



HR | Payroll | Benefits | Insurance

Paychex, Inc.

2024 CDP Corporate Questionnaire 2024 Response: Climate Change

October 2024

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

C1. Introduction

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☒ Publicly traded organization

(1.3.3) Description of organization

We are an industry-leading human capital management (“HCM”) company delivering a full suite of technology and advisory services in human resources (“HR”), employee benefit solutions, insurance, and payroll processing. As of May 31, 2024, we served approximately 745,000 small- to medium-sized businesses and their employees across the U.S. and parts of Europe. Paychex was incorporated in Delaware in 1979, maintains a corporate headquarters in Rochester, New York, and has a fiscal year that ends on May 31st. For any organization, a key function is effective HCM, which requires both resources and expertise. Organizations are faced with continuous evolution in employer-employee relations including: an increasing number and complexity of federal, state, and local regulations; changing workforce dynamics; and challenges attracting and retaining talent. The workplace is rapidly changing as employees increasingly become mobile, work remotely, and expect a user experience similar to consumer-oriented applications. We specialize in helping small- to medium-sized businesses who do not have the resources or expertise to adapt to the constantly evolving environment. Paychex offers a full range of integrated HCM solutions from hire to retire for businesses and their employees that allows us to customize our offering to the client's business, whether it is small or large, simple or complex. We believe that we have the breadth of solutions to cover the spectrum of the employee life cycle, but we also allow integrations with popular HR, accounting, point-of-sale, and productivity applications. The key features of our solutions are: • Comprehensive cloud-based platform optimized to meet the HR and payroll needs of small- and medium-sized organizations; • Expertise in HR and payroll with our technology backed by over 250 compliance experts and approximately 700 HR business professionals. • Streamlined workforce management that combines technology with flexible, tech-enabled support options; • Modern, mobile, and intuitive user experience with self-service capabilities; • Scalable and customizable platform that allows clients the ability to add services as they grow; • Software as a service, or “SaaS”, delivery model that reduces total cost of ownership for our clients; and • Advanced data analytics and artificial intelligence (“AI”) capabilities powered by large data sets; As evident from the description of our business and activities above, the primary source of Scope 1 and Scope 2 greenhouse gas (GHG) emissions for Paychex are fuel use and electricity use at our facilities, fulfillment centers, data centers, and company owned vehicles. Scope 3 GHG emissions categories relevant to Paychex that are reported here are Upstream Transportation and Distribution, Business Travel, Employee Commuting and Upstream Leased Assets. We market our solutions through a combination of direct and virtual sales forces and ecommerce solutions supported by various digital lead generation and multi-channel marketing initiatives. Over 50% of our revenues are from solutions other than payroll processing. Our strategy is to be the digital HR leader for HR, payroll, benefits, and insurance by serving as an essential partner to small- and medium-sized businesses. We believe that successfully executing this strategy will lead to strong, long-term financial performance. We intend to strengthen and extend our position as a leading provider through continued investments in both our innovative technology and HR advisory solutions.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

05/31/2024

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☒ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☒ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☒ 3 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☒ 3 years

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☒ 3 years

[Fixed row]

(1.5) Provide details on your reporting boundary.

(1.5.1) Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?

Select from:

☒ No

(1.5.2) How does your reporting boundary differ to that used in your financial statement?

The reporting boundary for our CDP disclosure differs from that used in our financial statement in that it includes Scope 3 emissions for our operations in the US and leased facilities across the globe but does not include the following: i) For our offices in Germany, Denmark, and India: Employee commuting and Business Travel. ii) Upstream Transportation and Distribution for our offices in Germany. There is no Upstream Transportation and Distribution activity in Denmark and India.
[Fixed row]

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

US7043261079

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

704326107

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

Payx

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

2674458 US

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

529900K900DW6SUBM174

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

094399359

[Add row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☒ No, but we plan to do so within the next two years

(1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 1 suppliers

(1.24.8) Primary reason for not mapping your upstream value chain or any value chain stages

Select from:

☒ No standardized procedure

(1.24.9) Explain why your organization has not mapped its upstream value chain or any value chain stages

Paychex is developing a procedure to map its value chain.

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

2

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Our Company does financial planning on an ongoing basis for the remainder of the current fiscal year and the next fiscal year. On an annual basis our company plan for the upcoming year is approved by the Board of Directors. Any investment initiatives or projects that are identified in relation to a climate-related risk or opportunity, would be incorporated from a financial planning standpoint as part of this process. These projects would be prioritized and assessed based on the time frame they may affect the company and magnitude of impact they present to the company's ability to do business, its reputation, and market share.

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

4

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Our strategic planning process is led by a Strategic Steering Committee that continually evaluates what is happening in the markets and outlines priorities to help the company succeed in its objective to be the digitally driven HR leader. It focuses on the Paychex impact on how our efforts positively impact our clients, communities, and people. Business strategy planning is typically focused on the forward 3-year period. While this process is focused on growth in the business, any material climate-related risks or opportunities that would impact our business or our stakeholders would be discussed in this context.

Long-term

(2.1.1) From (years)

5

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Strategic and high-level financial planning for initiatives to reduce GHG emissions and meet GHG emissions reduction targets happens on a five-year time frame.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☒ Yes	Select from: ☒ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☒ Yes	Select from: ☒ Both risks and opportunities	Select from: ☒ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☒ Dependencies

☒ Impacts

☒ Risks

☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☒ Direct operations

(2.2.2.4) Coverage

Select from:

☒ Partial

(2.2.2.7) Type of assessment

Select from:

☒ Qualitative only

(2.2.2.8) Frequency of assessment

Select from:

- ☒ Annually

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific
- ☒ Sub-national
- ☒ National

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- ☒ COSO Enterprise Risk Management Framework
- ☒ Enterprise Risk Management
- ☒ Internal company methods

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Cyclones, hurricanes, typhoons
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Heat waves
- ☒ Heavy precipitation (rain, hail, snow/ice)

Chronic physical

- ☒ Sea level rise
- ☒ Water stress

Policy

- ☒ Carbon pricing mechanisms
- ☒ Changes to national legislation

Market

- ☒ Changing customer behavior

Reputation

- ☒ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

- ☒ Transition to lower emissions technology and products

Liability

- ☒ Exposure to litigation

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ☒ Customers

- ☒ Employees
- ☒ Investors
- ☒ Regulators

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- ☒ Yes

(2.2.2.16) Further details of process

Our annual environmental risk assessment program considers climate-related risks and opportunities within the entire enterprise. A comprehensive review of all facets of environmental impacts takes place through detailed research and interviews with key stakeholders. Findings from the environmental risk assessment are shared with executives of the company and the Board of Directors. The program is continually evolving to adjust with current standards and methodologies.
 [Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

- ☒ Yes

(2.2.7.2) Description of how interconnections are assessed

We have identified the environmental impacts and dependencies of our business. As a technology and software services provider, our key environmental impacts and dependencies lie in greenhouse gas emissions, energy consumption, resource consumption, and waste management. These environmental impact and dependencies can be a potential source of climate-related risks and opportunities for the company. Our process for identification and assessment of climate-related risks and opportunities starts through the lens of these environmental impact and dependencies. For each environmental impact or dependency, we identify the climate-related risks or opportunities that may arise. Once we've identified such a potential climate-related risk or opportunity, we then assess its potential to cause a substantive impact on Paychex, per the methodology and criteria explained in our response to question 2.4. For example, one of the company's environmental impacts is Scope 1 and Scope 2 greenhouse gas emissions. A climate-related risk that can arise as a result of this environmental impact is the implementation of a federal carbon tax that Paychex would be required to pay, thus creating a climate-related Transition risk for Paychex. To assess this risk, we first estimated the financial impact of the risk assuming that if the carbon tax is aligned with the EPA's most recently recommended social cost of carbon of 190 per MT of CO2e, the

annual amount of such a carbon tax would be approximately 1.1 million, and then evaluated it per the methodology and criteria explained in our response to question 2.4.

