

2025 Corporate Responsibility Report

June 1, 2024 - May 31, 2025
Fiscal Year 2025

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This report is for Paychex and its controlled affiliates (collectively, “Paychex” or the “Company”) for fiscal year 2025 (June 1, 2024, to May 31, 2025) (“FY25”). Unless otherwise noted, metrics included in this report pertain to United States (U.S.) operations only and do not include Paycor HCM, Inc. which was acquired by Paychex in FY25, with the exception of references to the number of Company employees and the number of clients, which represent global counts for both Paychex and Paycor.

A Letter from the President and CEO

At Paychex, our story began in 1971 with a simple but powerful purpose: to help businesses succeed. More than fifty years later, that purpose continues to guide us – fueling the work we do to support entrepreneurs and business leaders, strengthen local economies, and build healthier, more resilient communities.

Our commitment to doing business the right way began with our founder, Tom Golisano, and a revolutionary payroll offering to address the unmet needs of small businesses. That offering has evolved into a full suite of technology and advisory solutions designed to meet the needs of today's workforce. Doing business the right way endures a half-century later through the values that our employees live every day: Integrity, Partnership, Accountability, Respect, Innovation, and Service. These principles shape how we serve our clients, how we support each other, and how we engage with the world around us.

Corporate responsibility is woven into the fabric of Paychex. It is championed by our employees, guided by a cross-functional Corporate Responsibility Steering Committee and overseen at the board level. This ensures that sustainability, governance, and citizenship are not separate, isolated initiatives, but integral to how we operate and make decisions at every level of the organization.

Our purpose is defined not only by what we do, but by how we do it. By supporting our clients, investing in our people, and strengthening our communities, we have earned recognition as one of the world's most ethical and innovative companies, and as one of the best places to work. These honors reflect the collective commitment of our employees to exceed the expectations of our many stakeholders while upholding the highest standards in everything we do.

The environment in which businesses operate today is changing at an unprecedented pace – whether because of technological innovation, competitive pressures, or evolving regulations. Paychex has embraced this challenge by focusing on what matters most:

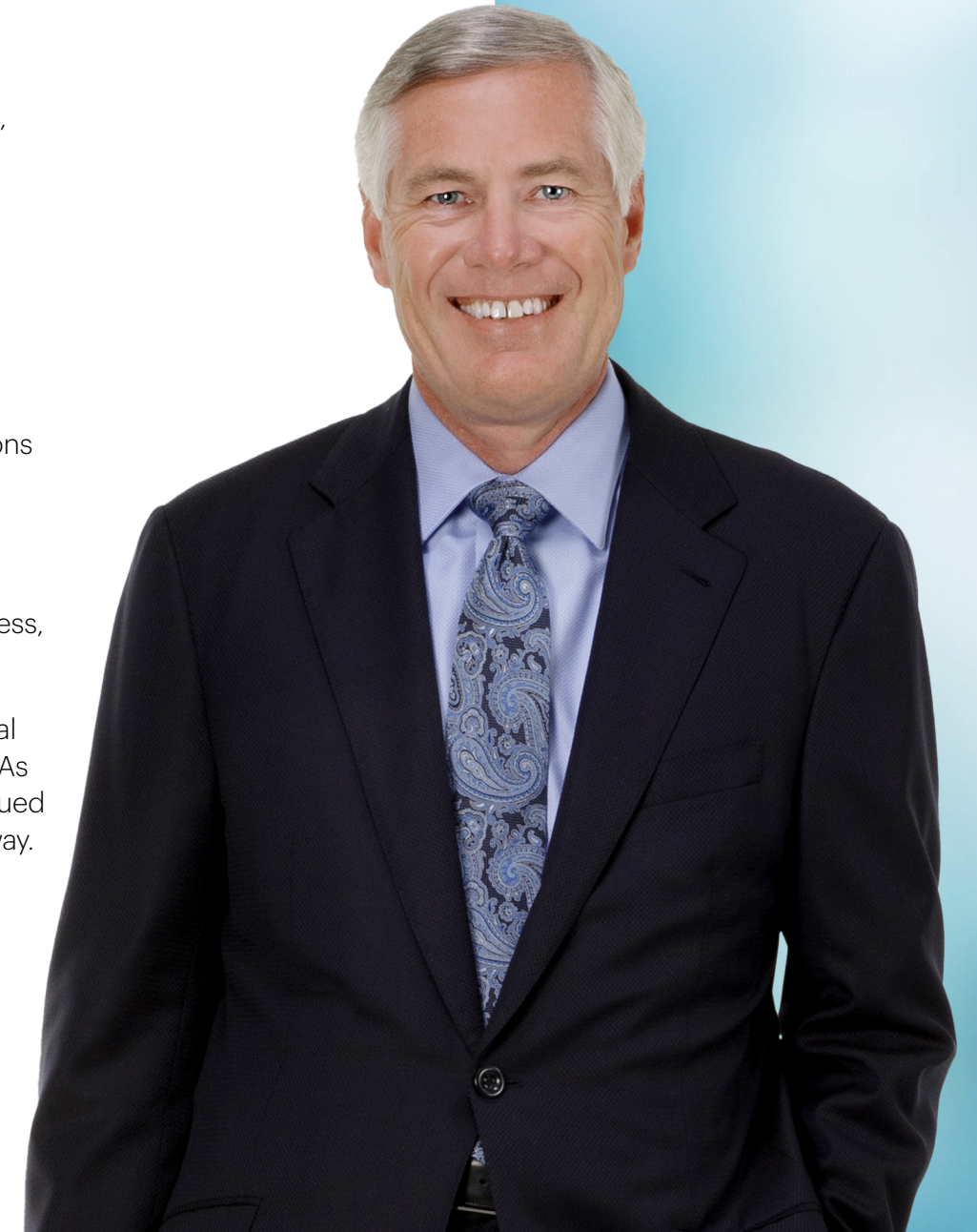
helping our clients adapt and thrive in an increasingly complex and competitive landscape. By combining our industry-leading technology with an unwavering dedication to customer success, we empower businesses to meet today's challenges while preparing for tomorrow's opportunities.

In early 2025, we marked a historic milestone by welcoming Paycor to the Paychex family. This pairing expanded our ability to deliver on our purpose of helping businesses succeed, which further increased the impact we have on our communities. Together, we proudly launched the "Pay It Forward" initiative, uniting our teams in service to dozens of community organizations in Cincinnati, Rochester, and beyond.

As we grow, so does our responsibility to be good corporate citizens. We take this responsibility very seriously. As a result, we continue to set clear and specific objectives, measure our progress, and report transparently on our performance.

Supporting businesses and communities has always been central to who we are, and our ability to do so has never been stronger. As you read this report, I hope you will see the impact of our continued commitment to our purpose and always doing business the right way.

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



Creating A Meaningful Impact ... The Right Way A Letter from the Chief Ethics Officer

Paychex values are the foundation upon which we pursue our purpose: helping businesses succeed. We lead with Integrity, thrive through Partnership, hold ourselves Accountable to the highest standards, Respect our peers and clients, take pride in our industry-leading Innovation, and remain steadfast in delivering exceptional Service to the many constituencies and stakeholders we serve.

In every endeavor, our aim is simple yet unwavering – to do the right thing, the right way.

This commitment to integrity has earned Paychex the rare distinction of being named one of the “World’s Most Ethical Companies” by Ethisphere 17 times. This recognition is not merely an accolade; it is a reflection of our deeply held belief that ethical business practices are inseparable from sustainable success.

Our ethical principles extend beyond our own operations. Through active engagement with lawmakers at every level of government, we advocate for fair, balanced legislation on behalf of businesses that may not have a voice in the process. In doing so, we gain valuable insights into the evolving regulatory environment – insights that we share with our clients through company-hosted webinars, videos, and podcasts, empowering them to navigate complexity with confidence.

Our commitment to communities is equally resolute. In 2025, the Paychex Charitable Foundation awarded \$2.5 million in grants, advancing strategic initiatives in physical, emotional, financial, and professional well-being, including continued support for Mental Health America, Feeding America, Junior Achievement USA, and the National Urban League.

Our partnership with United Way reached new heights, raising approximately \$1.5 million for United Way organizations across the U.S. through combined employee contributions and foundation gifts. In India, giving to United Way of Bengaluru nearly doubled to approximately \$50,000.

Volunteerism also flourished across our organization. Through our inaugural Pay It Forward Day, nearly 1,000 employees across Cincinnati and Rochester came together for a full day of community service, dedicating their time and talent to more than 50 local organizations. This is on top of the dozens of community service opportunities our employees demonstrated their commitment to throughout the year, with each employee receiving eight hours of paid volunteer time annually.

As we look ahead, our focus remains unwavering: to create meaningful impact for our clients, to strengthen the communities where we live and work, and to foster a culture where every employee can thrive.



Prabha Sipi Bhandari

Chief Legal Officer, Chief Ethics Officer and Secretary
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 clients, our employees, our shareholders, and people in our communities. In return, our stakeholders have helped drive our success.



Our **clients**

fuel our purpose.



Our **people**

power our business.



Our **shareholders**

share in our success.



Our **communities**

benefit from 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 clients 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 clients 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 clients, partners, and fellow employees.

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

We drive innovation in our products and services to meet our clients’ evolving needs and create lasting value for investors.

Champions in Action

Nearly 7% 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 what matters most to them. Their feedback helps us deliver better products and services for our clients, provide fulfilling careers for our employees, and create shareholder value year after year.

Stakeholder Group	Clients	People	Shareholders	Communities
How We Engage	We help approximately 800,000 clients succeed across the U.S. and parts of Europe. Engaging with them through incoming and outgoing client service, email, our product portal and app, social media, and client surveys. We also have robust partnerships with accounting and banking professionals, financial advisors, franchises, insurance brokers, and national associations, with whom we engage through dedicated service and relationship teams, platforms, webinars, communications, industry groups, and conferences.	Paychex keeps its approximately 19,000 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 with our biannual Employee Experience Survey, pulse surveys, leader forums, Q&A sessions, Employee Business Resource Groups, and our Ethics Hotline.	Paychex maintains regular, transparent communication with its shareholders. Our Investor Relations 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 shareholder feedback and are committed to ongoing engagement. For example, in FY25, we held formal discussions with shareholders on corporate governance and other key shareholder priorities.	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 (HCM) 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 full suite of technology and advisory solutions designed to meet the needs of today's workforce. Driven by this enduring commitment, we are helping businesses succeed and empowering leaders with the most comprehensive, flexible, and innovative HCM solutions for organizations of all sizes and across all segments.

Paychex has long been an advocate for businesses of all sizes – from startups to corporations – by anticipating client needs with innovative solutions and support. Our connectivity to people, data, and expertise is game-changing because it unlocks unprecedented operational insights, empowering leaders to achieve extraordinary business results. By providing more choice, more expertise, and more flexibility, we are reimagining how companies address the needs of today's workforce.

With a full spectrum of Human Resources (HR) advisory and employee solutions, we serve approximately 800,000 clients and pay 1 in 11 private-sector U.S. employees. Our cutting-edge digital solutions, deep HR expertise, and powerful data analytics are what set us apart in an increasingly competitive landscape, and we couldn't be more proud to support the businesses that are powering our local communities and the economy at large.



Corporate Governance and Ethics

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



Corporate Governance

We believe that 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 and improving the Company's ongoing Corporate Responsibility activities and performance.

