

# GRI and SASB Indices

## GRI Index

### GRI 2: GENERAL DISCLOSURES

| Disclosure Number | Description  | Page Number(s) and/or URL   |
|-------------------|--|---|
| 2-1               | Organizational details   | <p>Paychex, Inc. is a publicly traded corporation.</p> <p><a href="#">Page 3 of 2023 Annual Report on Form 10-K</a></p> <p><a href="#">The Company's headquarters are located at 911 Panorama Trail South, Rochester, NY 14625.</a></p> <p><a href="#">The Company operates in United States, Denmark, Germany, and India.</a></p>  |
| 2-2               | Entities included in the organization's sustainability reporting | <p>Some metrics included in the ESG Report 2023 are provided for international operations, others for United States operations only.</p> <p><a href="#">Page 2 of 2023 ESG Report</a></p> <p>Annual Report on Form 10-K includes consolidated financial statements for all subsidiaries. List of material subsidiaries is available <a href="#">here</a>.</p>   |
| 2-3               | Reporting period, frequency, and contact point                   | <p>Paychex publishes an Annual Report on Form 10-K and an annual Environmental, Social, and Governance (ESG) report for the most recent fiscal year. The Annual Report on Form 10-K and ESG Report referenced in this index are for fiscal year 2023: June 1, 2022—May 31, 2023.</p> <p>The ESG Report was published online on September 1, 2023.</p> <p><a href="mailto:public_relations@paychex.com">public_relations@paychex.com</a></p> |
| 2-4               | Restatements of information                                      | <a href="#">Page 35 of 2023 ESG Report</a>  |

|      |   |   |
|------|---|---|
| 2-6  | Activities, value chain, and other business relationships                   | <p>Paychex, Inc. (NASDAQ: PAYX) is a leading provider of integrated human capital management solutions for human resources, payroll, benefits, and insurance services.</p> <p><a href="https://www.paychex.com/corporate">https://www.paychex.com/corporate</a></p> <p><a href="https://www.paychex.com/business-solutions">https://www.paychex.com/business-solutions</a></p> <p>Our Sustainable Industry Classification System (SICS®) sector is Software &amp; IT Services.</p> <p>The Company serves small- and medium-sized businesses primarily in the private sector. Paychex, Inc. serves markets in the United States, Germany, and Denmark.</p> <p><a href="#">Pages 3–8 of 2023 Annual Report on Form 10-K</a></p> |
| 2-7  | Employees   | <p><a href="#">Page 9 of 2023 Annual Report on Form 10-K</a></p> <p><a href="#">Page 21 of 2023 ESG Report</a></p>  |
| 2-9  | Governance structure and composition  | <p><a href="#">Corporate Governance webpage</a></p> <p><a href="#">Corporate Governance documents</a></p> <p><a href="#">Pages 6–13, 20–26 of 2023 Proxy Statement</a></p> <p><a href="#">Charter of the Nominating and ESG Committee of the Board of Directors</a></p> <p>President &amp; CEO John Gibson is the only executive member of the Board of Directors, and all others are non-executive members.</p> <p><a href="#">Independence status of Board of Directors</a></p>   |
| 2-10 | Nomination and selection of the highest governance body                     | <p><a href="#">Page 23 of 2023 Proxy Statement</a></p> <p><a href="#">Page 3 of Charter of the Nominating and ESG Committee of the Board of Directors</a></p>   |
| 2-11 | Chair of the highest governance body  | <p><a href="#">Page 12 of 2023 ESG Report</a></p>   |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | <p><a href="#">Page 2 of Charter of the Nominating and ESG Committee of the Board of Directors</a></p> <p><a href="#">Pages 3–4 of 2023 CDP Climate Change Response</a></p> <p><a href="#">Page 28 of 2023 Proxy Statement</a></p>  |
| 2-13 | Delegation of responsibility for managing impacts                           | <p><a href="#">Page 11 of 2023 ESG Report</a></p> <p><a href="#">Pages 4–8 of 2023 CDP Climate Change Response</a></p>  |