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

☒ Likelihood of effect occurring

☒ Other, please specify :nature of the risk, scope of potential impact, and financial impact.

(2.4.7) Application of definition

An issue may be considered to have a substantive strategic impact if it is determined that the issue has a high residual risk. Inherent risk is the product of the likelihood and impact of the risk absent any mitigating controls. Residual risk is the net inherent risk calculated after factoring in the existing control environment and related practices. In evaluating the inherent risk for each potential risk or opportunity identified, factors considered include, but are not limited to: (1) the nature of the potential risk or opportunity including risk to the reputation of our business and financial loss; (2) the likelihood of occurrence and magnitude of the event; (3) the scope of the potential impact on stakeholders including clients, shareholders, and employees; (4) the investment required to implement changes; and (5) the potential financial and environmental return on investment.

Opportunities

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

- ☒ Likelihood of effect occurring
- ☒ Other, please specify :nature of the opportunity, scope of potential impact, and financial impact.

(2.4.7) Application of definition

An issue may be considered to have a substantive strategic impact if it is determined that the issue has a high residual risk. Inherent risk is the product of the likelihood and impact of the risk absent any mitigating controls. Residual risk is the net inherent risk calculated after factoring in the existing control environment and related practices. In evaluating the inherent risk for each potential risk or opportunity identified, factors considered include, but are not limited to: (1) the nature of the potential risk or opportunity including risk to the reputation of our business and financial loss; (2) the likelihood of occurrence and magnitude of the event; (3) the scope of the potential impact on stakeholders including clients, shareholders, and employees (4) the investment required to implement changes; and (5) the potential financial and environmental return on investment.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☒ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Paychex is exposed to climate-related risks and opportunities. In particular, climate-related weather events threaten the entire U.S. To mitigate these risks and ensure business continuity for our clients, we have various disaster recovery and business continuity plans that are reviewed to confirm business operations are not significantly impacted by climate-related physical risks that could have an impact on our ability to service our clients, and on our clients' ability to sustain operations. We had more than 745,000 clients throughout the U.S. and parts of Europe as of May 31, 2024, with no one client contributing a significant portion of our revenue. It would require extreme weather events hitting clients in many areas at once to have a significant impact to revenue. Our headquarters, where primary facilities are located, is in the Northeast section of the United States, where extreme weather events are not on the rise. Based on our risk assessments and evaluation of potential climate-related physical risks for materiality, we do not believe that climate-related physical risks will have a substantive financial impact on our business. We have also identified and assessed climate-related transition risks, such as the impact of a carbon tax in the US on Paychex and determined that none of such risks would be expected to have a substantive impact on Paychex.

[Fixed row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.6.1) Environmental opportunities identified

Select from:

☒ No

(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

☒ Opportunities exist, but none anticipated to have a substantive effect on organization

(3.6.3) Please explain

Climate-related opportunities exist for Paychex, including but not limited to, increase in demand for our low-carbon products and services, for example: Paychex's digital on-boarding system that replaces the need for the use of paper during onboarding of a new employee; digital Applicant Tracking System that replaces the need for paper resumes and streamlines the hiring process; digital time and attendance machines that replace the need for paper and ink based time clocks; electronically delivered W2s, direct deposit and digital pay stubs that replace the use of paper documents; and, in our PEO business, HR generalists can provide their services remotely instead of going into the clients' offices reducing GHG emissions from Scope 3 Business Travel. However, Paychex has been offering these low-carbon products and services before we determined that increase in demand for these low-carbon products and services will increase as a result of the transition to a lower carbon economy. Therefore, we believe that climate change does not create any additional opportunities that can have a substantive financial impact on Paychex.
[Fixed row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ Quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Non-executive directors or equivalent

☒ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The charter of the Nominating and Governance Committee of the Paychex Board of Directors includes the company's policy which requires that in identifying independent director candidates for nomination to the Paychex Board of Directors, the initial candidate pool must include qualified female and racially/ethnically diverse candidates and any third-party search firms are instructed to include such candidates in initial lists they prepare.

(4.1.6) Attach the policy (optional)

Paychex_Nominating and Governance Committee Charter.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: ☒ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☒ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☒ Monitoring progress towards corporate targets

(4.1.2.7) Please explain

The Nominating and Governance Committee (the "Committee") of the Board of Directors is responsible for overseeing climate-related issues. Among other things, the Committee is responsible for: • assisting the Board in 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, including climate-related risks and opportunities; and • annually reviewing and providing ongoing oversight of the Company's programs on Corporate Responsibility, including the activities of the Company's Corporate Responsibility Steering Committee (the "Steering Committee"). The Steering Committee is chaired by the Chief Legal Officer, Chief Ethics Officer and Secretary. The Steering Committee's primary function is to review and recommend to Senior Management objectives, policies and procedures that best serve the Company's interests in maintaining a business environment committed to high standards of ethics and integrity, corporate responsibility, and legal compliance. The Chief Legal Officer, Chief Ethics Officer and Secretary updates the Committee about the activities of the Steering Committee and activities of other departments in the Company to meet the Company's greenhouse gas (GHG) emissions reduction targets. The Committee regularly receives information and presentations on climate-related issues, including our environmental impact and performance, such as, the Company's GHG emissions report and progress on the Company's GHG emissions reduction targets, climate change strategy, results of assessment of climate-related risks and opportunities, and initiatives being taken to reduce the Company's GHG emissions, among other Corporate Responsibility activities.

[Fixed row]

(4.2) Does your organization’s board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☒ Other, please specify :External training for directors on climate-related issues, industry best practice, and standards (e.g., TCFD, ISSB, etc.), and regular presentations from senior management on environmental issues, including our climate impact and performance.

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: ☒ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental targets

(4.3.1.4) Reporting line

Select from:

☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☒ Half-yearly

(4.3.1.6) Please explain

The CEO is a member of the Company's Board of Directors. The CEO and other C-suite officers lead the setting of any climate-related corporate targets. The CEO also receives updates on the Company's progress on meeting its GHG emissions reduction targets.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Other C-Suite Officer, please specify :Chief Legal Officer, Chief Ethics Officer and Secretary

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments

Strategy and financial planning

- ☒ Managing environmental reporting, audit, and verification processes

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Half-yearly

(4.3.1.6) Please explain

The Chief Legal Officer, Chief Ethics Officer and Secretary reports to the Chief Executive Officer. The Chief Legal Officer, Chief Ethics Officer and Secretary chairs the Corporate Responsibility Steering Committee (the "Steering Committee"). Among other things, the Steering Committee assesses climate-related impacts, dependencies, risks and opportunities. For example, in one of its meetings, the Steering Committee reviewed the results of the annual Environmental Risk Assessment and the initiatives in place to manage potential risks

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

☒ Other committee, please specify :Corporate Responsibility Steering Committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☒ Assessing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☒ Measuring progress towards environmental corporate targets

☒ Measuring progress towards environmental science-based targets

☒ Setting corporate environmental policies and/or commitments

(4.3.1.4) Reporting line

Select from:

