

ESG Index

ECONOMIC

Metric	Units	Value - FY22	Weblink (if applicable)
Total revenue	\$ Millions	4,554.00	Annual Report on Form 10-K, Page 42
Net earnings from continuing operations	\$ Millions	1,392.80	Annual Report on Form 10-K, Page 42
Diluted earnings per share	\$	3.84	Annual Report on Form 10-K, Page 42
Annual cash dividend declared per share	\$	2.77	Annual Report on Form 10-K, Page 31
Amount of capital returns to shareholders via dividends and share repurchases	\$ Millions	1145.30	Annual Report on Form 10-K, Page 44

ENVIRONMENTAL

GHG Emissions Consolidation Method	-	Financial Control	CDP Climate Change response, Page 1
GHG Emissions - Scope 1	metric ton CO ₂ eq.	2750.535	ESG Report, Page 31
GHG Emissions - Scope 2 - Location based	metric ton CO ₂ eq.	3821.272	ESG Report, Page 31
GHG Emissions - Scope 2 - Market based	metric ton CO ₂ eq.	3841.342	ESG Report, Page 31
GHG Emissions - Scope 3 - Employee Commuting	metric ton CO ₂ eq.	1649.479	ESG Report, Page 32
GHG Emissions - Scope 3 - Business Travel	metric ton CO ₂ eq.	978.913	ESG Report, Page 33

GHG Emissions - Scope 3 - Upstream Leased Assets	metric ton CO ₂ eq.	7386.27	ESG Report, Page 33
GHG Emissions - Scope 3 - Downstream Transportation and Distribution	metric ton CO ₂ eq.	19122.312	ESG Report, Page 34
GHG Emissions intensity - Scope 1 + Scope 2 (market-based)	metric ton CO ₂ eq./\$ of revenue	0.00000142	ESG Report, Page 32
GHG Emission reduction initiatives	Yes/No	Yes	ESG Report, Pages 28, 29, 35
Net Zero GHG Emissions goal	Yes/No	Yes	ESG Report, Page 26
Baseline year for GHG emissions reduction targets	Fiscal Year	2019	ESG Report, Page 27
Short-term target for Scope 1 GHG emissions reduction	% reduction by target year	50% reduction by 2030	ESG Report, Page 27
Short-term target for Scope 2 GHG emissions reduction	% reduction by target year	50% reduction by 2030	ESG Report, Page 27
Short-term target for Scope 3 - Employee Commuting GHG emissions reduction	% reduction by target year	50% reduction by 2030	ESG Report, Page 27
Short-term target for Scope 3 - Business Travel GHG emissions reduction	% reduction by target year	50% reduction by 2030	ESG Report, Page 27

Short-term target for Scope 3 - Upstream Leased Assets GHG emissions reduction	% reduction by target year	50% reduction by 2030	ESG Report, Page 27
Short-term target for Scope 3 - Downstream Transportation and Distribution GHG emissions reduction	% reduction by target year	50% reduction by 2030	ESG Report, Page 27
Mid-term target for Scope 1 GHG emissions reduction	% reduction by target year	70% reduction by 2040	ESG Report, Page 27
Mid-term target for Scope 2 GHG emissions reduction	% reduction by target year	70% reduction by 2040	ESG Report, Page 27
Mid-term target for Scope 3 - Employee Commuting GHG emissions reduction	% reduction by target year	70% reduction by 2040	ESG Report, Page 27
Mid-term target for Scope 3 - Business Travel GHG emissions reduction	% reduction by target year	70% reduction by 2040	ESG Report, Page 27
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Dedicated Board committee for oversight of ESG matters, including climate-related issues and diversity, equity and inclusion initiatives	Yes/No	Yes, the Nominating and ESG Committee of the Board of Directors	Charter of the Nominating and ESG Committee of the Board of Directors
Total Energy consumption within the organization	GJ	154046.08	ESG Report, Page 29
Total Electrical Power consumption within the organization	GJ	100369.82	ESG Report, Page 29
Energy intensity ratio for energy used within the organization	GJ/\$ of Revenue	0.000033	ESG Report, Page 30
Normalized electrical power use for electricity used within the organization	GJ/\$ of Revenue	0.000022	ESG Report, Page 30
PUE of owned Data Centers	–	1.9	ESG Report, Page 28
Energy conservation programs	Yes/No	Yes	ESG Report, Page 29
Environmental Policy	Yes/No	Yes	Environmental Policy
Waste Recycling program	Yes/No	Yes	Environment webpage, Resource Use tab, Waste Management section
E-waste recycled	Number of units	15916	ESG Report, Page 35
Disclosure on paper usage in offices	Yes/No	Yes	ESG Report, Page 35
Company a TCFD Supporter?	Yes/No	Yes	List of Supporters on TCFD website