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| 2-14 | Role of the highest governance body in sustainability reporting | The CEO formally reviews and approves the organization's ESG Report.  |
| 2-15 | Conflicts of interest   | <a href="#">Pages 8–13, 18, 27 of 2023 Proxy Statement</a><br>Any reportable related-party transactions in the reporting year that are in excess of \$120,000 are disclosed in Transactions with Related Persons section of Proxy Statement.  |
| 2-16 | Communication of critical concerns                              | <a href="#">Page 14 of Code of Business Ethics and Conduct</a>  |
| 2-18 | Evaluation of the performance of the highest governance body    | <a href="#">Page 4 of Corporate Governance Guidelines</a>   |
| 2-19 | Remuneration policies   | <a href="#">Pages 14–17, 30–52 of 2023 Proxy Statement</a>  |
| 2-20 | Process to determine remuneration                               | <a href="#">Pages 14–17, 30–52 of 2023 Proxy Statement</a><br><a href="#">Results of shareholder vote on Say on Pay proposal from prior year</a>  |
| 2-21 | Annual total compensation ratio                                 | <a href="#">Pages 51–52 of 2023 Proxy Statement</a>   |
| 2-22 | Statement on sustainable development strategy                   | <a href="#">Pages 3, 7 of 2023 ESG Report</a>   |
| 2-23 | Policy commitments  | <a href="#">Code of Business Ethics and Conduct</a><br>Code of Business Ethics and Conduct, including recent revisions, was approved by the CEO, CFO, and Vice Presidents responsible for ESG initiatives at Paychex.<br><a href="#">Third-Party Code of Conduct</a><br>Third-Party Code of Conduct, including recent revisions, was approved by the Ethics and ESG Steering Committee.<br><a href="#">Environmental Policy</a><br>Environmental Policy, including recent revisions, was approved by the Ethics and ESG Steering Committee.<br><a href="#">GHG emissions reduction targets</a><br>The targets were approved by the CEO, CFO, COO, and Vice Presidents responsible for ESG initiatives at Paychex. |

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|------|--|---|
| 2-23 | Policy commitments                                 | <a href="#">Fair Wage Policy</a><br>Fair Wage Policy was approved by Human Resources & Organizational Development.<br><a href="#">Inclusion and Diversity Policy</a><br>Inclusion and Diversity Policy was approved by Human Resources & Organizational Development.<br>The policy commitments are publicly available on our company website. The Code of Business Ethics and Conduct and the Human Rights Policy are referenced in the Right Way Training:<br><a href="#">Employees webpage—Training &amp; Development tab, The Right Way Training and Other Training Modules of the Right Way Training sections</a> |
| 2-24 | Embedding policy commitments                       | <a href="#">The Ethics and ESG Steering Committee includes senior executive representation from Legal &amp; Ethics, Service, HR, Marketing, Finance, Internal Audit, Communications, and DEI. This group assists in the development of policies to drive responsible and ethical business conduct.</a><br><a href="#">Employees webpage—Training &amp; Development tab, The Right Way Training and Other Training Modules of the Right Way Training sections</a>  |
| 2-25 | Processes to remediate negative impacts            | <a href="#">Page 14 of Code of Business Ethics and Conduct</a>  |
| 2-26 | Mechanisms for seeking advice and raising concerns | <a href="#">Employees webpage—Training &amp; Development tab, The Right Way Training and Other Training Modules of the Right Way Training sections</a><br><a href="#">Employees webpage—Non-Discrimination tab</a><br><a href="#">Pages 14, 16 of Code of Business Ethics and Conduct</a>   |
| 2-28 | Membership associations                            | National Payroll Reporting Consortium (NPRC)<br>National Association of Professional Employer Organizations (NAPEO)   |
| 2-29 | Approach to stakeholder engagement                 | <a href="#">Pages 4–5 of 2023 ESG Report</a><br><a href="#">Pages 28–29 of 2023 Proxy Statement</a>   |

|      |                                  |   |
|------|----------------------------------|---|
| 2-30 | Collective bargaining agreements | <a href="#">Page 9 of 2023 Annual Report on Form 10-K</a> |
|------|----------------------------------|---|