☒ Other, please specify :Corporate Responsibility reporting line

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☒ Half-yearly

(4.3.1.6) Please explain

The Corporate Responsibility Steering Committee (the "Steering Committee") is comprised of members representing Human Resources and Organizational Development, Legal, External Reporting, Investor Relations, Corporate Marketing, Corporate Communications, Risk, Compliance and Data Analytics, Information Technology, Business Operations, Sustainability and Internal Audit. These business units at Paychex are stakeholders in sustainability strategy and policy setting. The Steering Committee's primary function is to review and recommend to senior management objectives, policies and procedures that best serve the Company's interests in maintaining a business environment committed to high standards of ethics and integrity, corporate responsibility, legal compliance, and assessment and management of climate-related issues. During the reporting year there were 20 members in the Steering Committee, including: Chief Legal Officer, Chief Ethics Officer and Secretary; VP, Chief Human Resources Officer; Vice President, Marketing; Director, Legal; Director, Business Operations; Director, Compliance Risk; Director of Internal Audit; Director, External Reporting; Director, Investor Relations; Director - Inclusion, Culture & Engagement; Director of Corporate Communications; and many Senior Managers. Among other things, the Steering Committee assesses and manages climate-related risks and opportunities. For example, in one of its meetings, the Steering Committee reviewed the annual Environmental Risk Assessment and the initiatives in place to manage the risks. The Committee receives quarterly updates on the company's environmental impact and performance, including, the Company's GHG emissions report and progress on the Company's GHG emissions reduction targets, climate change strategy, results of assessment of climate-related risks and opportunities, and initiatives being taken to reduce the Company's GHG emissions.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

(4.5.3) Please explain

A portion of bonuses for all executives is tied to performance in environmental and social commitments, which includes climate-related issues. The timeframe of the performance indicator is annual according to our fiscal year and covers companywide performance.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Policies and commitments

☒ Other policies and commitments-related metrics, please specify :Performance in environmental and social commitments, which includes climate-related issues.

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

A portion of bonuses for all executives is tied to performance in environmental and social commitments, which includes climate-related issues. The timeframe of the performance indicator is annual according to our fiscal year and covers companywide performance.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Making executive compensation contingent on performance in environmental and social commitments, which includes climate-related issues, aligns the interests of the executives with the Company's corporate responsibility objectives, which includes the Company's ambition to reach Net Zero GHG emissions by 2050. This encourages the executives to prioritize taking actions needed to achieve the Company's ambition to reach Net Zero GHG emissions by 2050, and short- and medium-term GHG emissions reduction targets.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☒ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☒ Climate change

(4.6.1.2) Level of coverage

Select from:

- ☒ Selected facilities, businesses or geographies only

(4.6.1.3) Value chain stages covered

Select all that apply

- ☒ Direct operations

(4.6.1.4) Explain the coverage

The Company's Environmental Policy is applicable to its direct operations in the United States. The policy identifies the Company's environmental impacts and dependencies, states its commitment to manage environmental impact as an integral part of its operations and lists the principles the Company will adhere to in its efforts to implement the policy. The Company's ambition to reach Net Zero GHG emissions by 2050 and the corresponding interim GHG emissions reduction targets which are published separate from the formal Environmental Policy are applicable to all reported GHG emissions. The targets cover the company's Scope 1, Scope 2, and Scope 3 GHG emissions in categories Upstream Transportation and Distribution, Business Travel, Employee Commuting and Upstream Leased Assets.

(4.6.1.5) Environmental policy content

Climate-specific commitments

- ☒ Commitment to net-zero emissions

Additional references/Descriptions

- ☒ Reference to timebound environmental milestones and targets
- ☒ Other additional reference/description, please specify :Paychex is committed to managing environmental impact as an integral part of our operations.

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☒ Publicly available

(4.6.1.8) Attach the policy

Paychex Environmental Policy and Commitments.pdf

[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☒ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☒ Task Force on Climate-related Financial Disclosures (TCFD)

(4.10.3) Describe your organization's role within each framework or initiative

Paychex registered as a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in March 2021. The Company has been making disclosures aligned with the recommendations of the TCFD in its annual response to the CDP Climate Change questionnaire. The Company's response is publicly available on the CDP website and is also available on <https://www.paychex.com/corporate/corporate-responsibility>. Paychex continues to strive to improve its TCFD disclosures every year.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☒ No, we have assessed our activities, and none could directly or indirectly influence policy, law, or regulation that may impact the environment

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☒ No, but we plan to have one in the next two years

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☒ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☒ Mandatory government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

US lobbying register LD-1 Form – Registrant ID: 43582 LD-2 Form – House ID: 435820001

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

We have incorporated climate change into the topics we track for federal, state and local regulatory and legislative developments. We also seek to identify possible advocacy opportunities, on the Company's sole behalf or in concert with our various industry coalitions, which we believe would be beneficial for small and medium sized businesses and which are in line with the Company's priorities.

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

Select from:

☒ Other, please specify :Our primary business focus is to assist small and medium sized businesses with their payroll and human resource needs, and we actively advocate for causes specifically related to them.

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

As a technology and software services provider, our primary business focus is to assist businesses with their payroll and human resource needs and we actively advocate for causes specifically related to them. While Paychex supports climate mitigation related policies and initiatives and has established GHG reduction targets, we do not engage in activities that directly or indirectly influence climate-related policy, law, or regulation.

[Fixed row]

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☒ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☒ GRI

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

(4.12.1.4) Status of the publication

Select from:

☒ Complete

(4.12.1.5) Content elements

Select all that apply

☒ Governance

☒ Dependencies & Impacts

☒ Emissions figures

☒ Emission targets

(4.12.1.6) Page/section reference

34-45

(4.12.1.7) Attach the relevant publication

Paychex_FY24-corporate-responsibility-report.pdf

(4.12.1.8) Comment

Paychex publishes an annual Corporate Responsibility Report where it makes disclosures on climate-related topics in the Environment section. The report is aligned with the GRI and SASB standards. Information on this topic is also available on the Environment webpage on the company's website:

<https://www.paychex.com/corporate/corporate-responsibility/environment>

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ More than once a year

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ Bespoke physical climate scenario

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ Unknown

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☒ Other, please specify :2023, 2024 and 2025

(5.1.1.9) Driving forces in scenario

Direct interaction with climate

☒ On asset values, on the corporate

☒ Other direct interaction with climate driving forces, please specify :Acute Physical risks

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The goal of the analysis is to ensure that in the case of a climate-related weather event, we maintain the ability to provide services to our clients, preserve revenue and protect employee safety. Paychex uses specific climate-related scenario analysis twice annually to assess service center facility impact and data center impact. Hurricanes and winter storms are the foundation of each analysis. U.S. based operations that are prone to severe rain/flooding/wind damage/power interruptions are reinforced with auxiliary power and partner locations that are assigned to transfer client support. This planning assures the client service operations will continue without impacts due to severe climate-related events. Data center facilities are hardened against meteorological events with raised flooring, N1 HVAC equipment, redundant network and power feeds, physical security, and adequate infrastructure capacity to run 100% of critical workload from any single location. Business continuity planning is invoked multiple times each year in response to unplanned events and protects Paychex assets and the service that Paychex provides to its clients.

