion Factors for Company Reporting 2021 version 2.0
		FY23	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2023) IEA 2020 Emission Factors USEEIO Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6, adjusted for inflation DEFRA GHG Conversion Factors for Company Reporting 2022 version 2.0

Appendix

Methodology Component	Scope	FY	Details
Emissions factors	Scope 3: Upstream Leased Assets	FY24	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified February 2024) IEA 2020 Emission Factors USEEIO Supply Chain Greenhouse Gas Emission Factors v1.3, adjusted for inflation 2023 Green-e® Residual Mix Emissions Rates adjusted to align wih eGRID data used for EPA factors used for location-based method DEFRA GHG Conversion Factors for Company Reporting 2023 version 1.1
		FY25	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified January 2025) IEA 2020 Emission Factors USEEIO Supply Chain Greenhouse Gas Emission Factors v1.3, adjusted for inflation 2024 Green-e® Residual Mix Emissions Rates adjusted to align wih eGRID data used for EPA factors used for location-based method DEFRA GHG Conversion Factors for Company Reporting 2024 version 1.1
	Scope 3: Downstream Leased Assets	FY21	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified March 2020)
		FY22	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2022)
		FY23	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2023)
		FY24	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified February 2024)
		FY25	U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified January 2025)
Global Warming Potential	Scope 1 Scope 2 Scope 3 – all categories	FY19-FY23	IPCC Fourth Assessment Report 100-Year Global Warming Potential
	Scope 1 Scope 2 Scope 3 – all categories	FY24-FY25	IPCC Fifth Assessment Report 100-Year Global Warming Potential

PAYCHEX

We will continue empowering businesses and creating impact – for a better tomorrow.

As Paychex grows, so too does our determination to continue the legacy of doing business the right way. In FY27, we will work with unrivaled dedication to becoming the best version of our Company – the digitally driven HR leader – for our customers, shareholders, employees, and communities.

This report covers Paychex's fiscal year 2026 and provides qualitative and quantitative information on our approach to managing our Corporate Responsibility focus areas. We report on Corporate Responsibility issues that pertain to us through this report and the Paychex Corporate Responsibility website.

This report includes forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, among others, statements that are not historical facts. They provide current expectations or forecasts of future results or events and examples include, among others:

- statements with respect to the beliefs, plans, objectives, and expectations regarding the future compensation plans of the Company and corporate responsibility initiatives and goals of the Company; and
- statements preceded by, followed by, or that include the words "aim," "ambition," "anticipate," "believe," "could," "design," "estimate," "continue," "drive," "expect," "focus," "objective," "opportunity" "goal," "intend," "may," "plan," "potential," "project," "seek," "should," "strategy," "strive," "target," "will," "would," and other similar words or phrases.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to known and unknown uncertainties, risks, changes in circumstances, and other factors that are difficult to predict, many of which are outside our control. Our actual performance and outcomes, including without limitation, our actual results and financial condition, may differ materially from those indicated in or suggested by the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. For a discussion of some of the risks and important factors that could cause actual results to differ from such forward-looking statements, please see the risks and other factors detailed from time to time in our most recent periodic reports on Form 10-K and Form 10-Q and other filings with the Securities and Exchange Commission ("SEC"). Except as required by law, we undertake no obligation to update these forward-looking statements after the date of this report to reflect events or circumstances after such date, or to reflect the occurrence of unanticipated events.

This report was prepared with reference to the GRI Standards and follows the Sustainability Accounting Board Standards (SASB) for Software & IT Services industry. GRI used: GRI 1: Foundation 2021. The GRI and SASB Indices can be found on our Corporate Responsibility website. Information about our Company can be found through our submissions to the CDP (formerly Carbon Disclosure Project), in our annual and quarterly reports and our proxy statement on file with the U.S. Securities and Exchange Commission, and on the Paychex Investor Relations website. Links and references included throughout the report provide direction on where to find additional information. Data in this report reflect estimates using methodologies and assumptions, which may change in the future as a result of new information or subsequent developments. Statements regarding the Company's future direction and intent are subject to change or withdrawal without notice and represent goals and objectives only.