## GRI 201: ECONOMIC PERFORMANCE

|       |  |   |
|-------|--|---|
| 3-3   | Management of material topics  | <a href="#">Employees webpage—Employee Benefits tab</a><br><a href="#">Pages 9–16 of 2023 CDP Climate Change Response</a><br><a href="#">Ethics webpage—Government Relations tab</a><br><a href="#">Page 9 of 2023 ESG Report</a> |
| 201-1 | Direct economic value generated and distributed                                | <a href="#">2023 Annual Report on Form 10-K</a>   |
| 201-2 | Financial implications and other risks and opportunities due to climate change | <a href="#">Pages 9–16 of 2023 CDP Climate Change Response</a>  |
| 201-3 | Defined benefit plan obligations and other retirement plans                    | <a href="#">Page 25 of 2023 ESG Report</a><br><a href="#">Employees webpage—Employee Benefits tab</a>   |
| 201-4 | Financial assistance received from government                                  | <a href="#">Ethics webpage—Government Relations tab, Financial Assistance Received from the Government section</a><br><a href="#">Page 9 of 2023 ESG Report</a>   |

## GRI 203: INDIRECT ECONOMIC IMPACTS

|       |   |  |
|-------|---|--|
| 3-3   | Management of material topics                     | <a href="#">Pages 40–45 of 2023 ESG Report</a><br><a href="#">Community Webpage—Community Initiatives and Paychex Charitable Foundation tabs</a> |
| 203-1 | Infrastructure investments and services supported | <a href="#">Pages 40–47 of 2023 ESG Report</a><br><a href="#">Empowering Businesses webpage</a>  |
| 203-2 | Significant indirect economic impacts             | <a href="#">Pages 48–49 of 2023 ESG Report</a><br><a href="#">2023 Client Impact Report</a>  |

## GRI 205: ANTI-CORRUPTION

|       |  |  |
|-------|--|--|
| 3-3   | Management of material topics  | <a href="#">Ethics webpage—Anti-corruption tab</a><br><a href="#">Employees webpage—Training &amp; Development tab</a> |
| 205-2 | Communication and training about anti-corruption policies and procedures | <a href="#">Page 24 of 2023 ESG Report</a><br><a href="#">Employees webpage—Training &amp; Development tab</a>         |

## GRI 206: ANTI-COMPETITIVE BEHAVIOR

|     |                               |   |
|-----|-------------------------------|---|
| 3-3 | Management of material topics | <a href="#">Ethics webpage—Anti-corruption tab, Free and Fair Competition section</a> |
|-----|-------------------------------|---|

## GRI 207: TAX

|       |  |   |
|-------|--|---|
| 207-1 | Approach to tax  | <a href="#">Ethics webpage—Tax tab</a>  |
| 207-2 | Tax governance, control, and risk management                     | <a href="#">Ethics webpage</a><br><a href="#">Ethics webpage—Tax tab</a><br><a href="#">Pages 14, 16 of Code of Business Ethics and Conduct</a> |
| 207-3 | Stakeholder engagement and management of concerns related to tax | <a href="#">Ethics webpage—Tax tab</a>  |

## GRI 302: ENERGY

|       |  |  |
|-------|--|--|
| 3-3   | Management of material topics              | <a href="#">Pages 29–31 of 2023 ESG Report</a> |
| 302-1 | Energy consumption within the organization | <a href="#">Pages 29–32 of 2023 ESG Report</a> |
| 302-3 | Energy intensity                           | <a href="#">Page 32 of 2023 ESG Report</a>     |