(5.1.1.11) Rationale for choice of scenario

The rationale is to protect Paychex assets and the service that Paychex provides to its clients, employee safety, and our revenue.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☒ Capacity building
- ☒ Other, please specify :Business Continuity Planning

(5.1.2.2) Coverage of analysis

Select from:

- ☒ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Paychex uses specific climate-related scenario analysis twice annually to assess service center facility impact and data center impact. Hurricanes and winter storms are the foundation of each analysis. U.S. based operations that are prone to severe rain/flooding/wind damage/power interruptions are reinforced with auxiliary power

and partner locations that are assigned to transfer client support. This planning assures the client service operations will continue without impacts due to severe climate related events. Data center facilities are hardened against meteorological events with raised flooring, N1 HVAC equipment, redundant network and power feeds, physical security, and adequate infrastructure capacity to run 100% of critical workload from any single location. Business continuity planning is invoked multiple times each year in response to unplanned events and protects Paychex assets and the service that Paychex provides to its clients.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

	Transition plan	Primary reason for not having a climate transition plan that aligns with a 1.5°C world	Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world
	Select from: ☒ No, but we are developing a climate transition plan within the next two years	Select from: ☒ Other, please specify :We are working on developing a climate transition plan.	<i>We are currently working on developing a transition plan that aligns with a 1.5C world.</i>

[Fixed row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
	Select from: ☒ No, and we do not plan to in the next two years

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

(5.10.1) Use of internal pricing of environmental externalities

Select from:

☒ No, and we do not plan to in the next two years

(5.10.3) Primary reason for not pricing environmental externalities

Select from:

☒ No standardized procedure

(5.10.4) Explain why your organization does not price environmental externalities

Our company is currently in the exploratory phase of pricing GHG emissions. Determining a course of action, identifying the proper metrics, attaining proper approvals, and enacting a process for implementation is expected to take longer than two years.

[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

Customers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ No, and we do not plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☒ Judged to be unimportant or not relevant

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

Paychex does not consider engaging with other stakeholder groups as relevant to implementation of its climate strategy.

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	Select from: ☒ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☒ Other, please specify :Responsibility for Paychex's Scope 3 GHG emissions in categories Upstream Transportation and Distribution, Business Travel, and Upstream Leased Assets.

(5.11.2.4) Please explain

We engage with certain suppliers of activities that contribute to Scope 3 GHG emissions categories Upstream Transportation and Distribution, Business Travel, and Upstream Leased Assets. These are three of the four Scope 3 categories that Paychex reports and has established emissions reduction targets for.
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ No, but we plan to introduce environmental requirements related to this environmental issue within the next two years

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☒ No, we do not have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Since we have not yet established environmental requirements that suppliers need to comply with, we have not established a policy for addressing non-compliance with such requirements.
[Fixed row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Other, please specify :Reporting of Upstream Transportation and Distribution, Business Travel and Upstream Leased Assets GHG emissions - three Scope 3 GHG emissions categories that Paychex has established emissions reduction targets for.

(5.11.7.3) Type and details of engagement

Information collection

☒ Collect GHG emissions data at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☒ Tier 1 suppliers

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☒ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

This engagement helps us determine our emissions from Scope 3 Category 4 Upstream Transportation and Distribution, Category 6 Business Travel, and Category 8 Upstream Leased Assets.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☒ Unknown

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ 51-75%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

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

(5.11.9.6) Effect of engagement and measures of success

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

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☒ Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

We engage with certain of our institutional investors at least annually to educate them about our climate change performance and strategy, and initiatives that we are taking to reduce our GHG emissions. Investors do not contribute to our GHG emissions across any of the 15 Scope 3 categories. Engaging with them is necessary to keep them abreast of the company's climate change strategy, targets and progress towards targets, for us to understand their GHG emissions goals, and to ensure their continued investment in Paychex.

(5.11.9.6) Effect of engagement and measures of success

We consider investors' continued investment in the Company and their voting decisions at the Company's Annual Meeting of Stockholders that are aligned with the voting recommendations of the company's Board of Directors a measure of success.

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

Paychex does not have control over energy supply and use at most of its leased facilities. Using this consolidation approach allows the Company to report emissions from leased facilities in Scope 3 Upstream Leased Assets which is the appropriate categorization of emissions from this source.

[Fixed row]

C7. Environmental performance - Climate Change

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

	Has there been a structural change?	Name of organization(s) acquired, divested from, or merged with	Details of structural change(s), including completion dates
	<i>Select all that apply</i> ☒ Yes, an acquisition	Alterna Capital Solutions	Paychex acquired Alterna Capital Solutions on July 31, 2023.

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☒ Yes, a change in methodology

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

Emissions from couriers and postal services previously reported under Scope 3 category Downstream Transportation and Distribution are now being reported under Scope 3 category Upstream Transportation and Distribution. Accordingly, our emissions reduction targets for Downstream Transportation and Distribution have been replaced by the same targets for Upstream Transportation and Distribution. These emissions were in the past calculated using only spend-based method. In this reporting year, majority of emissions in this category have been calculated using spend-based method and those for one vendor were obtained from the vendor. The company was also able to obtain better emissions factors and activity data for this category in previous reporting year (June 1, 2022 to May 31, 2023), which when

used to determine these emissions for the previous reporting year, led to the difference meeting the criteria defined in the company's recalculation policy. Therefore, these emissions for that reporting period were recalculated and are being restated in question 7.8.1.
[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
	Select from: ☒ No, because the impact does not meet our significance threshold	<i>The Company's GHG emissions recalculation policy requires a metric to be restated if the change meets the significance threshold of +/- 5%.</i>	Select from: ☒ Yes

[Fixed row]

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

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from: ☒ We are reporting a Scope 2, location-based figure	Select from: ☒ We are reporting a Scope 2, market-based figure	<i>Scope 2, market-based emissions are calculated using Green-e emissions factors</i>

[Fixed row]

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

(7.4.1.1) Source of excluded emissions

Fugitive emissions from refrigerants.

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

☒ Scope 1

(7.4.1.3) Relevance of Scope 1 emissions from this source

Select from:

☒ Emissions are not relevant

(7.4.1.10) Explain why this source is excluded

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

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

The emissions were estimated based on the fact that refrigerant use is minimal at owned facilities and an even smaller amount is replaced periodically.

[Add row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

05/31/2019

(7.5.2) Base year emissions (metric tons CO₂e)

3235.095

(7.5.3) Methodological details

The emissions reported here represent our owned facilities and power back-up generators across the Company and include emissions from all owned vehicles. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified April 2020) and IPCC Fourth Assessment Report 100-Year Global Warming Potential values were used.

Scope 2 (location-based)

(7.5.1) Base year end

05/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

4871.301

(7.5.3) Methodological details

The emissions reported here represent our owned facilities across the Company and leased data centers. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. Scope 2 location-based emissions from facilities in Denmark were calculated using IEA 2020 Emission Factors. Scope 2 location-based emissions from facilities in the U.S. were calculated using grid-average emissions factors for EPA eGRID Subregions from U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified April 2020). Global Warming Potential values used: IPCC Fourth Assessment Report 100-Year.

Scope 2 (market-based)

(7.5.1) Base year end

05/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

4871.301

(7.5.3) Methodological details

The emissions reported here represent our owned facilities across the Company and leased data centers. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. Scope 2 market-based emissions from facilities in Denmark were calculated using grid IEA 2020 Emission Factors. Scope 2 market-based emissions from facilities in the U.S. were calculated using grid-average emissions factors for EPA eGRID Subregions from U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified April 2020). Global Warming Potential values used: IPCC Fourth Assessment Report 100-Year.

Scope 3 category 1: Purchased goods and services

(7.5.3) Methodological details

We are working on determining the Company's Scope 3 category Purchased Goods and Services emissions.

Scope 3 category 2: Capital goods

(7.5.3) Methodological details

We are working on evaluating whether Scope 3 category Capital Goods emissions are relevant to the Company's emissions inventory.