TCFD aligned disclosures on governance, strategy, assessment processes and the financial impact of climate-related risks and opportunities, and the metrics to manage them	Yes/No	Yes	CDP Climate Change response
Low-carbon products	Yes/No	Yes	Environment webpage, Resource Use tab, Paper Use section
SOCIAL			
Number of employees	–	16000	Annual Report, Page 9
Workforce age disclosure	Yes/No	Yes	ESG Report, Page 17
Workforce gender disclosure	Yes/No	Yes	ESG Report, Page 17
Gender and Racial Pay Equity disclosure	Yes/No	Yes	ESG Report, Page 16
EEO-1 Report disclosed	Yes/No	Yes	EEO-1 Report for calendar year 2021
Initiatives for diversity in hiring	Yes/No	Yes	ESG Report, Page 13
Inclusion and diversity policy	Yes/No	Yes	Inclusion and Diversity Policy
Training on diversity, inclusion, and unconscious bias	Yes/No	Yes	ESG Report, Page 15 Diversity, Equity, & Inclusion webpage, Training tab, Inclusion and Diversity Training section
Fair Wage Policy	Yes/No	Yes	Fair Wage Policy
Talent pipeline development strategy	Yes/No	Yes	Employees webpage, Training & Development tab, Talent Pipeline Development section

Programs for employee career development	Yes/No	Yes	Employees webpage, Training & Development tab, Talent Pipeline Development and Leadership Development sections
Comprehensive and inclusive benefits	Yes/No	Yes	ESG Report, Pages 21-23 Employees webpage, Employee Benefits and Well-Being tabs
Mental health included covered in health insurance	Yes/No	Yes, treatment of mental health disorders by behavioral healthcare providers is covered.	-
Leadership development programs	Yes/No	Yes. Paychex has a team dedicated to providing development and coaching for leaders throughout their careers and support for team development and performance.	Employees webpage, Training & Development tab, Leadership Development section
Programs for regular performance appraisals and feedback processes	Yes/No	Yes. Paychex has a process to appraise employee performance every four months.	Employees webpage, Training & Development tab, Performance Review section
% U.S. employees who received a performance review	%	95.5	ESG Report, Page 20
% U.S. employees who received a performance rating	%	99.9	ESG Report, Page 20

Disclosure on average hours of training by gender	Yes/No	Yes	ESG Report, Page 19
Disclosure on average hours of training by job level	Yes/No	Yes	ESG Report, Page 19
Workforce training and development programs	Number of programs	5800	ESG Report, Page 19
Participation in mentoring program	Number of employees	407	ESG Report, Page 19
Disclosure on employee tuition reimbursement program	Yes/No	Yes	ESG Report, Page 19
Leadership roles held by women	%	53	ESG Report, Page 17
Non-Discrimination policy	Yes/No	Yes	Employees webpage, Non-Discrimination tab
Initiatives to promote Diversity, Equity and Inclusion (DE&I)	Yes/No	Yes	ESG Report, Pages 13-15 Diversity, Equity and Inclusion webpage
Managerial and board-level responsibility for diversity initiatives	Yes/No	Yes - the CEO is signatory of the CEO Action for Diversity & Inclusion™ pledge. The Nomination and ESG Committee of the Board of Directors has oversight of the company's diversity, equity and inclusion strategy.	Diversity, Equity and Inclusion webpage Charter of the Nominating and ESG Committee of the Board of Directors
Commitment to equal opportunity employment	Yes/No	Yes	Employees webpage, Non-Discrimination tab

Human Rights policy aligned with international standards	Yes/No	Yes	Human Rights Policy
Human Rights policy addresses Freedom of Expression	Yes/No	Yes	Human Rights Policy, Page 1
Paid Family Leave	Yes/No	Yes	ESG Report, Pages 21-22
Occupational Safety initiatives	Yes/No	Yes	ESG Report, Pages 51-52 Occupational Safety webpage
Community initiatives	Yes/No	Yes	ESG Report, Pages 36-44
Philanthropy aligned with the United Nations Sustainable Development Goals	Yes/No	Yes	Community webpage, Paychex Charitable Foundation tab
Commitment to protect Personal Health Information of employees	Yes/No	Yes	Employees webpage, Well-Being tab
GOVERNANCE			
ESG Report aligned with the GRI and SASB Standards	Yes/No	Yes	ESG Report GRI and SASB Indices
Disclosure on stakeholder Engagement	Yes/No	Yes	ESG Report, Page 2
Disclosure on company values	Yes/No	Yes	ESG Report, Page 2
Statement from senior decision-maker	Yes/No	Yes	ESG Report, Pages 1, 5