Management-level Oversight of Corporate Responsibility

Corporate responsibility efforts at Paychex are overseen by the 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 Corporate Responsibility Steering Committee ('the Committee') is to assist Senior Management in the development and sustenance 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 FY25 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 fuels our performance and the results we deliver. While we are proud of our progress in governance, we remain committed to continuous improvement.

Paychex is included in FTSE4GOOD Index Series.



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 (on a scale of AAA-CCC)



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.

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Throughout FY25, Paychex maintained a Prime Corporate ESG Performance rating by ISS ESG and has since November 2023.



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 19,000 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 FY25, we celebrated our 17th appearance on the 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. Few companies worldwide have earned this distinction 17 times. The values and principles that helped earn us this ongoing recognition are the same ones that drive our client 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 FY25.



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 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 FY25, 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:

- Electronic Filing at the IRS
- Health Care
- FSA / HSA enhancements / ICHRA codification

We disclose the issues on which we have lobbied on behalf of our clients in our publicly available quarterly Form LD-2 filings. For FY25, these included:

- H.R. 1** – The One Big Beautiful Bill Act
- 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.
- S. 1840** – The RISE 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

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 clients and employees is a top priority. We follow robust security protocols designed to protect both personal and account-related data.

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 yearly 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 2025 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 approach to third-party risk management. Vendors 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 clients in accordance with individual state and federal regulations. In FY25, we incurred no monetary or other losses related to legal proceedings concerning user privacy.

Our average FY25 BitSight Security Rating was industry-leading

750*

*Out of 900, considered an advanced rating.

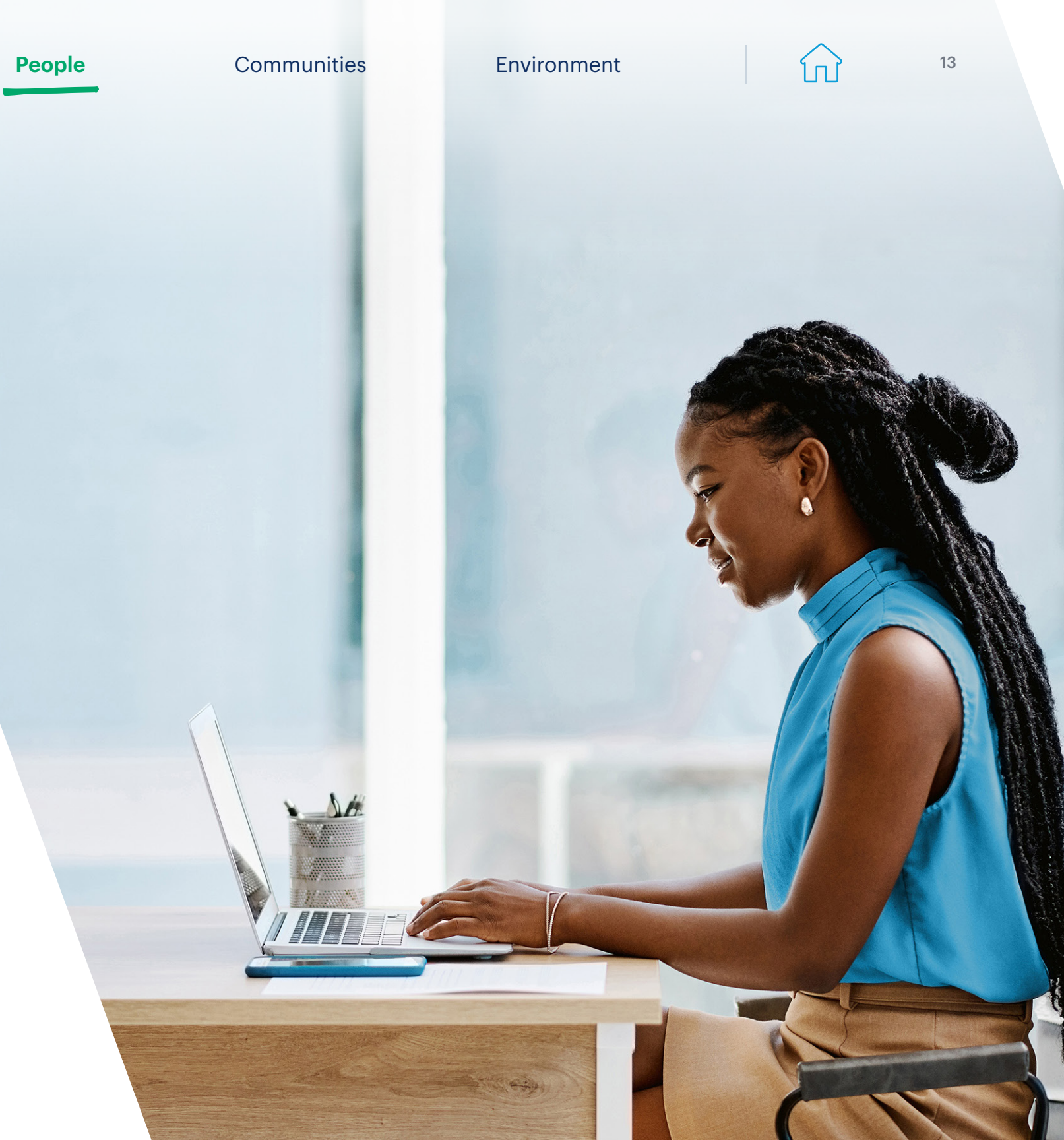


In FY25 we achieved ISO/IEC 27001 certification



People

We foster a dynamic work environment where employees are empowered through professional development, inclusivity, safety, and wellness, while offering competitive rewards that drive both personal growth and shared success with our clients.



Training and Development

World Class Training

In FY25, Paychex delivered over 4,300 workforce training, skills 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.

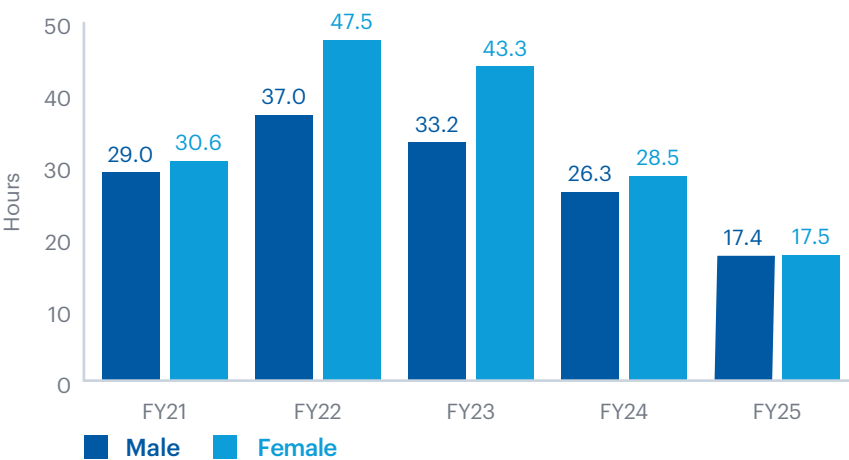
Training has been a pillar of our success throughout our more than 50-year history. From role-specific functional training to professional and personal development, our commitment to continuous learning has earned Paychex a place among the best. We’ve been named to *Training* magazine’s Top Training 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.



Average Hours of Training by Job Level in FY25

Job Level	Hours
Individual Contributor	19.8
Sr. Individual Contributor	5.3
Sales	24.8
Supervisor	11.6
Manager	10.6
Sr. Manager	5.7
Sr. Leadership	4.5

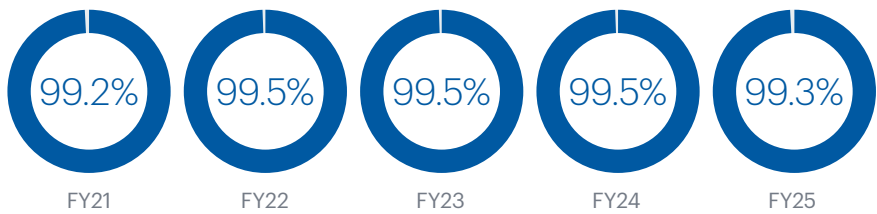
Average Training Hours by Gender



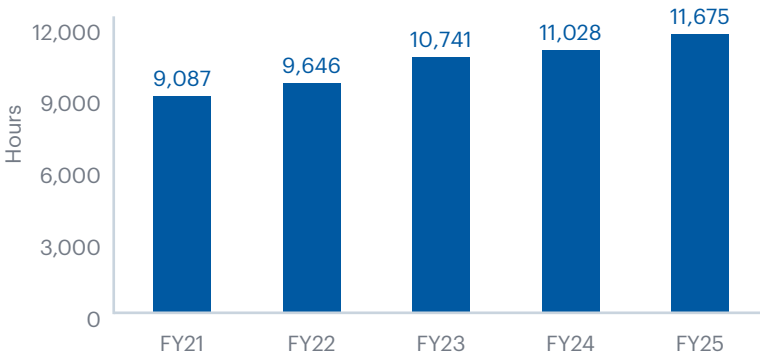
Right Way Training

Each year, all Paychex employees complete engaging and informative training focused on conducting business “the right way,” reinforcing our commitment to ethical practices and conducting business with 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, 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.

Percentage of Employees that Completed the Right Way Training



Total Right Way Employee Training Hours



Workplace Non-Harassment Training

Our Workplace Non-Harassment training provides employees with the knowledge to understand, identify, prevent, and respond to harassment in the workplace. The training features real-world scenarios, best practices for respectful interactions, and the importance of speaking up. Participants are refreshed 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.

Total Workplace Non-Harassment Training Hours in FY25

13,041

Percentage of Employees that Completed the Non-Harassment Training in FY25

98.3%

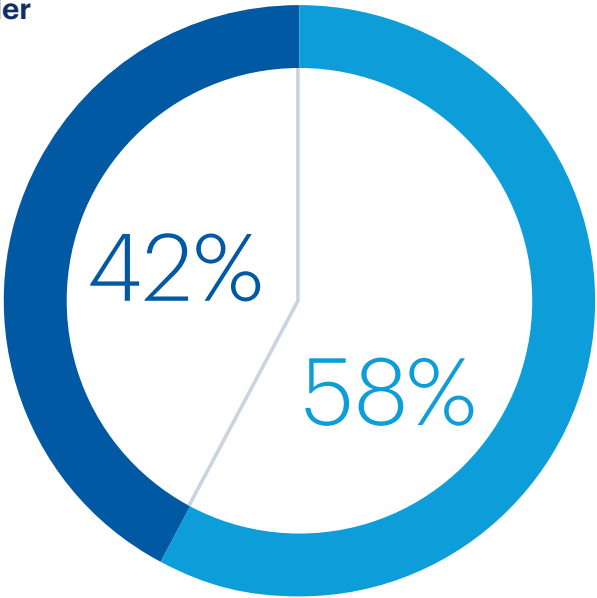


Career Connections Mentoring Program

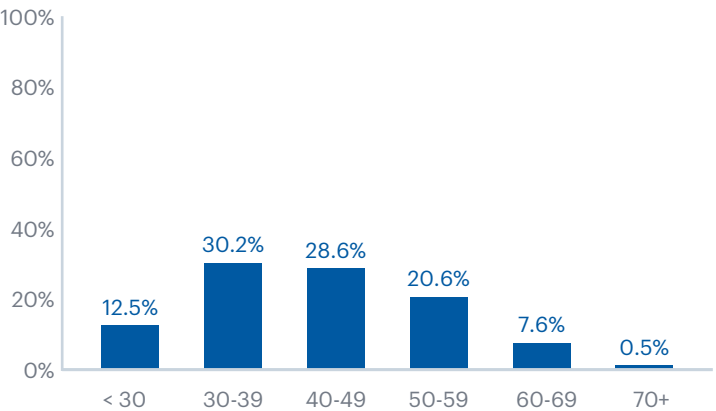
We believe in powering human potential, because attracting and retaining top talent, driving business performance, and being an employer of choice are essential to the success of both Paychex and our clients. We recognize the unique value of wisdom shared across generations of professionals. Our formal mentoring program, Career Connections, is intended to foster personal and professional growth and is available to employees from all backgrounds, tenures, and career stages. This robust program provides opportunities to build coaching and leadership skills, enhance connections across the organization, and engage with our BE initiatives. Whether learning something new or serving as a mentor, participants experience meaningful development and benefit from personalized guidance from seasoned leaders. Retention rates among program participants continue to outperform those of non-participants, highlighting its value as a driver of engagement and development.