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

(7.5.3) Methodological details

We are working on evaluating whether Scope 3 category Fuel-and-energy-related Activities (not included in Scope 1 or 2) emissions are relevant to the Company's emissions inventory.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

05/31/2019

(7.5.2) Base year emissions (metric tons CO₂e)

25830.049

(7.5.3) Methodological details

The emissions from courier and postal services used to deliver products to our clients are reported here. Previously reported under Scope 3 category Downstream Transportation and Distribution, these emissions are now being reported under Scope 3 category Upstream Transportation and Distribution. Accordingly, our emissions reduction targets for Downstream Transportation and Distribution have now been replaced by the same targets for Upstream Transportation and Distribution. They were determined using spend-based method and US E.E.I.O. Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1. Global Warming Potential values used: IPCC Fourth Assessment Report 100-Year.

Scope 3 category 5: Waste generated in operations

(7.5.3) Methodological details

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

Scope 3 category 6: Business travel

(7.5.1) Base year end

05/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

8154.491

(7.5.3) Methodological details

Emissions reported here include those from air travel, rail travel, road travel on rental cars and road travel on employee-owned cars and represent business travel by employees in our U.S. based offices which represent approximately 95% of our operations. We do not track business travel by our sales representatives which they are compensated for with a lumpsum monthly payment. The emissions were determined using distance-based, and fuel-based method and U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories' last modified March 2020. Global Warming Potential values used: IPCC Fourth Assessment Report 100-Year.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

05/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

42726.611

(7.5.3) Methodological details

Emissions reported here represent commuting by employees in our U.S. based offices which represent approximately 95% of our operations and were determined using distance-based and average-data methods, and U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories' (last modified March 2020). Global Warming Potential values used: IPCC Fourth Assessment Report 100-Year.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

05/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

16635.487

(7.5.3) Methodological details

Emissions reported here represent our leased facilities in the U.S., Denmark, Germany and India. Actual energy usage data was used where available and estimations for energy usage were made where such data was not available. They were calculated using asset-specific and average-data methods and U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified March 2020). Global Warming Potential values used: IPCC Fourth Assessment Report 100-Year.

Scope 3 category 9: Downstream transportation and distribution

(7.5.3) Methodological details

Paychex directly delivers products to its clients and there is no downstream transportation and distribution. Therefore, Scope 3 category Downstream Transportation and Distribution emissions are not relevant to our business.

Scope 3 category 10: Processing of sold products

(7.5.3) Methodological details

Paychex is a software and technology company and does not produce any intermediate products that require any kind of processing. Therefore, Scope 3 category Processing of Sold Products emissions are not relevant to our business.

Scope 3 category 11: Use of sold products

(7.5.3) Methodological details

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

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

(7.5.3) Methodological details

Paychex does not have products whose end-of-life treatment may generate significant amount of emissions. Therefore, Scope 3 category End of Life Treatment of Sold Products emissions are not relevant.

Scope 3 category 13: Downstream leased assets

(7.5.3) Methodological details

Paychex does not own any assets that it leases to other entities. Therefore, Scope 3 category Downstream Leased Assets emissions are not relevant.

Scope 3 category 14: Franchises

(7.5.3) Methodological details

Paychex is not a franchisor. Therefore, Scope 3 category Franchises emissions are not relevant.

Scope 3 category 15: Investments

(7.5.3) Methodological details

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

Scope 3: Other (upstream)

(7.5.3) Methodological details

There are no other Scope 3 upstream emissions emissions relevant to Paychex.

Scope 3: Other (downstream)

(7.5.3) Methodological details

There are no other Scope 3 downstream emissions emissions relevant to Paychex.

[Fixed row]

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

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO₂e)

2171.749

(7.6.3) Methodological details

The emissions reported here represent our owned facilities and power back-up generators across the Company and include emissions from all owned vehicles. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified February 2024) and IPCC Fifth Assessment Report 100-Year Global Warming Potential values were used.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

2289.849

(7.6.2) End date

05/31/2023

(7.6.3) Methodological details

The emissions reported here represent our owned facilities and power back-up generators across the Company and include emissions from all owned vehicles. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified April 2023) and IPCC Fourth Assessment Report 100-Year Global Warming Potential values were used.

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

2750.535

(7.6.2) End date

05/31/2022

(7.6.3) Methodological details

The emissions reported here represent our owned facilities and power back-up generators across the Company and include emissions from all owned vehicles. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified April 2022) and IPCC Fourth Assessment Report 100-Year Global Warming Potential values were used.

Past year 3

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

2792.844

(7.6.2) End date

05/31/2021

(7.6.3) Methodological details

The emissions reported here represent our owned facilities and power back-up generators across the Company and include emissions from all owned vehicles. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified April 2020) and IPCC Fourth Assessment Report 100-Year Global Warming Potential values were used.

[Fixed row]

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

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

4527.731

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

4528.154

(7.7.4) Methodological details

The emissions reported here represent our owned facilities across the Company and leased data centers. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. Scope-2 location-based emissions were determined using U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified February 2024). Scope 2 Market-based emissions were determined using Green-e Residual Mix Emissions Rates. For both location-based and market-based methods, IPCC Fifth Assessment Report 100-Year Global Warming Potential values were used.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

3746.634

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

3746.634

(7.7.3) End date

05/31/2023

(7.7.4) Methodological details

The emissions reported here represent our owned facilities across the Company and leased data centers. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. For Scope 2 location-based and market-based emissions, grid-average emissions factors for EPA eGRID Subregions from U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified April 2023) were used. Global Warming Potential values used: IPCC Fourth Assessment Report 100-Year.

Past year 2

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

3821.272

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

3814.342

(7.7.3) End date

05/31/2022

(7.7.4) Methodological details

The emissions reported here represent our owned facilities across the Company and leased data centers. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. Scope 2, market-based emissions for certain facilities in our operations in Denmark which used wind-based electricity were accounted using a zero emissions factor. Scope 2 location-based and market-based emissions from facilities in Denmark that used electricity from the grid were calculated using IEA 2020 Emission Factors. Scope 2 location-based and market-based emissions from facilities in the U.S. were calculated using grid-average emissions factors for EPA eGRID Subregions from U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified April 2022). Global Warming Potential values used: IPCC Fourth Assessment Report 100-Year.

Past year 3

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

4304.113

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

4301.103

(7.7.3) End date

05/31/2021

(7.7.4) Methodological details

The emissions reported here represent our owned facilities across the Company and leased data centers. Emissions were calculated using fuel-based method. Estimations were made for activity data in certain cases where data availability was limited. Scope 2, market-based emissions for certain facilities in our operations in Denmark which used wind-based electricity, were accounted using a zero emissions factor. Scope 2 location-based and market-based emissions from facilities in Denmark that used electricity from the grid were calculated using IEA 2020 Emission Factors. Scope 2 location-based and market-based emissions from facilities in the U.S. were calculated using grid-average emissions factors for EPA eGRID Subregions from U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified April 2020). Global Warming Potential values used: IPCC Fourth Assessment Report 100-Year.
[Fixed row]

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

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.5) Please explain

We are working on determining the Company's Scope 3: Purchased Goods and Services emissions.

Capital goods

(7.8.1) Evaluation status

Select from:

☒ Not evaluated

(7.8.5) Please explain

We are working on evaluating whether Scope 3 category Capital Goods emissions are relevant to the Company's emissions inventory.