## GRI 303: WATER AND EFFLUENTS

|       |                               |  |
|-------|-------------------------------|--|
| 3-3   | Management of material topics | <a href="#">Page 37 of 2023 ESG Report</a> |
| 303-3 | Water withdrawal              | <a href="#">Page 37 of 2023 ESG Report</a> |

## GRI 305: EMISSIONS

|       |   |  |
|-------|---|--|
| 3-3   | Management of material topics           | <a href="#">Pages 29–31 of 2023 ESG Report</a> |
| 305-1 | Direct (Scope 1) GHG Emissions          | <a href="#">Pages 32–33 of 2023 ESG Report</a> |
| 305-2 | Energy indirect (Scope 2) GHG Emissions | <a href="#">Pages 32–33 of 2023 ESG Report</a> |
| 305-3 | Other indirect (Scope 3) GHG emissions  | <a href="#">Pages 34–36 of 2023 ESG Report</a> |
| 305-4 | GHG emissions intensity                 | <a href="#">Page 33 of 2023 ESG Report</a>     |

## GRI 306: WASTE

|       |   |   |
|-------|---|---|
| 3-3   | Management of material topics   | <a href="#">Environment webpage, Resource Use tab, Waste Management section</a> |
| 306-3 | Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste | <a href="#">Page 38 of 2023 ESG Report</a>                                      |
| 306-4 | Waste diverted from disposal  | <a href="#">Page 38 of 2023 ESG Report</a>                                      |
| 306-5 | Waste directed to disposal  | <a href="#">Page 38 of 2023 ESG Report</a>                                      |

## GRI 401: EMPLOYMENT

|       |                               |   |
|-------|-------------------------------|---|
| 3-3   | Management of material topics | <a href="#">Employees webpage—Employee Benefits tab</a> |
| 401-3 | Parental leave                | <a href="#">Pages 25–26 of 2023 ESG Report</a>          |

## GRI 403: OCCUPATIONAL HEALTH AND SAFETY

|       |   |   |
|-------|---|---|
| 3-3   | Management of material topics   | <a href="#">Occupational Safety webpage—Approach tab</a>  |
| 403-1 | Occupational health and safety management system  | <a href="#">Occupational Safety webpage—Approach tab</a>  |
| 403-2 | Hazard identification, risk assessment, and incident investigation                      | <a href="#">Occupational Safety webpage—Approach tab</a>  |
| 403-3 | Occupational health services  | <a href="#">Occupational Safety webpage—Resources tab</a><br><a href="#">Employees webpage—Well-Being tab</a>             |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | <a href="#">Occupational Safety webpage—Approach tab</a>  |
| 403-5 | Worker training on occupational health and safety                                       | <a href="#">Occupational Safety webpage—Approach tab</a>  |
| 403-6 | Promotion of worker health  | <a href="#">Pages 26–27 of 2023 ESG Report</a><br><a href="#">Employees webpage—Employee Benefits and Well-Being tabs</a> |
| 403-8 | Workers covered by an Occupational Health and Safety Management System                  | <a href="#">Page 51 of 2023 ESG Report</a>  |



## GRI 404: TRAINING AND EDUCATION

|       |  |  |
|-------|--|--|
| 3-3   | Management of material topics  | <a href="#">Page 23 of 2023 ESG Report</a><br><a href="#">Employees webpage—Training &amp; Development tab</a> |
| 404-1 | Average hours of training per year per employee                                      | <a href="#">Page 23 of 2023 ESG Report</a>   |
| 404-2 | Programs for upgrading employee skills and transition assistance programs            | <a href="#">Page 23 of 2023 ESG Report</a>   |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | <a href="#">Page 24 of 2023 ESG Report</a>   |

## GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

|       |  |  |
|-------|--|--|
| 3-3   | Management of material topics                          | <a href="#">Pages 17–20 of 2023 ESG Report</a><br><a href="#">Diversity, Equity, and Inclusion webpage</a>   |
| 405-1 | Diversity of governance bodies and employees           | <a href="#">Page 7 of 2023 Proxy Statement</a><br><a href="#">Page 21 of 2023 ESG Report</a><br><a href="#">Diversity, Equity, and Inclusion webpage—Performance tab</a> |
| 405-2 | Ratio of basic salary and remuneration of women to men | <a href="#">Page 21 of 2023 ESG Report</a>   |

## GRI 406: NON-DISCRIMINATION

|     |                               |  |
|-----|-------------------------------|--|
| 3-3 | Management of material topics | <a href="#">Employees webpage—Non-Discrimination tab</a> |
|-----|-------------------------------|--|

## GRI 415: PUBLIC POLICY

|       |                               |   |
|-------|-------------------------------|---|
| 415   | Management of material topics | <a href="#">Ethics webpage—Government Relations tab</a> |
| 415-1 | Political contributions       | <a href="#">Page 9 of 2023 ESG Report</a>               |

## GRI 418: CUSTOMER PRIVACY

|     |                               |  |
|-----|-------------------------------|--|
| 3-3 | Management of material topics | <a href="#">Privacy &amp; Security webpage—Privacy tab</a> |
|-----|-------------------------------|--|

# SASB Index

## INDUSTRY GROUP: SOFTWARE & IT SERVICES

| Topic  | Code         | Accounting Metric  | Page Number   |
|--|--------------|--|---|
| Environmental Footprint of Hardware Infrastructure | TC-SI-130a.1 | (1) Total energy consumed<br>(2) percentage grid electricity<br>(3) percentage renewable   | <a href="#">Page 31 of 2023 ESG Report</a>                        |
|  | TC-SI-130a.2 | (1) Total water withdrawn  | <a href="#">Page 37 of 2023 ESG Report</a>                        |
|  | TC-SI-130a.3 | Discussion of the integration of environmental considerations into strategic planning for data center needs                                | <a href="#">Page 31 of 2023 ESG Report</a>                        |
| Data Privacy & Freedom of Expression               | TC-SI-220a.1 | Description of policies and practices relating to behavioral advertising and user privacy  | <a href="#">Privacy &amp; Security webpage—Privacy tab</a>        |
|  | TC-SI-220a.3 | Monetary losses as a result of legal proceedings associated with user privacy  | <a href="#">Page 15 of 2023 ESG Report</a>                        |
|  | TC-SI-220a.5 | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring | <a href="#">Page 8 of 2023 ESG Report</a>                         |
| Data Security                                      | TC-SI-230a.1 | (1) Number of data breaches<br>(2) percentage involving personally identifiable information (PII)<br>(3) number of users affected          | <a href="#">Page 15 of 2023 ESG Report</a>                        |
|  | TC-SI-230a.2 | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards            | <a href="#">Privacy &amp; Security webpage—Cyber Security tab</a> |

|   |              |  |   |
|---|--------------|--|---|
| Recruiting & Managing a Global, Diverse & Skilled Workforce | TC-SI-330a.3 | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees | <a href="#">Page 21 of 2023 ESG Report Diversity, Equity, and Inclusion webpage—Performance tab</a> |
| Intellectual Property Protection & Competitive Behavior     | TC-SI-520a.1 | Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations           | <a href="#">Page 8 of 2023 ESG Report</a>   |
| Managing Systemic Risks from Technology Disruptions         | TC-SI-550a.1 | Number of (1) performance issues and (2) service disruptions; (3) total customer downtime  | <a href="#">Privacy &amp; Security webpage—Business Continuity Planning tab</a>                     |
|   | TC-SI-550a.2 | Description of business continuity risks related to disruptions of operations  | <a href="#">Privacy &amp; Security webpage—Business Continuity Planning tab</a>                     |