BOARD COMPOSITION

Number of directors on the Board	Directors	11	Proxy Statement, Page 5 List of Board of Directors
Number of Independent Directors	–	8	Proxy Statement, Page 5
Percentage of Directors who are Independent	%	72.7%	–
Independence of Committees	–	Audit, Compensation & Leadership, Investment, and, Nominating and ESG Committees are independent.	Proxy Statement, Page 24
Average age of Board of Directors	Years	65.72	Proxy Statement, Pages 8-12
Average tenure of the Independent Director	Years	11	Proxy Statement, Pages 8-12
Disclosures about the Board of Directors' relevant skills	Yes/No	Yes	Proxy Statement, Page 6
Board performance review policy	Yes/No	Yes	Corporate Governance Guidelines, Page 4
Disclosures about Board of Directors' memberships of other public company boards	Yes/No	Yes	Proxy Statement, Pages 8-10
Disclosure of Board Committees' composition and charters	Yes/No	Yes	Investor Relations Website, Governance tab
Audit Committee with all independent members	Yes/No	Yes	Proxy Statement, Pages 5, 24

Compensation Committee with all independent members	Yes/No	Yes	Proxy Statement, Pages 5, 24
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BOARD DIVERSITY

Number of women on the Board	–	2	Proxy Statement, Pages 10, 12
Disclosure of Board Diversity Matrix	Yes/No	Yes	Proxy Statement, Page 7
Board Gender Diversity Policy	Yes/No	Yes	Charter of the Nominating and ESG Committee of the Board of Directors, Pages 2-3
Board Racial Diversity Policy	Yes/No	Yes	Charter of the Nominating and ESG Committee of the Board of Directors, Pages 2-3

BOARD MEETINGS

Corporate Governance Guidelines	Yes/No	Yes	Corporate Governance Guidelines
Disclosure of number of Board and Board Committee Meetings in FY22	Yes/No	Yes	Proxy Statement, Page 24
Number of Directors attending less than 75% of meetings during FY22	Number of meetings	0	Proxy Statement, Page 23
Provision for Executive Sessions of the Board of Directors	Yes/No	Yes	Corporate Governance Guidelines, Page 4

SHAREHOLDER RIGHTS

Annual Election of Directors	Yes/No	Yes	Proxy Statement, Notice of Annual Meeting of Stockholders Amended and Restated By-Laws of Paychex, Inc., Page 1
Majority Voting Standard for Director Elections	Yes/No	Yes	Amended and Restated By-Laws of Paychex, Inc., Pages 12-13
Single Voting Class	Yes/No	Yes	Restated Certificate of Incorporation, Page 4
One share, one vote	Yes/No	Yes	Amended and Restated By-Laws of Paychex, Inc., Page 5
Disclosure of results of voting in shareholder meeting	–	Paychex discloses voting results in publicly available 8-K filings to the SEC	8-K filed for 2022 Shareholder Meeting
Board addresses Conflicts of Interest	Yes/No	Yes	Proxy Statement, Pages 26-27
Board addresses Related Party Transactions	Yes/No	Yes	Proxy Statement, Pages 26-27
Company has a Lead Director/Senior Independent Director	Yes/No	Yes	Proxy Statement, Page 21
Independent Financial Expert on Audit Committee	Number of Directors	2	Proxy Statement, Page 24
Poison Pill	Yes/No	No	–
Shareholder ability to call Special Meetings	Yes/No	Yes	Amended and Restated By-Laws of Paychex, Inc., Page 2

Percentage of the voting power of the Company's outstanding shares of common stock required to call a Special Meeting	-	Majority	Amended and Restated By-Laws of Paychex, Inc., Page 2
Shareholder right to act by Written Consent	Yes/No	Yes	Amended and Restated By-Laws of Paychex, Inc., Page 6
COMPENSATION			
Clawback provision for equity awards	Yes/No	Yes	FY2020 Proxy Statement, Page 63 8-K filing with results of vote to Approve and Amend the Paychex, Inc. 2002 Stock Incentive Plan, submitted to a vote of security holders in the 2020 Annual Meeting of Stockholders
Annual say-on-pay vote	Yes/No	Yes	FY22 Proxy Statement, Page 29 FY21 Proxy Statement, Page 24
Security Hedging permitted	Yes/No	No	Proxy Statement, Page 16
Security Pledging permitted	Yes/No	No	Paychex Pledging policy
CEO Stock Ownership Guidelines	Yes/No	Yes	Proxy Statement, Page 45
Multiple of CEO Base Salary for Stock Ownership	-	6X	Proxy Statement, Page 45
Named Executive Officer Stock Ownership Guidelines	Yes/No	Yes	Proxy Statement, Page 45
Multiple of Named Executive Officer Base Salary for Stock Ownership	-	3X	Proxy Statement, Page 45