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

(7.8.1) Evaluation status

Select from:

☒ Not evaluated

(7.8.5) Please explain

We are working on evaluating whether Scope 3 category Fuel-and-energy-related Activities (not included in Scope 1 or 2) emissions are relevant to the Company's emissions inventory.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

10332.147

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Supplier-specific method

☒ Spend-based method

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

3.8

(7.8.5) Please explain

Emissions from couriers and postal services used to deliver products to our clients are reported here. Previously reported under Scope 3 category Downstream Transportation and Distribution, these emissions are now being reported under Scope 3 category Upstream Transportation and Distribution. Accordingly, our emissions reduction targets for Downstream Transportation and Distribution have now been replaced by the same targets for Upstream Transportation and Distribution. A portion of these emissions were provided by the supplier. Source of emissions factors for remaining emissions reported: US E.E.I.O. Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6. Global Warming Potential used for emissions determined using spend-based method: IPCC Fifth Assessment Report 100-Year

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

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

Business travel

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2109.171

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Spend-based method

☒ Fuel-based method

☒ Distance-based method

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

69.8

(7.8.5) Please explain

Emissions reported here include those from air travel, rail travel, road travel on rental cars and road travel on employee-owned cars and represent business travel by employees in our U.S. based offices which represent approximately 95% of our operations. We do not track business travel by our sales representatives which they are compensated for with a lumpsum monthly payment. The emissions were determined using distance-based, and fuel-based method. Emissions factors for spend-based method: US E.E.I.O. Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6. Emissions factors for fuel-based and distance-based methods: U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified February 2024). Global Warming Potential values used: IPCC Fifth Assessment Report 100-Year

Employee commuting

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3425.975

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Distance-based method

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

0

(7.8.5) Please explain

Emissions reported here represent commuting by employees in our U.S. based offices which represent approximately 95% of our operations and were determined using distance-based and average-data methods. Emissions factors used: U.S. EPA Center for Corporate Climate Leadership - Emission Factors for Greenhouse Gas Inventories (last modified February 2024). Global Warming Potential values used: IPCC Fifth Assessment Report 100-Year

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

6765.329

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Asset-specific method

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

51.3

(7.8.5) Please explain

Emissions reported here represent our leased facilities in the U.S., Denmark, Germany and India. Actual energy usage data was used where available and estimations for energy usage were made where such data was not available. They were calculated using asset-specific and average-data methods. 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. Global Warming Potential values used: IPCC Fifth Assessment Report 100-Year

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Paychex directly delivers products to its clients and there is no downstream transportation and distribution. Therefore, Scope 3 category Downstream Transportation and Distribution emissions are not relevant to our business.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Paychex is a software and technology company and does not produce any intermediate products that require any kind of processing. Therefore, Scope 3 category Processing of Sold Products emissions are not relevant to our business.

Use of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

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

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Paychex does not have products whose end-of-life treatment may generate significant amount of emissions. Therefore, Scope 3 category End of Life Treatment of Sold Products emissions are not relevant.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Paychex does not own any assets that it leases to other entities. Therefore, Scope 3 category Downstream Leased Assets emissions are not relevant.

Franchises

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Paychex is not a franchisor. Therefore, Scope 3 category Franchises emissions are not relevant.

Investments

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

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

Other (upstream)

(7.8.5) Please explain

There are no other Scope 3 upstream emissions emissions relevant to Paychex.

Other (downstream)

(7.8.5) Please explain

*There are no other Scope 3 downstream emissions relevant to Paychex.
[Fixed row]*

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

05/31/2023

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

11139.627

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

2426.353

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

3383.334

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

6996.617

(7.8.1.19) Comment

Emissions from couriers and postal services used to deliver products to our clients that were previously reported under Scope 3 category Downstream Transportation and Distribution are now reported under Scope 3 category Upstream Transportation and Distribution. These emissions for reporting year ending 5/31/23 are being restated. Emissions were recalculated to account for availability of more accurate activity data and emissions factors that resulted in the revised emissions meeting the criteria defined in the Company's emissions recalculation policy that requires a metric to be restated if the change meets the significance threshold of -5%.

Past year 2

(7.8.1.1) End date

05/31/2022

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

19122.312

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

978.913

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

1649.479

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

7386.27

Past year 3

(7.8.1.1) End date

05/31/2021

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

21137.829

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

102.148

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

670.8

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

9129.769

[Fixed row]

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

	Verification/assurance status
Scope 1	Select from: ☒ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: ☒ Third-party verification or assurance process in place
Scope 3	Select from: ☒ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☒ Underway but not complete for reporting year – previous statement of process attached

(7.9.1.3) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.1.4) Attach the statement

FY2023 GHG Verification Statement.pdf

(7.9.1.5) Page/section reference

Pages 1-3

(7.9.1.6) Relevant standard

Select from:

☒ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Underway but not complete for reporting year – previous statement of process attached

(7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.2.5) Attach the statement

FY2023 GHG Verification Statement.pdf

(7.9.2.6) Page/ section reference

Pages 1-3

(7.9.2.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Underway but not complete for reporting year – previous statement of process attached

(7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.2.5) Attach the statement

FY2023 GHG Verification Statement.pdf

(7.9.2.6) Page/ section reference

Pages 1-3

(7.9.2.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

☒ Scope 3: Business travel

☒ Scope 3: Employee commuting

☒ Scope 3: Upstream leased assets

(7.9.3.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☒ Underway but not complete for reporting year – previous statement of process attached

(7.9.3.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.3.5) Attach the statement

FY2023 GHG Verification Statement.pdf

(7.9.3.6) Page/section reference

Pages 1-3

(7.9.3.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

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

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

663.421

(7.10.1.2) Direction of change in emissions

Select from:

☒ Increased

(7.10.1.3) Emissions value (percentage)

11

(7.10.1.4) Please explain calculation

The change in emissions was calculated using total Scope 1 and Scope 2 market-based emissions for most recent reporting year and prior reporting year. The change in emissions can be attributed to the following reasons: • Increase in grid-average emissions factor for the region where Paychex has majority of owned facilities; • Emissions reduction initiatives, in absence of which the increase in emissions would have been higher; and, • Increase in data center capacity at co-located data centers where Paychex does not control the electricity supply and cooling infrastructure.

[Fixed row]

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

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☒ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

2169.314

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☒ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1.196

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☒ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1.239

(7.15.1.3) GWP Reference

Select from:

☒ IPCC Fifth Assessment Report (AR5 – 100 year)

[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Denmark	0	0	0
Germany	0	0	0
India	0	0	0
United States of America	2171.749	4527.731	4528.154

[Fixed row]

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	Stationary Combustion	2141.353
Row 2	Mobile Combustion	30.395

[Add row]

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 2	<i>Electricity - Owned and leased Data Centers</i>	3186.575	3187.106
Row 3	<i>Electricity - Owned Offices and fulfillment center</i>	1341.156	1341.048

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

2171.749

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

4527.731

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

4528.154

(7.22.4) Please explain

The entities for which emissions are reported here are included in our consolidated accounting group.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

There are no subsidiaries that are not included in consolidated accounting group for which information is reported in the Company's annual financial statements.
[Fixed row]

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

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: ☒ Yes
Consumption of purchased or acquired electricity	Select from: ☒ Yes
Consumption of purchased or acquired heat	Select from: ☒ No
Consumption of purchased or acquired steam	Select from:

	Indicate whether your organization undertook this energy-related activity in the reporting year
	☒ No
Consumption of purchased or acquired cooling	Select from: ☒ No
Generation of electricity, heat, steam, or cooling	Select from: ☒ Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☒ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

11794.71

(7.30.1.4) Total (renewable and non-renewable) MWh

11794.71

Consumption of purchased or acquired electricity

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

26517.6

(7.30.1.4) Total (renewable and non-renewable) MWh

26517.6

Consumption of self-generated non-fuel renewable energy

(7.30.1.2) MWh from renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

0

Total energy consumption

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

38312.31

(7.30.1.4) Total (renewable and non-renewable) MWh

(7.30.6) Select the applications of your organization's consumption of fuel.