Employees by Gender

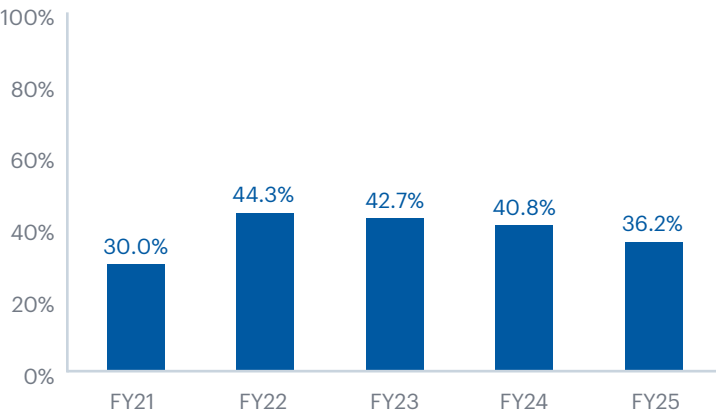
Male Female



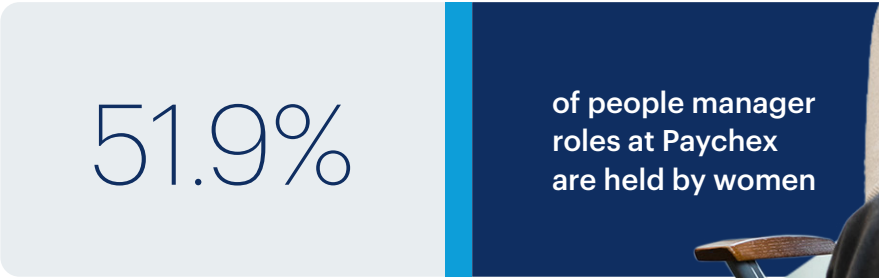
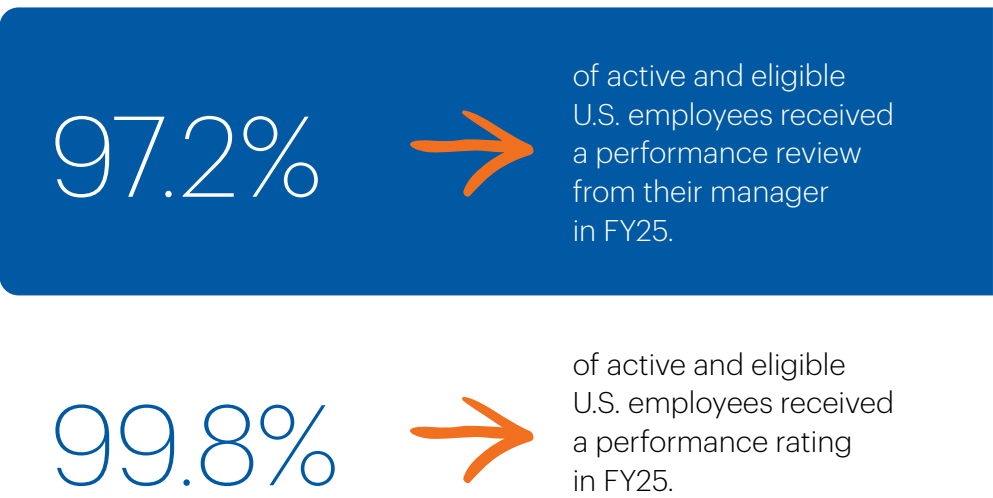
% Employees by Age Categories



% Racially Diverse Hires



Performance Feedback



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 FY25. The Paychex Safety and Ergonomics team responded to 460 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. 316 employees completed the self-guided workstation assessment, resulting in recommended ergonomic adjustments to improve workspace comfort.

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
FY21	100%
FY22	100%
FY23	100%
FY24	100%
FY25	100%



17% reduction

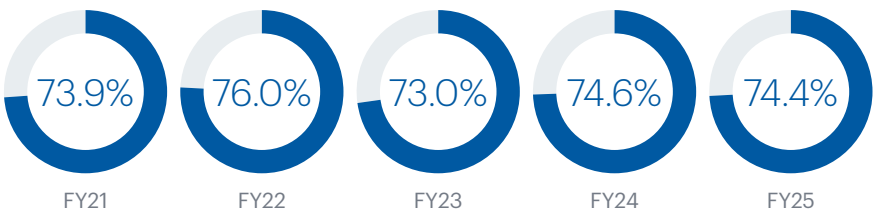
Through the ongoing efforts of our Safety and Ergonomics team in providing all employees with access to essential safety information, resources, and training material, in addition to the increase of employees working from home, we've achieved a 17% reduction in reported new workers' compensation claims 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.

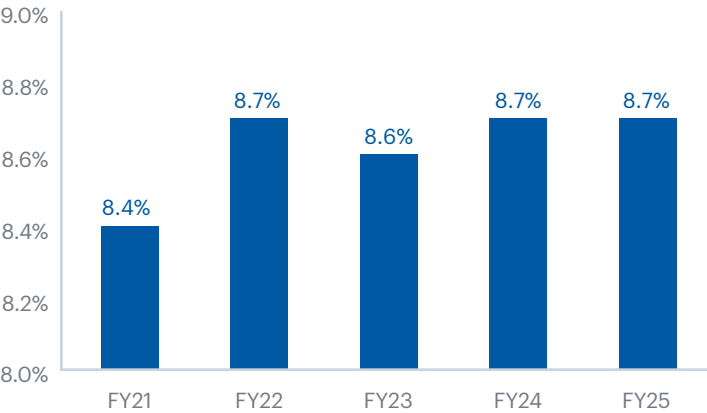
Paychex 401(k) Plan Participation



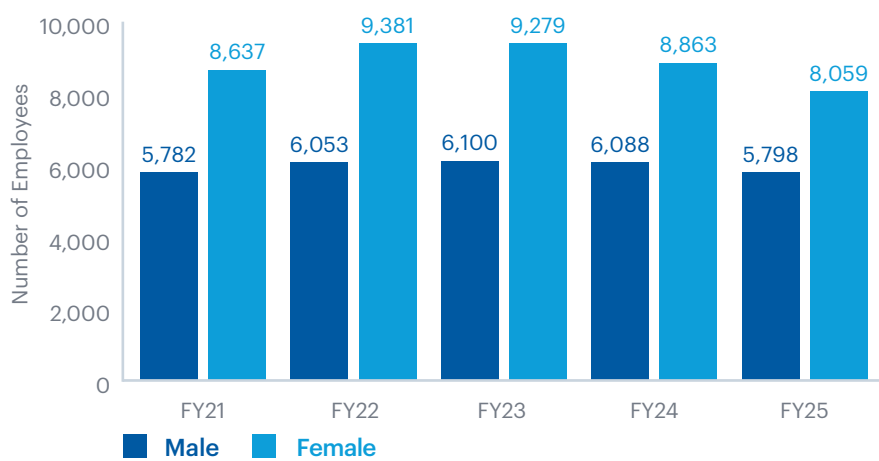
Paid Family Leave

The Paychex Supplemental Paid Family Leave (“PSPFL”) program provides paid time off for employees taking approved Family and Medical Leave Act (FMLA) time for baby bonding, caring for a sick family member, or for military-related leave. This company-provided benefit is offset by any state or local benefits an employee is eligible to receive.

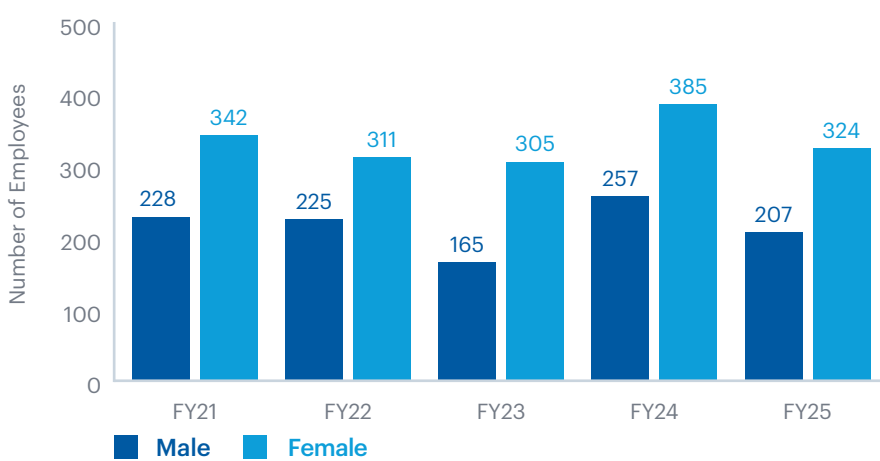
Voluntary Employee Contribution (Average Deferral)



U.S. employees entitled to PSPFL*



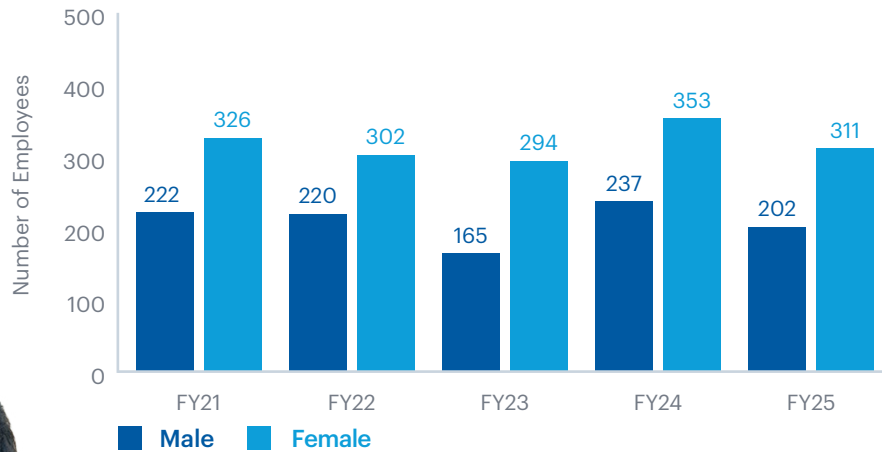
U.S. employees who took PSPFL



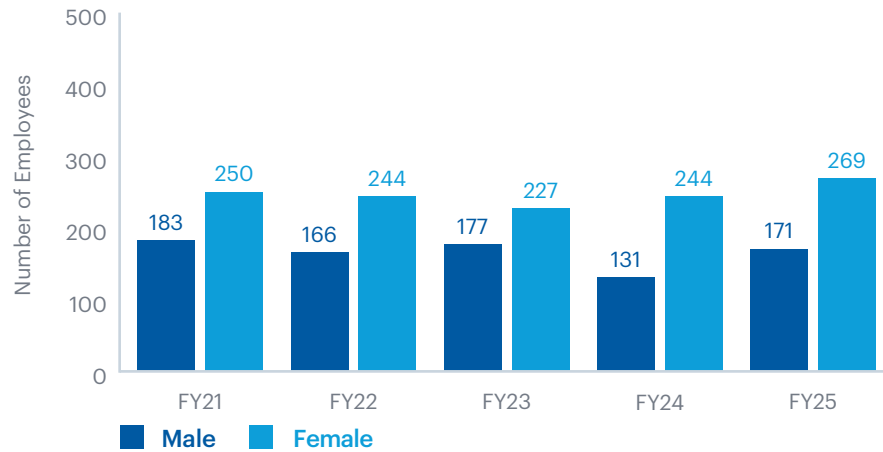
*Full- and part-time employees scheduled to work 20 or more hours per week are eligible for PSPFL.