Non-executive Director Stock Ownership guidelines	Yes/No	Yes	Proxy Statement, Page 16
Non-executive Director Multiple of Annual Cash Retainer	–	6X	Proxy Statement, Page 16
Disclosure of fixed and variable remuneration for non-executive Directors	Yes/No	Yes	Proxy Statement, Page 14
Disclosure of fixed and variable remuneration for Named Executive Officers included in the company's remuneration disclosures	Yes/No	Yes	Proxy Statement, Pages 36-37, 52
Disclosure on process for determining executive compensation	Yes/No	Yes	Proxy Statement, Pages 32-63
Disclosure on total fees for Audit fees, Audit-related fees, Tax-related fees, and other fees	\$	2,689,150	Proxy Statement, Page 65

ETHICS & COMPLIANCE

Code of Business Ethics and Conduct translated into local languages of countries of operation	Yes/No	Yes	Code of Business Ethics and Conduct - Denmark offices Code of Business Ethics and Conduct - Germany offices
Code of Business Conduct and Ethics	Yes/No	Yes	Code of Business Ethics and Conduct
Annual training on Ethics, Non-Harassment, Anti-corruption, Security and Internal Controls	Yes/No	Yes	Employees webpage, Training & Development tab, The Right Way Training section

Employee participation in annual training on Ethics, Non-Harassment, Anti-corruption, Security and Internal Controls	%	99.5	ESG Report, Page 20
Commitment on addressing bribery	Yes/No	Yes	Code of Business Ethics and Conduct, Page 10 Ethics webpage, Anti-corruption tab
Anti-corruption policy or commitment statement	Yes/No	Yes	Code of Business Ethics and Conduct, Page 10 Ethics webpage, Anti-corruption tab
Confidential or anonymous whistle-blowing mechanism covering all employees and addressing anti-corruption	Yes/No	Yes	Code of Business Ethics and Conduct, Page 13 Ethics webpage
Disclosure of political contributions made	Yes/No	Yes	Ethics webpage, Government Relations tab ESG Report, Page 7
Disclosure on lobbying activities	Yes/No	Yes	Ethics webpage, Government Relations tab ESG Report, Page 7
Anti-harassment policies	Yes/No	Yes	Employees webpage, Non-discrimination tab
Company performs Audits of its Ethics and Compliance Program	Yes/No	Yes	Yes, the company performs an annual internal and a biannual third-party evaluation of its Ethics and Compliance Program.
Commitment to free and fair competition	Yes/No	Yes	Ethics webpage, Anti-corruption tab

Disclosure on countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Yes/No	Yes	ESG Report, Page 6
DATA PRIVACY & SECURITY			
24/7/365 security support	Yes/No	Yes. Our Security Fusion Center has a 24/7/365 Security Incident Response function to collect and analyze information about potential system security violations and anomalous activity. The Fusion Center team works closely with human resources, corporate counsel, internal audit, risk management, external authorities, and other groups to record, report, and mitigate computer-related incidents.	–
External certification of information security practices	Yes/No	Yes, SOC Certification, Industry-leading “A” rating by Security Scorecard, and Bitsight.	Privacy and Security corporate webpage ESG Report, Page 11
Information security training and compliance program	Yes/No	Yes	Privacy and Security corporate webpage Privacy and Security webpage, Training tab

Provisions for Cybersecurity	Yes/No	Yes	Privacy and Security webpage Privacy and Security corporate webpage ESG Report, Pages 10-11
Provisions for client privacy	Yes/No	Yes	Privacy and Security webpage Privacy and Security corporate webpage ESG Report, Pages 10-11
Disclosures on data security - breaches	Yes/No	Yes	ESG Report, Page 11
Business Continuity Strategy	Yes/No	-	Privacy and Security webpage , Business Continuity Planning tab
Disclosure of Business Continuity Risks	Yes/No	Yes	Privacy and Security webpage , Business Continuity Planning tab Annual Report on Form 10-K, Page 13
Employee Training on Physical Security	Yes/No	Yes	Privacy and Security webpage , Physical Security tab
THIRD-PARTY RELATIONSHIPS			
Third-Party Code of Conduct	Yes/No	Yes	Third-Party Code of Conduct
TAX			
Commitment to comply with tax law in all countries of operation	Yes/No	Yes	Ethics webpage , Tax tab

Board oversight of Tax policy	Yes/No	Yes. Company's Tax Policy is a component of the "Critical Accounting Policies and Estimates" section of the Annual Report on Form 10-K, which is approved by the Audit Committee of the Board of Directors.	–
Audit committee has oversight of execution of company's tax policy	Yes/No	Yes. Company's Tax Policy is a component of the "Critical Accounting Policies and Estimates" section of the Annual Report on Form 10-K, which is approved by the Audit Committee of the Board of Directors.	–
External verification of tax data for global operations	Yes/No	Yes. External auditor audits the Tax disclosure within the Annual Report on Form 10-K.	–
Disclosure of corporate tax paid globally	Yes/No	Yes	Annual Report on Form 10-K, Pages 67-68