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

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

Other biomass

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

Coal

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

Oil

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

476.25

(7.30.7.3) MWh fuel consumed for self-generation of electricity

349.66

(7.30.7.4) MWh fuel consumed for self-generation of heat

126.59

(7.30.7.8) Comment

The 'self generation of electricity' refers to the diesel and kerosene used to run power backup generators and was estimated using generator run time in the reporting year and fuel consumption rating. The 'self generation of heat' refers to the gasoline used in Paychex owned vehicles.

Gas

(7.30.7.1) Heating value

Select from:

☒ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

11318.46

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

11318.46

(7.30.7.8) Comment

The 'self generation of heat' refers to the natural gas used for hot water and heating facilities.

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

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

Total fuel

(7.30.7.2) Total fuel MWh consumed by the organization

11794.71

(7.30.7.3) MWh fuel consumed for self-generation of electricity

349.66

(7.30.7.4) MWh fuel consumed for self-generation of heat

11445.05
[Fixed row]

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

Electricity

(7.30.9.1) Total Gross generation (MWh)

349.66

(7.30.9.2) Generation that is consumed by the organization (MWh)

349.66

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Heat

(7.30.9.1) Total Gross generation (MWh)

11445.05

(7.30.9.2) Generation that is consumed by the organization (MWh)

11445.05

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:

☒ United States of America

(7.30.14.2) Sourcing method

Select from:

☒ None (no active purchases of low-carbon electricity, heat, steam or cooling)

(7.30.14.10) Comment

Paychex did not purchase electricity, heat, steam, and/or cooling amounts in the U.S. in the reporting year that were accounted for at zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 2

(7.30.14.1) Country/area

Select from:

☒ Denmark

(7.30.14.2) Sourcing method

Select from:

☒ None (no active purchases of low-carbon electricity, heat, steam or cooling)

(7.30.14.10) Comment

Paychex did not have any owned facilities in Denmark in the reporting year and therefore did not purchase electricity, heat, steam, and/or cooling amounts that were accounted for at zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 3

(7.30.14.1) Country/area

Select from:

☒ Germany

(7.30.14.2) Sourcing method

Select from:

☒ None (no active purchases of low-carbon electricity, heat, steam or cooling)

(7.30.14.10) Comment

Paychex did not have any owned facilities in Germany in the reporting year and therefore did not purchase electricity, heat, steam, and/or cooling amounts that were accounted for at zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 4

(7.30.14.1) Country/area

Select from:

☒ India

(7.30.14.2) Sourcing method

Select from:

☒ None (no active purchases of low-carbon electricity, heat, steam or cooling)

(7.30.14.10) Comment

Paychex did not have any owned facilities in India in the reporting year and therefore did not purchase electricity, heat, steam, and/or cooling amounts that were accounted for at zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Denmark

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Germany

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

India

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

26517.6

(7.30.16.2) Consumption of self-generated electricity (MWh)

349.66

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11445.05

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

38312.31

[Fixed row]

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

Row 1

(7.45.1) Intensity figure

0.00000127

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

6699.9

(7.45.3) Metric denominator

Select from:

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

5278300000

(7.45.5) Scope 2 figure used

Select from:

☒ Market-based

(7.45.6) % change from previous year

5.29

(7.45.7) Direction of change

Select from:

☒ Increased

(7.45.8) Reasons for change

Select all that apply

☒ Other, please specify :Decrease in Scope 1 and increase in Scope 2 emissions due to factors outlined in column 'Please explain'.

(7.45.9) Please explain

The change in emissions intensity can be attributed to the following reasons: • Increase in grid-average emissions factor for the region where Paychex has majority of owned facilities; • Emissions reduction initiatives, in absence of which the increase in emissions would have been higher; and • Increase in data center capacity at co-located data centers where Paychex does not control the electricity supply and cooling infrastructure.

[Add row]

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☒ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 1

(7.53.1.11) End date of base year

05/31/2019

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

3235.095

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

0.000

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

3235.095

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

100

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

100

(7.53.1.54) End date of target

05/31/2030

(7.53.1.55) Targeted reduction from base year (%)

50

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1617.547

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

2171.749

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

2171.749

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway**(7.53.1.82) Explain target coverage and identify any exclusions**

This target is company-wide and covers 100% of our Scope 1 emissions from owned facilities and assets. We have not included any emissions or removals from bioenergy within the target boundary. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050.

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is continually pursuing initiatives aimed at reducing its energy consumption and GHG emissions. In FY24, we replaced HVAC equipment at one of our owned facilities with energy efficient equipment. We also modified building ventilation and lighting schedules to match building occupancy at 75% of our owned facilities, resulting in significant financial savings and emissions reduction. We continue to monitor and adjust our building automation system.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No**Row 2****(7.53.1.1) Target reference number**

Select from:

☒ Abs 2**(7.53.1.2) Is this a science-based target?**

Select from:

- ☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

- ☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

- ☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- ☒ Carbon dioxide (CO₂)
☒ Methane (CH₄)
☒ Nitrous oxide (N₂O)

(7.53.1.8) Scopes

Select all that apply

- ☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

- ☒ Market-based

(7.53.1.11) End date of base year

05/31/2019

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

4871.301

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

0.000

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

4871.301

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

100

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

100

(7.53.1.54) End date of target

05/31/2030

(7.53.1.55) Targeted reduction from base year (%)

50

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

2435.651

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

4528.154

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

4528.154

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

14.09

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target is company-wide and covers 100% of our Scope 2 emissions from owned facilities and assets. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050.

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is continually pursuing initiatives aimed at reducing its energy consumption and GHG emissions. In FY24, we replaced HVAC equipment at one of our owned facilities with energy efficient equipment and completed a partial replacement of existing lighting with LED lights at one of our data centers. We also modified

building ventilation and lighting schedules to match building occupancy at 75% of our owned facilities, resulting in significant financial savings and emissions reduction. We continue to monitor and adjust our building automation system

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 3

(7.53.1.1) Target reference number

Select from:

☒ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

☒ Country/area/region

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- ☒ Carbon dioxide (CO2)
- ☒ Methane (CH4)
- ☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

- ☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

- ☒ Scope 3, Category 6 – Business travel

(7.53.1.11) End date of base year

05/31/2019

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

8154.491

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

8154.491

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

8154.491

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

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

8.7

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

8.7

(7.53.1.54) End date of target

05/31/2030

(7.53.1.55) Targeted reduction from base year (%)

50

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

4077.245

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

2109.171

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

2109.171

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

2109.171

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

148.27

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers emissions from business travel undertaken by our employees in the U.S., which represents approximately 95% of our operations. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050. The numbers reported under columns 'Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)' and 'Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes' represent the Scope 3 categories for which Paychex has reported GHG emissions.