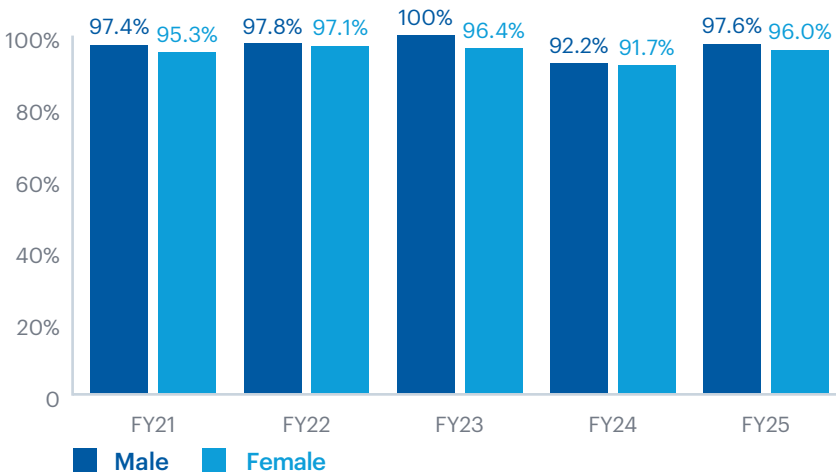
U.S. employees who returned to work after PSPFL ended



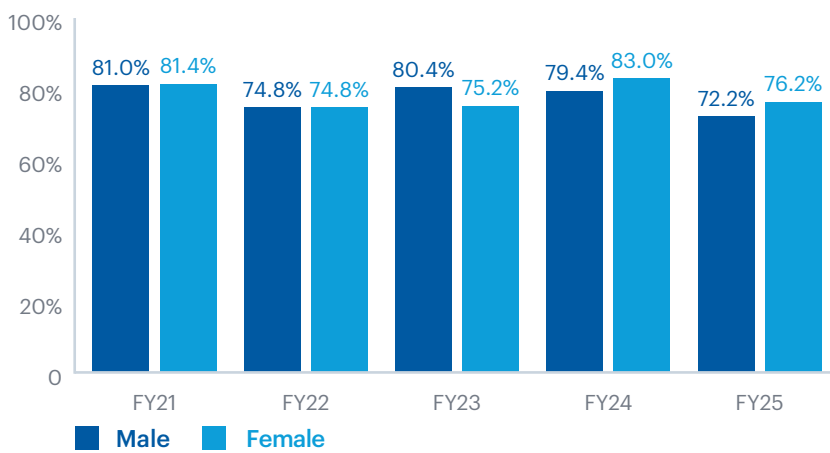
U.S. employees who returned to work after PSPFL ended and were still employed 12 months after their return to work



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 offers 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 14% – more than twice the 6.8% vendor median utilization – reflecting the trust they place in the resources we provide.



In FY25, an average of **14.4%** of U.S. Paychex employees and **1.5%** of eligible household members utilized EAP 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.

In alignment with National Suicide Awareness Month, all U.S. Paychex leaders were enrolled in suicide awareness training. This initiative, which had a 91% completion rate in FY25, equipped leaders with the knowledge to recognize warning signs and confidently connect team members to resources, reinforcing our belief that support can make a meaningful difference.

In FY25, we also launched the Employee Financial Hardship Relief Grant Circle, a Paychex community-funded pool of emergency financial support available to employees facing unexpected hardships.

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 FY25, 20% of employees competed in our walking challenges, averaging 8,474 steps per day. To encourage participation, Paychex offers a one-time subsidy for a new Fitbit device to each employee. Additional offerings include stress management programs, resiliency training, and personalized health coaching.



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.”

Clinics

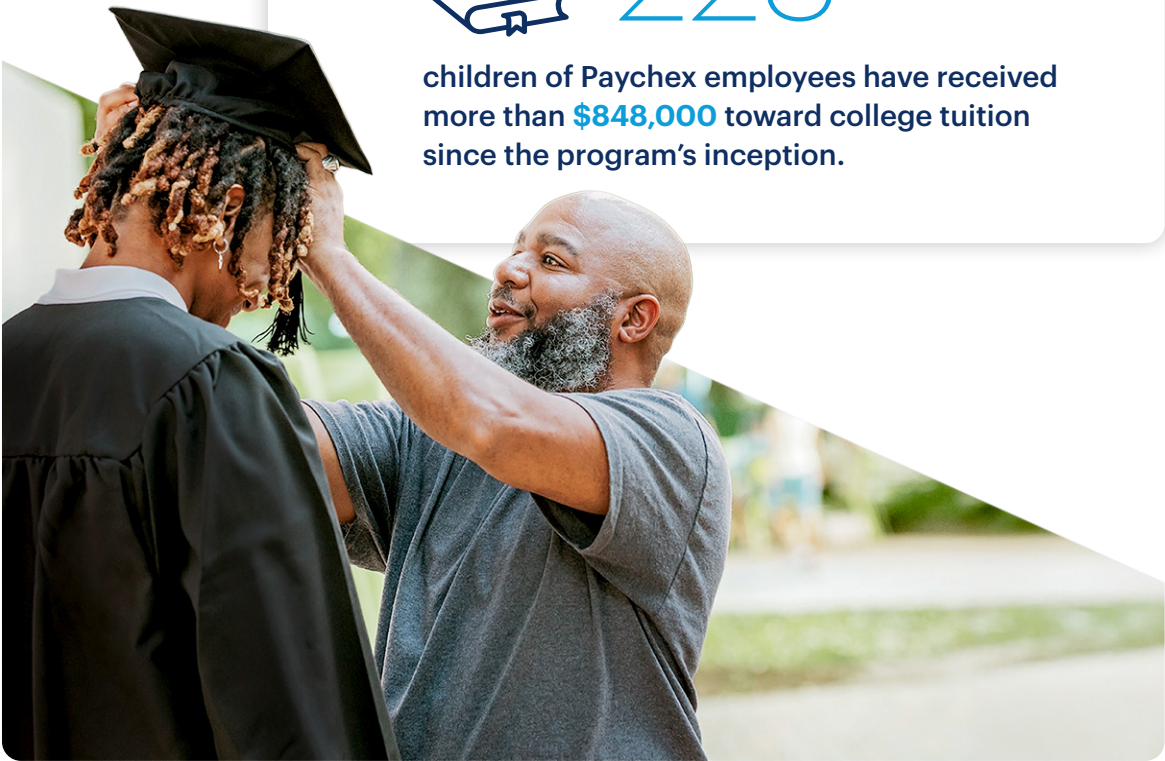
To promote employee health, Paychex offers annual flu vaccine clinics for employees and their spouses. In FY25, clinics were hosted in Rochester, NY, and Allentown, PA, two of our largest employee campuses. We open the clinics to all staff in the region, regardless of whether they typically report to a physical office.

The Paychex Scholarship Program for Children of Employees



228

children of Paychex employees have received more than **\$848,000** toward college tuition since the program’s inception.





Belonging and Engagement

We believe that when our people feel fully engaged and have a genuine sense of belonging, it creates the energy and innovation that propels Paychex forward. By actively seeking out and valuing differing perspectives, we encourage collaboration across unique backgrounds, skill sets, and experiences, strengthening our ability to attract and retain top talent. Most importantly, we strive to foster an environment where everyone is empowered to bring their authentic selves to work.

Belonging & Engagement (BE) is more than just a cultural cornerstone at Paychex – it is a strategic driver of performance and talent. We believe it not only improves outcomes for our business and stakeholders but also enhances our reputation as an employer of choice. Our continued efforts have strengthened the collaboration between our BE team, the broader Human Resources department, and all functions across the Company, building a more connected, engaged, and high-performing workforce.

We recognize this journey is not about reaching a final destination but about continuously improving and identifying opportunities to do better. We believe every individual – across our Company, our clients, and in our communities – has a role to play.

Our commitment to BE is intentional and essential. It’s a responsibility we embrace on behalf of our employees, clients, and stakeholders. With leadership engagement at both the Board and management levels, we remain focused on creating a work environment where everyone can thrive.

Our Priorities: People First



In the summer of 2024, we embarked on a journey to launch our BE program. While BE stands for belonging and engagement, it also draws inspiration from our enduring “Be Paychex” core values. Through this program, we aim to drive industry-leading performance while fostering an inclusive culture where all opinions are welcome, and every employee feels their voice and contributions are valued.”

Priti Sadler
Director, Belonging & Engagement

Our Vision

Foster a culture of intentional inclusion where every employee feels represented and engaged, experiences a sense of belonging unmatched in their career, works in alignment with our values that form the cornerstones of our culture, and has equal access and opportunity to learn, grow, and thrive.

Our Mission

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

Our Goal

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

We are committed to maintaining representation in 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 clients, employees, and communities. We also expect our leaders to champion an environment where differences of opinion are 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.

FY25 Initiatives to Operationalize BE at Paychex

We took meaningful steps in FY25 to embed BE more deeply into the fabric of our Company. These efforts helped operationalize our strategy through targeted actions that strengthen our culture and extend our impact beyond the workplace.



Partnered with our social media team to create an operationalized model for celebrating our employee and client communities.



Developed sponsorship, pathway, and intern conversion programs to enhance top talent pipelines.



Continued to optimize our mentorship program, training, and data reporting to drive improved performance.



Initiated a culture-shaping training program for all people leaders across the Company.



Continued support through the Paychex Charitable Foundation for nonprofit organizations that provide critical aid to the communities we serve.



Advanced leadership development programs to amplify and power the workforce of tomorrow.

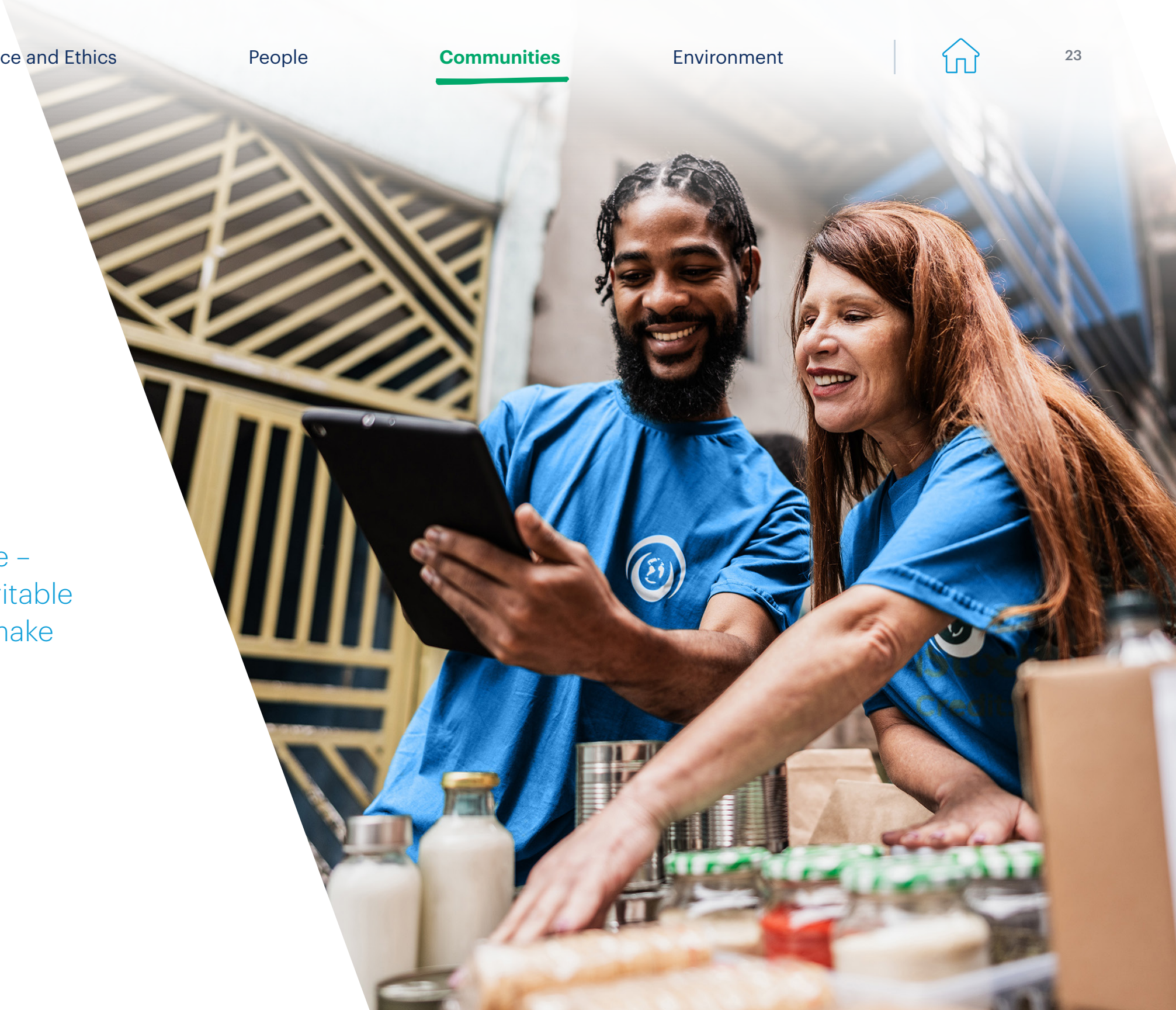
FY25 Recruiting Initiatives

We continued strengthening our talent pipelines by partnering with a variety of colleges to support entry-level hiring and internships across functions such as Sales, Product Development, and IT. To promote a premier employer brand, we launched a national LinkedIn marketing campaign that generated over 100,000 impressions and attracted a multidimensional applicant pool. We also collaborated with local workforce organizations to increase brand visibility and engagement through job fairs, networking events, and other recruiting initiatives.



Communities

We invest in the communities we serve – helping businesses thrive, driving 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.

The spirit of giving has long been part of our corporate identity, inspired by the philanthropic example set by our founder, Tom Golisano. His legacy of generosity continues to shape our culture and guide our efforts to create meaningful change.

That is why, in 2014, we established the Paychex Charitable Foundation (the “Foundation”). Through the Foundation, we provide funding to programs that create lasting value in the communities our employees call home.



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

In FY25, the Foundation awarded 120 grants totaling \$2.5 million*, a new record and an 8% increase in giving from the prior fiscal year.



FY25 Paychex Charitable Foundation Giving Impact

120	grants
\$2.5M	in giving*
8%	increase in giving from FY24

*Includes a \$350,000 donation to United Way of Greater Cincinnati made in conjunction with the successful completion of the Paycor acquisition.

Strategic Giving Initiative Focused on Well-Being

As an industry-leading HCM company, Paychex has a unique vantage point into the challenges facing American businesses and workers. We use those insights to direct funding where we see the greatest need.





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

Recognizing this critical need, the Foundation took a bold step forward in FY23 to support well-being in our communities. As part of our strategic initiative focused on well-being, we announced \$4 million in grants – distributed over four years – to national organizations leading efforts to address mental health, physical health, financial health, and professional skills development. Our partners include Mental Health America, Feeding America, Junior Achievement USA, and the National Urban League.

This sustained funding helps improve health and well-being in the communities where our employees live and work, including Rochester, New York; Phoenix, Arizona; Tampa and St. Petersburg, Florida; Lehigh Valley, Pennsylvania; Baton Rouge, Louisiana; and other communities across the country.

Paychex has also created opportunities to involve our employees, combining the financial support of the Foundation with the volunteer commitment of our network of approximately 19,000 employees. At the close of FY25, we completed the second full year of our grant cycle, helping connect thousands of individuals in our communities with essential services that directly support our well-being and empowerment goals.

Strategic Giving Initiative Year-Two Impact

	13,289 individuals connected with resources to access mental healthcare and support.
	570,167 meals provided to communities with high rates of food insecurity.
	4,593 students supported with financial literacy education, along with work, career readiness, and entrepreneurship training.
	355,000 hours of comprehensive job and workforce development training provided to secure or enhance employment.

Paychex Junior Achievement Discovery Center

The Paychex Junior Achievement Discovery Center (the Discovery Center) celebrated a successful first full year, improving the financial literacy and workforce readiness of 7,000 students across the Greater Rochester and Finger Lakes Region of New York.



Designed to engage middle and high schoolers, the immersive student experience helps develop work readiness skills, career awareness, financial self-sufficiency, and entrepreneurial thinking.



This year, **114 Paychex volunteers** donated more than **684 hours of volunteer time** serving students at the Discovery Center.

The investment in the Discovery Center is in addition to the Foundation’s \$1 million pledge to Junior Achievement USA as part of our strategic giving initiative focused on well-being.

Employee Giving and Support of United Way

With approximately 19,000 employees, our support of United Way helps deliver local impact in the communities our employees call home, addressing critical needs through a trusted network of regional organizations.

The spirit of #PaychexCares – our Company’s commitment to giving back – reached new heights during our FY25 campaign, raising more than \$1.47 million, a new record for our annual campaign. This included more than \$769,000* in employee giving and \$700,000 in corporate support through the Foundation.

On the other side of the globe, Paychex India donated 4.31 million INR (approximately \$50,000) to United Way of Bengaluru, nearly double last year’s contribution. The donation supported three Anganwadi childcare centers, providing materials and resources for early childhood education and other community needs.



FY25 United Way Campaign Impact



\$18M

Since 2006, Paychex and its employees have given \$18 million to United Way Organizations.

Expanding our Community Impact to Cincinnati

Cincinnati is now officially one of our strategic employment centers and continues to be the home of Paycor. Demonstrating our commitment to supporting both our newest employees and their communities, we announced a major FY25 gift of \$350,000 to United Way of Greater Cincinnati, made through the Foundation. We also committed an additional \$100,000 in donations to charities nominated and selected by Paycor employees. With a long-standing tradition of community engagement, Paycor associates have consistently shown their dedication to giving back, and we’re proud to help amplify the impact of their efforts.



*Includes gifts from both Paychex and Paycor employees.

Employee Volunteerism and Community Support

Wherever our employees are, their caring spirit shines brightly. Whether participating in volunteer events or supporting a cause championed by a colleague, our people consistently step up. To further encourage this commitment, each employee receives a volunteer benefit day with eight hours of paid time off to serve their community.

This spring, we hosted our first-ever Pay It Forward Day in which employees participated in community service projects across two of our strategic employment centers: Rochester and Cincinnati. Nearly 1,000 employees donated approximately 6,000 hours of service, supporting projects across 55 organizations.



This spring, we hosted our first-ever **Pay It Forward Day**

At our offices across the U.S. and around the world, we also regularly give back through food and clothing drives, charity walks, fundraisers, and more.

When teams come together to support their communities, whether through group volunteer efforts or fundraising activities, their efforts are eligible for a matching grant from the Foundation to maximize the impact of those efforts. Nearly \$40,000 in community service matching grants were awarded by the Foundation in FY25.



FY25 Pay It Forward Day Impact



Disaster Giving

When natural disasters impact our communities, Paychex responds. In FY25, the Foundation donated \$125,000 to support relief efforts for disasters affecting our employees, including Hurricanes Debby, Helene, and Milton, as well as the Los Angeles wildfires. In response to the wildfires, our LA sales team volunteered at the Los Angeles Regional Food Bank, stepping up for their community in a time of need.



Environment

We are committed to managing our environmental impact.



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 responsible environmental management and our GHG emissions reduction targets are available on our [website](#).



Paychex also 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 targets for 2030 and 2040, with FY19 as the baseline year. [These targets](#) reflect our commitment to progress. Since setting these sustainability objectives, we have undertaken initiatives to reduce energy consumption and GHG emissions. These efforts support broader actions to mitigate climate change and its impact on the economy, the environment, and communities.



We currently track year-over-year changes in energy consumption at the building level and, in most cases, conduct month-over-month evaluations. In FY25, we enhanced this approach by adding quarterly evaluations of total energy consumption to better identify high-impact, energy-saving initiatives and implement them at other facilities. We began collecting trend and interval data on individual pieces of equipment to evaluate performance to gain insights into how buildings operate throughout the day and across the seasons. In addition, we track progress toward our GHG emissions reduction targets 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 mechanical equipment at our data centers and owned facilities with energy-efficient alternatives and have nearly completed the transition to LED lighting across our facilities. 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.



Electric car charging stations are available at some of our facilities.

Scope 3 GHG Emissions

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

Since our FY19 baseline year, we have reduced business travel miles by 74% by replacing in-person meetings with video conferencing, which continues to reduce Scope 3 Business Travel GHG emissions.

Our flexible workplace program, introduced in FY22, has decreased the number and frequency of employee commutes. In FY25, Scope 3 Employee Commuting emissions* were 85% less than our baseline year of FY19.

We have strategically rightsized our physical office footprint. In FY25, we achieved a net reduction of 105,000 square feet, which is expected to further reduce Scope 3 Upstream Leased Assets emissions. All new lease agreements now include provisions to ensure the measurement of energy (electricity and natural gas), water consumption, and waste generation.

Additionally, we continue encouraging our clients to transition from paper-based products to digital solutions to reduce environmental impacts.

*FY25 Scope 3 Employee Commuting emissions include commuting by employees in Denmark, Germany, and India as well, which was not included in prior years emissions.

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. Our average data center PUE improved from 1.8 in FY24 to 1.6 in FY25. We are not currently designing any additional data centers.

Energy Consumption

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

Figure 1: Total electrical power consumption within the organization



Figure 2: Total energy consumption within the organization

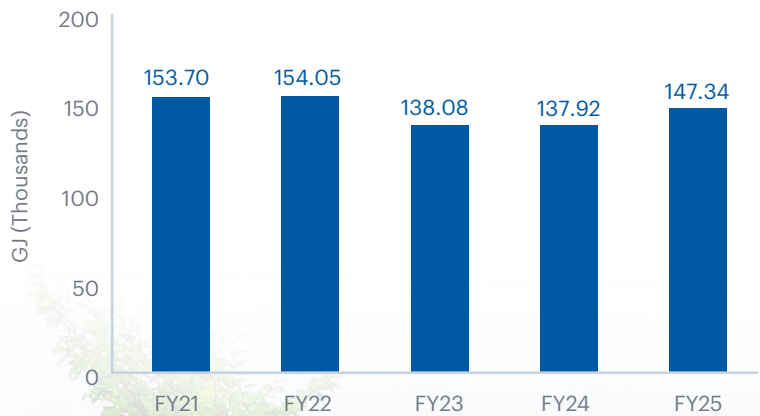


Figure 3: Percentage grid electricity consumption within the organization

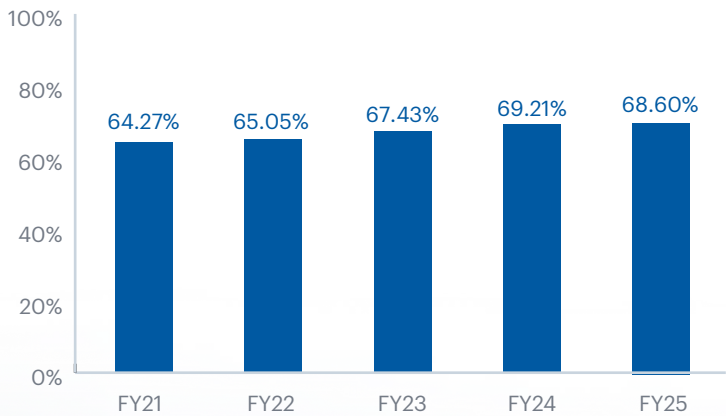


Figure 4: Energy intensity ratio for energy used within the organization

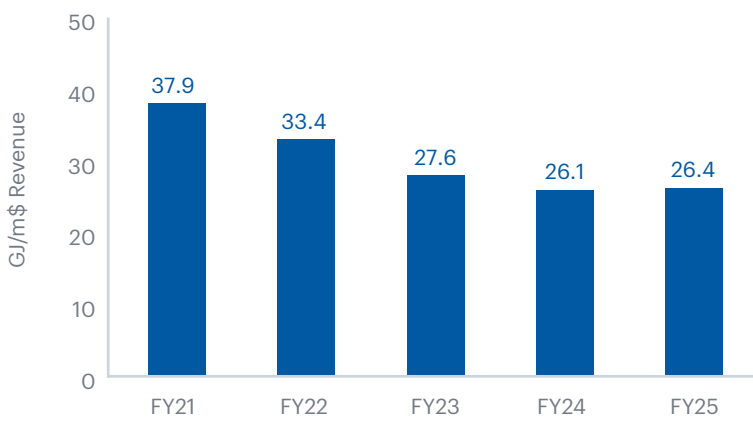
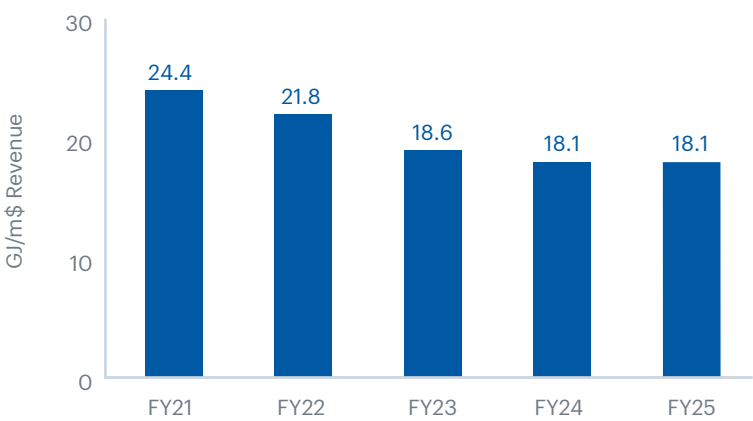


Figure 5: Normalized electricity use within the organization



Third-Party Verification of GHG Emissions

In FY25, Paychex’s GHG emissions report for FY24 was successfully verified by a third-party for assurance at Limited-level. The verification statement is available [here](#).

GHG Emissions Reporting – Scope 1 and Scope 2

Scope 1 and Scope 2 GHG emissions from our owned facilities and co-located data centers across the Company are reported in Figure 6 and Figure 7, respectively. The Methodology for calculating the GHG emissions is outlined in the [Appendix](#). FY19 is the baseline year for all GHG emissions reduction targets. The reduction in FY25 Scope 1 emissions is a result of the energy usage and GHG emissions reduction initiatives previously described.



Figure 6: Paychex global Scope 1 GHG emissions

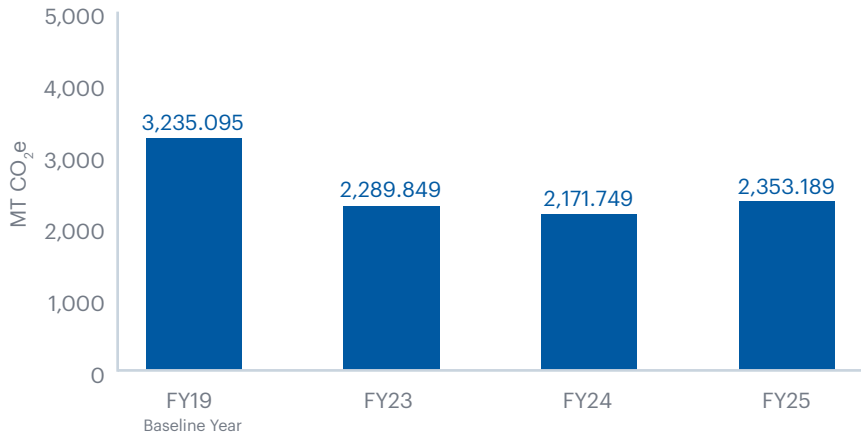


Figure 8: GHG emission intensity ratio

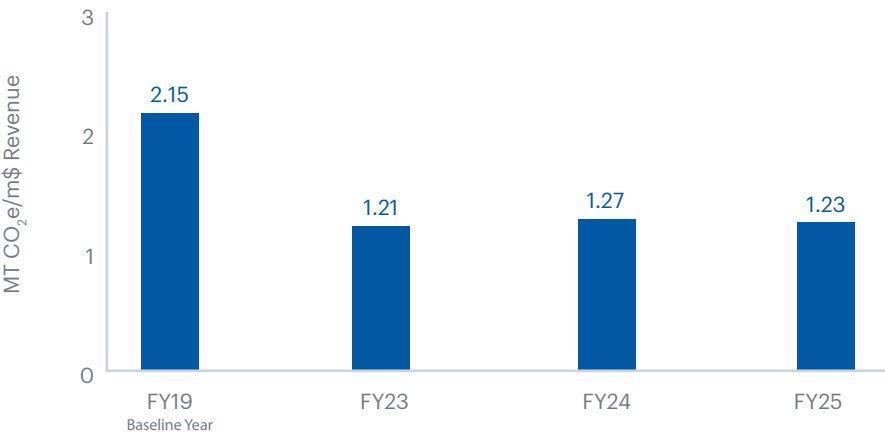
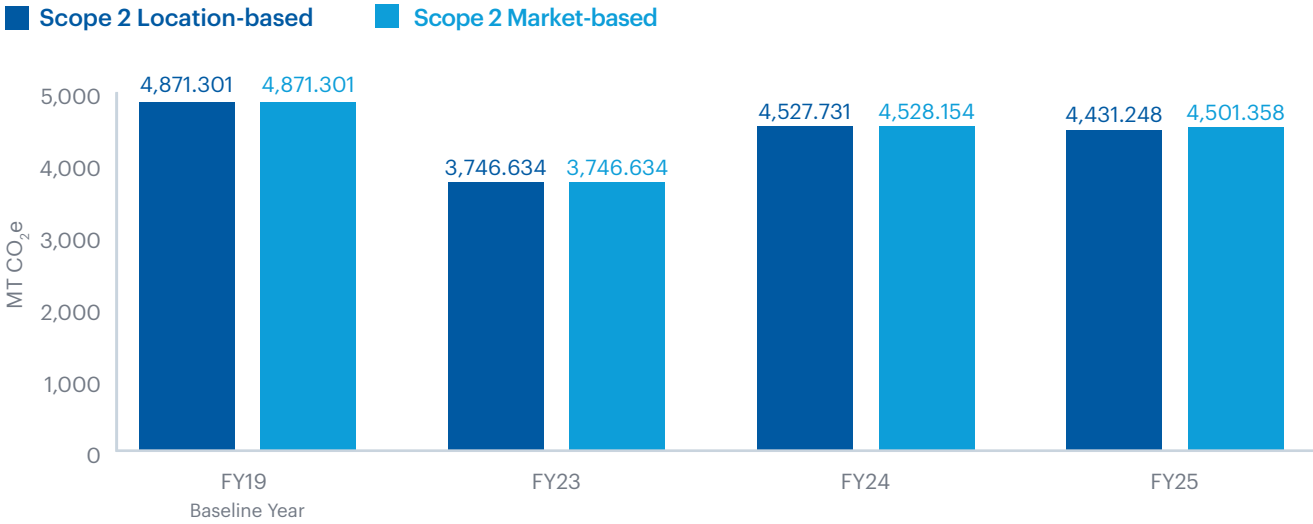


Figure 7: Paychex global Scope 2 GHG emissions





GHG Emissions Reporting – Scope 3

We report our Scope 3 emissions following the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, covering four relevant categories: Upstream Transportation and Distribution, Business Travel, Employee Commuting, and Upstream Leased Assets (refer to Figures 9-12). These include emissions of carbon dioxide, methane, and nitrous oxide. Emissions reported under Category 8 Upstream Leased Assets include natural gas and electricity usage from leased facilities across our global operations. Additional methodological details are explained in the [Appendix](#).

As shown in Figure 9, Scope 3 Upstream Transportation and Distribution emissions have dropped significantly. This decline was driven by client adoption of digital products and services over paper, which resulted in a decrease in volume and, consequently, spending on courier and postal services. Scope 3 Business Travel emissions reported in Figure 10 include business travel by employees in the U.S. and India offices. FY25 emissions also include business travel by employees in Denmark offices.

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

Figure 9: Scope 3 category - Upstream Transportation and Distribution

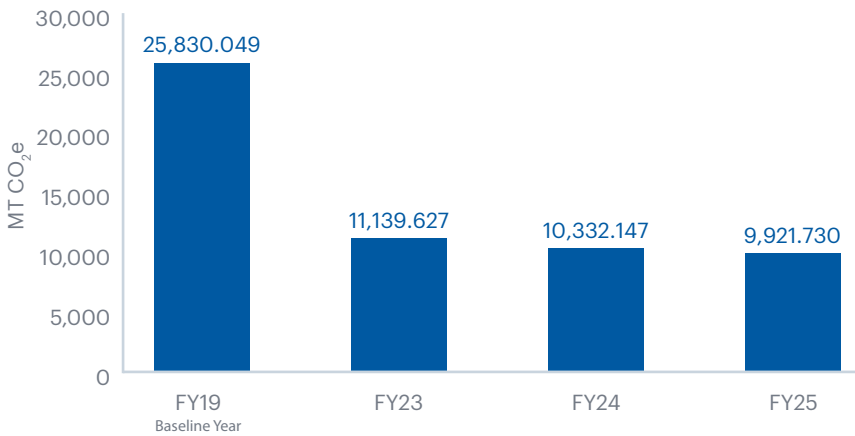


Figure 10: Scope 3 category - Business Travel

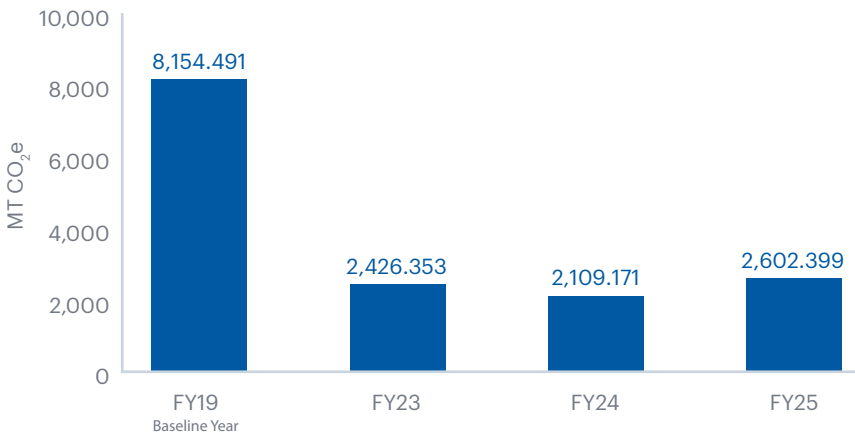
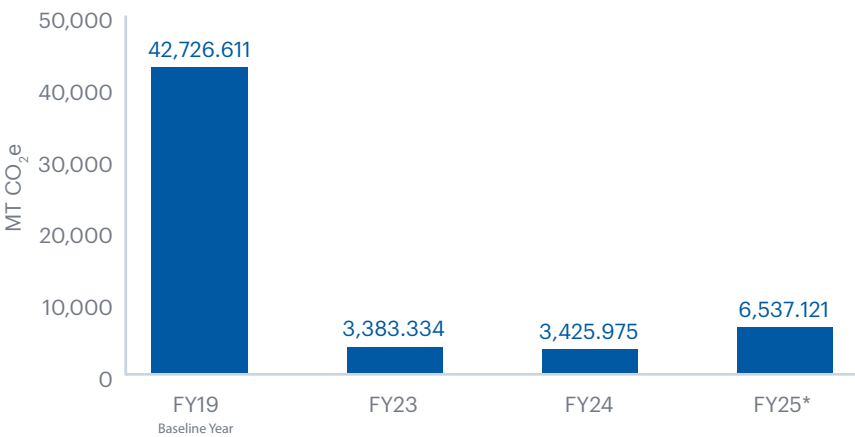
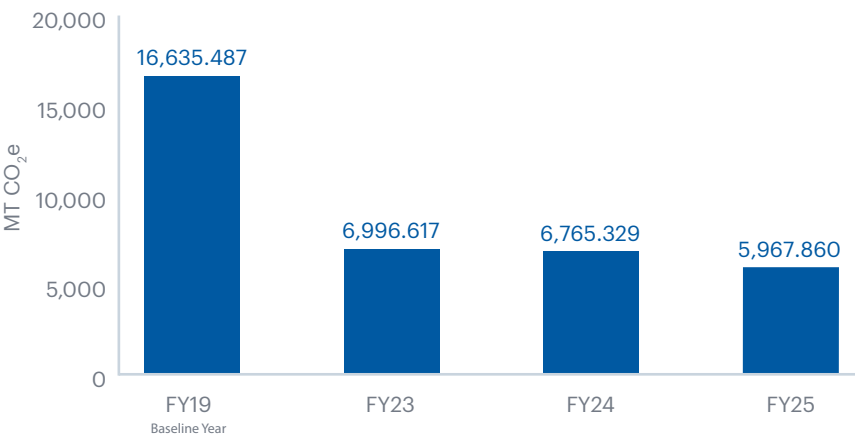


Figure 11: Scope 3 category - Employee Commuting



*Emissions include commuting by employees in Denmark, Germany and India offices.

Figure 12: Scope 3 category - Upstream Leased Assets



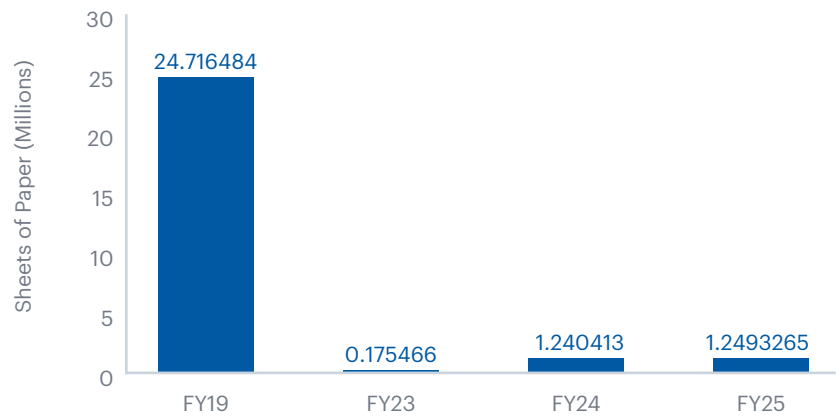
Emissions were calculated using actual energy usage data where available, and estimated energy usage where actual usage data was not available.

Resource Use

Paper Use

Paychex continues to encourage its clients to transition from paper-based products and services to their digital counterpart. We restrict paper mailings to only those clients who opt into the policy or as required by state and federal regulations. In FY25, 4.6 million W-2s that were traditionally printed and mailed to our clients were delivered electronically. Additionally, in office, we have made every effort to go paperless, avoiding printing hundreds of thousands of sheets of paper.

Figure 13: Paper consumption in Paychex U.S. offices



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, and India. All our owned data centers use water only for drinking and sanitation purposes. Using the World Resources Institute’s (“WRI”) Aqueduct Water Risk Atlas, we have performed an assessment of Baseline Water Stress for our owned office facilities, fulfillment centers, and data centers and leased office facilities and fulfillment centers in the U.S. WRI defines Baseline Water Stress as the ratio of total water demand to available renewable surface and groundwater supplies. The results of the assessment indicate that 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. Figure 14 provides Water Withdrawal data categorized by Baseline Water Stress for our owned facilities which include offices, fulfillment centers, and data centers. Figure 15 provides Water Withdrawal data categorized by Baseline Water Stress for our leased facilities in the U.S., Denmark, and India.

Figure 14: Water withdrawal in owned facilities in the U.S. categorized by Baseline Water Stress in the area

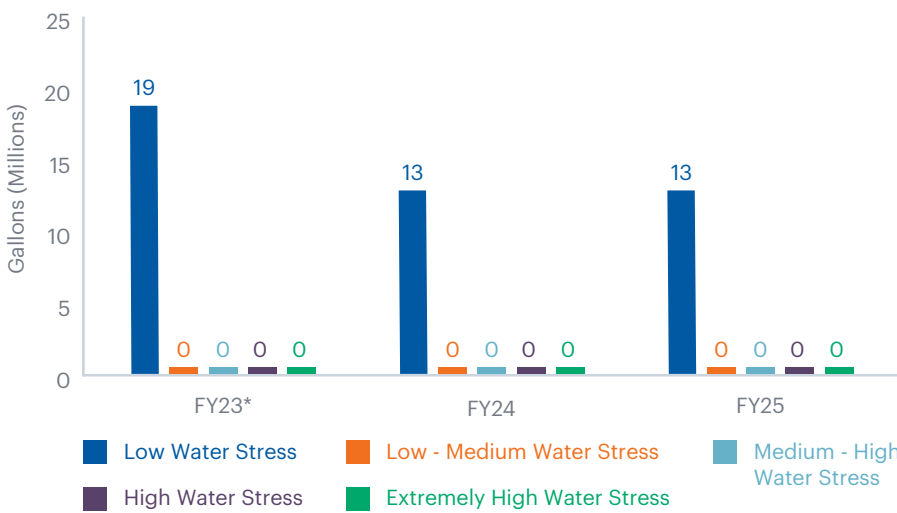
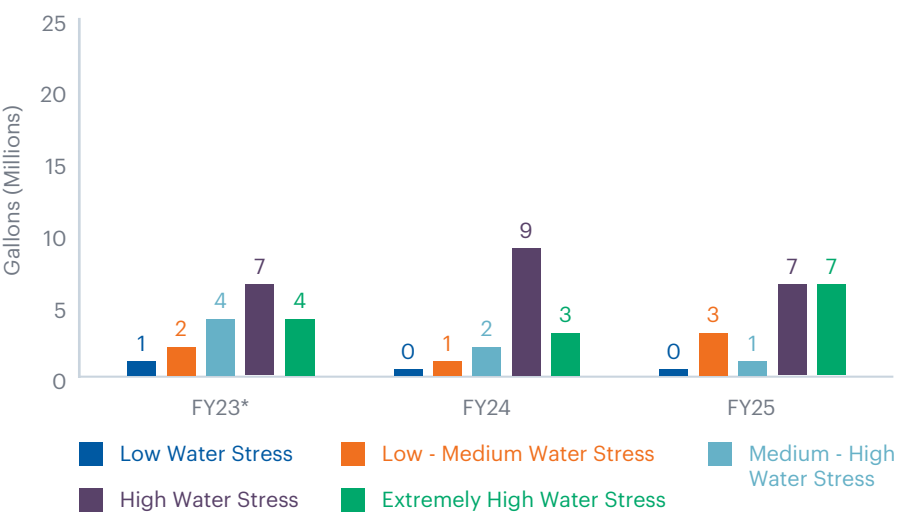


Figure 15: Water withdrawal in leased facilities in the U.S., Denmark, and India categorized by Baseline Water Stress in the area**



*FY23 numbers were updated to include additional facilities that were shut down during FY23.

**These include leased office facilities and fulfillment centers only in the U.S., Denmark, and India. Data for the U.S. is included in all fiscal years, while data for Denmark and India were only added in FY25 and not included in FY23 and FY24. Data for all leased facilities for FY23 was estimated using Water Withdrawal/Person calculated from Water Withdrawal for owned facilities for FY23. For leased facilities without available data for FY24 and FY25, Water Withdrawal was estimated using a per-person factor derived from known FY24 and FY25 Water Withdrawal data for owned and leased facilities.



Waste Management

We strive to minimize the use of landfills by salvaging a significant portion of equipment and furniture from our decommissioned facilities through warehousing, recycling, repurposing, or donation. Only a very small percentage ends up as waste.

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 FY25, we recycled 69.7 metric tons of electronic waste in our operations in the U.S., including capturing 4,330.5 pounds of toxic metals and reclaiming 23 metric tons of valuable and precious metals.



Figure 16: Total waste generated in owned facilities, fulfillment and distribution center in the U.S.

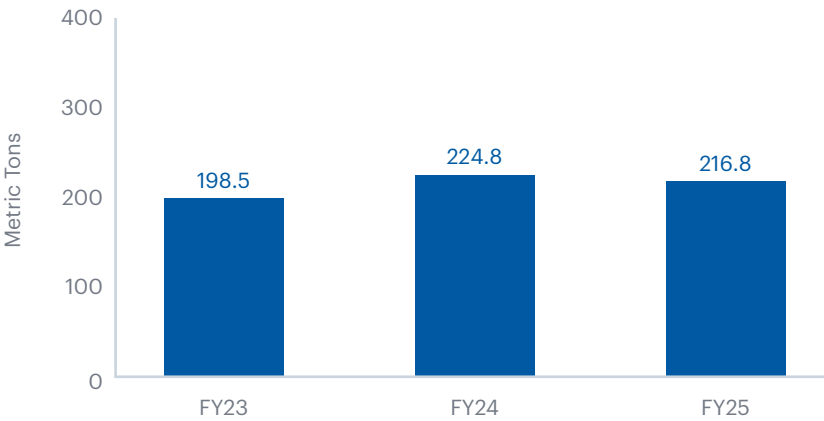
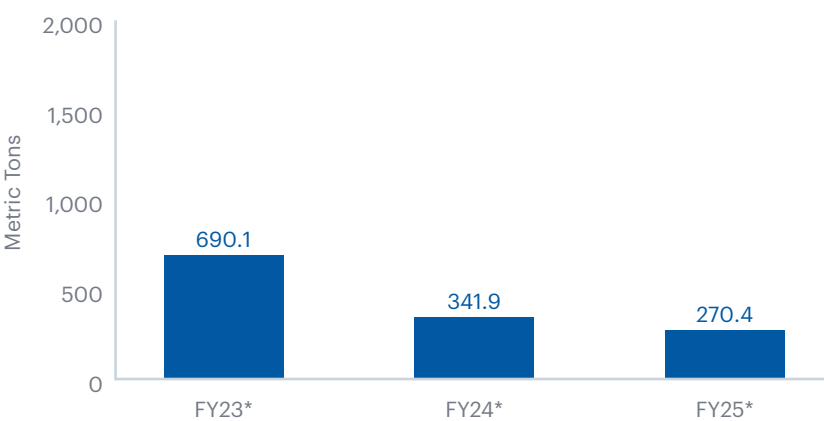


Figure 17: Total waste generated in leased facilities in the U.S.



*Data for all leased facilities for FY23 was estimated using Waste Landfilled/Person and Waste Recycled/Person calculated from Waste Landfilled and Waste Recycled for owned facilities for corresponding years. For leased facilities without available FY24 and FY25 data, estimates were based on a per-person factor for Waste Landfilled and Waste Recycled rates, calculated using known FY24 and FY25 data from owned and leased facilities. For all fiscal years, if Waste Landfilled and Waste Recycled data wasn't available for a facility, and recycling services were available in the area, it was assumed that waste was recycled.



Figure 18: Waste management at owned facilities, fulfillment and distribution center in the U.S.

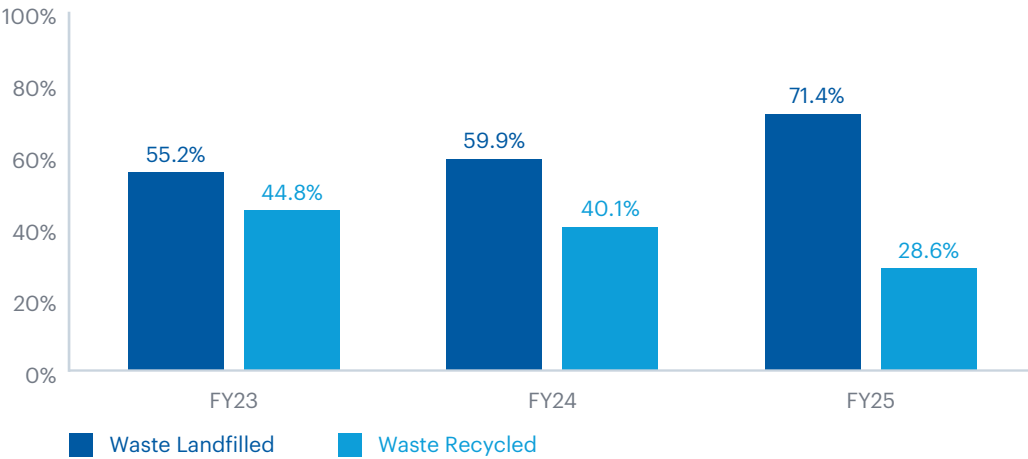
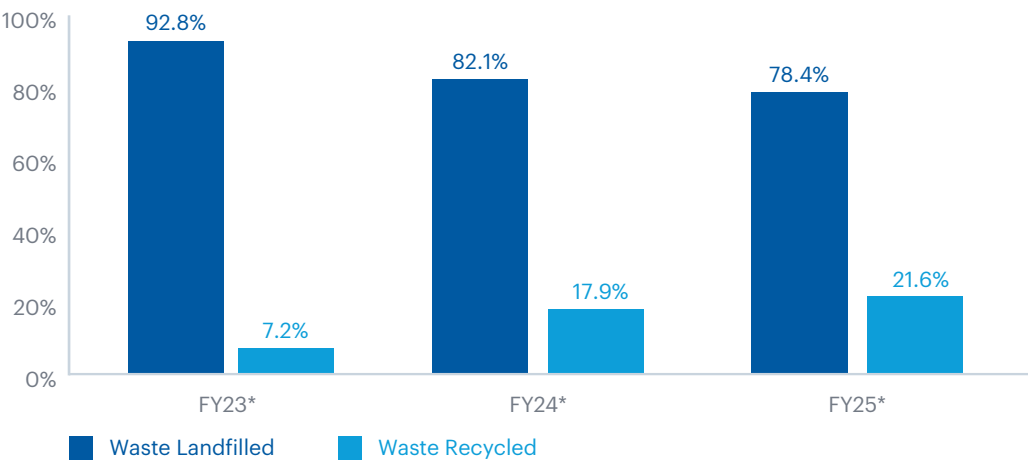


Figure 19: Waste management at leased facilities in the U.S.



*Data for all leased facilities for FY23 was estimated using Waste Landfilled/Person and Waste Recycled/Person calculated from Waste Landfilled and Waste Recycled for owned facilities for corresponding years. For leased facilities without available FY24 and FY25 data, estimates were based on a per-person factor for Waste Landfilled and Waste Recycled rates, calculated using known FY24 and FY25 data from owned and leased facilities. For all fiscal years, if Waste Landfilled and Waste Recycled data wasn't available for a facility, and recycling services were available in the area, it was assumed that waste was recycled.

Appendix



Appendix

GHG Emissions Reporting – Scope 1 and Scope 2

Methodology

The reported figures include emissions of carbon dioxide, methane, and nitrous oxide. GHG emissions were calculated following the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and GHG Protocol Scope 2 Guidance – an amendment to the GHG Protocol Corporate Standard. The emissions were consolidated using the Financial Control approach, which results in emissions from leased facilities being reported under Scope 3 Category 8 Upstream Leased Assets.

FY25

Scope 1 and Scope 2 location- and market-based emissions were calculated using the fuel-based method. In instances where activity data was limited, estimations were made. IPCC Fifth Assessment Report 100-Year Global Warming Potential values were applied. For Scope 1 and Scope 2 location-based emissions, U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified January 2025) were applied. Scope 2 market-based emissions were calculated using 2024 Green-e® Residual Mix Emissions Rates.

Prior Years

For FY19, FY23 and FY24, Scope 1 and Scope 2 location- and market-based emissions were calculated using the fuel-based method. For FY19 and FY23, IPCC Fourth Assessment Report 100-Year Global Warming Potential values were applied. For FY24, IPCC Fifth Assessment Report 100-Year Global Warming Potential values were applied. In instances where activity data was limited, estimations were made.

The U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified March 2020) version was applied for FY19 reporting. For FY23 and FY24 reporting, U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2023 and February 2024) were applied, respectively.



Appendix

GHG Emissions Reporting – Scope 3

Methodology for FY25

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

Across the four Scope 3 categories, where the spend-based method was applicable, USEEIO Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6 were used, adjusted for inflation. For the fuel-based and distance-based methods used to calculate Business Travel and Employee Commuting, U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified January 2025), United Kingdom DEFRA Greenhouse Gas Reporting: Conversion Factors 2024, Denmark Metroselskabet Annual Report 2024, IEA 2020 Emission Factors, Open CEDA by Watershed for Denmark, and India GHG Program: India Specific Road Transport Emission Factors 2015 were applied. In FY25, three separate Employee Commuting Surveys were conducted for Denmark, Germany, and India to determine yearly commuting distances across various modes of transportation. The data for each survey was extrapolated using a scaling factor to account for the entire employee population in each country, respectively. The extrapolated results for each mode of transportation and appropriate emission factors were used to calculate employee commuting emissions for all employees in those countries. India employee commuting emissions also include those from a company-operated pickup service, a carpooling arrangement provided for employees working in certain roles. For Upstream Leased Assets, U.S. EPA Center for Corporate Climate Leadership – Emission

Factors for Greenhouse Gas Inventories (last modified January 2025) were used to calculate emissions from fuel usage, and to determine emissions from electricity use, we applied 2024 Green-e® Residual Mix Emissions Rates, AIB Residual Mixes and European Attribute Mix of 2024, and IEA 2020 Emission Factors. All Scope 3 emissions reported were calculated using IPCC Fifth Assessment Report 100-Year Global Warming Potential values.

Methodology for Prior Years

For FY19, FY23, and FY24 emissions across the four Scope 3 categories, the following methodologies were applied: Upstream Transportation and Distribution emissions were calculated using the spend-based method; Business Travel emissions were calculated using distance-based and fuel-based methods; Employee Commuting emissions were calculated using distance-based and average-data methods; and Upstream Leased Assets emissions were calculated using asset-specific and average-data methods. All Scope 3 emissions reported for FY19 and FY23 were determined using IPCC Fourth Assessment Report 100-Year Global Warming Potential values. All Scope 3 categories reported for FY24 were determined using IPCC Fifth Assessment Report 100-Year Global Warming Potential values.

For FY19, the spend-based method employed for Upstream Transportation and Distribution emissions applied USEEIO Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1, adjusted for inflation. FY23 reporting used USEEIO Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6. Across the four Scope 3 categories reported for FY24, for spend-based method, USEEIO Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6 were employed wherever applicable.

For reporting of the remaining three Scope 3 categories, for fuel-based, distance-based, and average-data methods, U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified March 2020) were applied for FY19. For FY23 and FY24 reporting, U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified April 2023 and February 2024, respectively) were used. For FY19 reporting of rail-based business travel in our operations in Germany, we used United Kingdom DEFRA Greenhouse Gas Reporting: Conversion Factors 2019. To calculate emissions from leased facilities in countries other than the U.S. that are reported under Scope 3 Category 8 Upstream Leased Assets, IEA 2020 Emission Factors were used for FY19 and FY23. For FY24 Upstream Leased Assets emissions, U.S. EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories (last modified February 2024) were used for emissions from fuel usage, and for electricity 2023 Green-e® Residual Mix Emissions Rates, AIB Residual Mixes and European Attribute Mix of 2023, and IEA 2020 Emission Factors were used.



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 FY26, we will work with unrivaled dedication to becoming the best version of our Company – the digitally driven HR leader – for our clients, shareholders, employees, and communities.

- statements preceded by, followed by, or that include the words “aim,” “ambition,” “anticipate,” “believe,” “could,” “design,” “estimate,” “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.

This report covers Paychex’s fiscal year 2025 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