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is prioritizing initiatives aimed at reduction of GHG emissions. Since our baseline year of FY2019, Paychex has adopted policies that limit business travel and made investments in IT and technology to replace in-person meetings with video conferencing, resulting in reduced Scope 3 Business Travel GHG emissions.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 4

(7.53.1.1) Target reference number

Select from:

☒ Abs 4

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

☒ Country/area/region

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO₂)

☒ Methane (CH₄)

☒ Nitrous oxide (N₂O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☒ Scope 3, Category 7 – Employee commuting

(7.53.1.11) End date of base year

05/31/2019

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

42726.611

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

42726.611

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

42726.611

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

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

45.8

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

45.8

(7.53.1.54) End date of target

05/31/2030

(7.53.1.55) Targeted reduction from base year (%)

50

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

21363.305

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

3425.975

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

3425.975

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

3425.975

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway**(7.53.1.82) Explain target coverage and identify any exclusions**

This target covers emissions from employee commuting undertaken by our employees in the U.S., which represent approximately 95% of our operations. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050. The numbers reported under columns 'Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)' and 'Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes' represent the Scope 3 categories for which Paychex has reported GHG emissions

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is prioritizing initiatives aimed at reduction of GHG emissions. Since our baseline year of FY2019, Paychex has adopted policies that have allowed a significant percentage of its workforce to work from home permanently, or on a hybrid-schedule. At the end of FY24, 68% of our U.S. workforce worked from home on a full-time basis, while another 20% commuted into the office only two or three days per week. Only 12% of our employees are commuting to the office every day.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No**Row 5****(7.53.1.1) Target reference number**

Select from:

☒ Abs 5

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

☒ Country/area/region

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO₂)

☒ Methane (CH₄)

☒ Nitrous oxide (N₂O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 4 – Upstream transportation and distribution

(7.53.1.11) End date of base year

05/31/2019

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

25830.049

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

25830.049

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

25830.049

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

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

27.7

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

27.7

(7.53.1.54) End date of target

05/31/2030

(7.53.1.55) Targeted reduction from base year (%)

50

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

12915.024

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

10332.147

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

10332.147

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

10332.147

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

120.00

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers emissions from delivery of products to clients by couriers and postal service in our operations in the U.S., which represent approximately 95% of our operations. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050. The numbers reported under columns 'Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)' and 'Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes' represent the Scope 3 GHG categories for which Paychex has reported GHG emissions.

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is prioritizing initiatives aimed at reduction of GHG emissions. We continue to encourage our clients to transition from paper based products to digital products. In this reporting year, 2.8 million W-2s that were traditionally printed and mailed to our clients and also delivered electronically were only delivered electronically.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 6

(7.53.1.1) Target reference number

Select from:

☒ Abs 6

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 1

(7.53.1.11) End date of base year

05/31/2019

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

3235.095

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

0.000

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

3235.095

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

100

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

100.0

(7.53.1.54) End date of target

05/31/2040

(7.53.1.55) Targeted reduction from base year (%)

70

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

970.528

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

2171.749

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

2171.749

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

46.96

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target is company-wide and covers 100% of our Scope 1 emissions from owned facilities and assets. We have not included any emissions or removals from bioenergy within the target boundary. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050,

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is continually pursuing initiatives aimed at reducing its energy consumption and GHG emissions. In FY24, we replaced HVAC equipment at one of our owned facilities with energy efficient equipment. We also modified building ventilation and lighting schedules to match building occupancy at 75% of our owned facilities, resulting in significant financial savings and emissions reduction. We continue to monitor and adjust our building automation system.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 7

(7.53.1.1) Target reference number

Select from:

☒ Abs 7

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☒ Market-based

(7.53.1.11) End date of base year

05/31/2019

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

4871.301

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

0.000

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

4871.301

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

100

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

100

(7.53.1.54) End date of target

05/31/2040

(7.53.1.55) Targeted reduction from base year (%)

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1461.390

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

4528.154

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

4528.154

(7.53.1.78) Land-related emissions covered by target*Select from:*☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)**(7.53.1.79) % of target achieved relative to base year**

10.06

(7.53.1.80) Target status in reporting year*Select from:*☒ Underway**(7.53.1.82) Explain target coverage and identify any exclusions***This target is company-wide and covers 100% of our Scope 2 emissions from owned facilities and assets. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050.***(7.53.1.83) Target objective***To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.*

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

Paychex is continually pursuing initiatives aimed at reducing its energy consumption and GHG emissions. In FY24, we replaced HVAC equipment at one of our owned facilities with energy efficient equipment and completed a partial replacement of existing lighting with LED lights at one of our data centers. We also modified building ventilation and lighting schedules to match building occupancy at 75% of our owned facilities, resulting in significant financial savings and emissions reduction. We continue to monitor and adjust our building automation system

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 8

(7.53.1.1) Target reference number

Select from:

☒ Abs 8

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

☒ Country/area/region

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO₂)

☒ Methane (CH₄)

☒ Nitrous oxide (N₂O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☒ Scope 3, Category 6 – Business travel

(7.53.1.11) End date of base year

05/31/2019

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO₂e)

8154.491

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

8154.491

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

8154.491

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

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

8.7

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

8.7

(7.53.1.54) End date of target

05/31/2040

(7.53.1.55) Targeted reduction from base year (%)

70

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

2446.347

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

2109.171

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

2109.171

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

2109.171

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

105.91

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers emissions from business travel undertaken by our employees in the U.S., which represents approximately 95% of our operations. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050. The numbers reported under columns 'Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)' and 'Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes' represent the Scope 3 categories for which Paychex has reported GHG emissions.

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is prioritizing initiatives aimed at reduction of GHG emissions. Since our baseline year of FY2019, Paychex has adopted policies that limit business travel and made investments in IT and technology to replace in-person meetings with video conferencing, resulting in reduced Scope 3 Business Travel GHG emissions.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 9

(7.53.1.1) Target reference number

Select from:

☒ Abs 9

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

☒ Country/area/region

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☒ Scope 3, Category 7 – Employee commuting

(7.53.1.11) End date of base year

05/31/2019

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

42726.611

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

42726.611

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

42726.611

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

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

45.8

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

45.8

(7.53.1.54) End date of target

05/31/2040

(7.53.1.55) Targeted reduction from base year (%)

70

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

12817.983

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

3425.975

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

3425.975

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

3425.975

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

131.40

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers emissions from employee commuting undertaken by our employees in the U.S., which represent approximately 95% of our operations. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050. The numbers reported under columns 'Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)' and 'Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes' represent the Scope 3 categories for which Paychex has reported GHG emissions.

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is prioritizing initiatives aimed at reduction of GHG emissions. Since our baseline year of FY2019, Paychex has adopted policies that have allowed a significant percentage of its workforce to work from home permanently, or on a hybrid-schedule. At the end of FY24, 68% of our U.S. workforce worked from home on a full-time basis, while another 20% commuted into the office only two or three days per week. Only 12% of our employees are commuting to the office every day.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 10

(7.53.1.1) Target reference number

Select from:

☒ Abs 10

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

☒ Country/area/region

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☒ Scope 3, Category 4 – Upstream transportation and distribution

(7.53.1.11) End date of base year

05/31/2019

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

25830.049

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

25830.049

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

25830.049

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

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

27.7

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

27.7

(7.53.1.54) End date of target

05/31/2040

(7.53.1.55) Targeted reduction from base year (%)

70

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

7749.015

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

10332.147

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

10332.147

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

10332.147

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

85.71

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers emissions from delivery of products to clients by couriers and postal service in our operations in the U.S., which represent approximately 95% of our operations. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050. The numbers reported under columns 'Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)' and 'Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes' represent the Scope 3 GHG categories for which Paychex has reported GHG emissions.

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is prioritizing initiatives aimed at reduction of GHG emissions. We continue to encourage our clients to transition from paper based products to digital products. In this reporting year, 2.8 million W-2s that were traditionally printed and mailed to our clients and also delivered electronically were only delivered electronically.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 11

(7.53.1.1) Target reference number

Select from:

☒ Abs 11

(7.53.1.2) Is this a science-based target?

Select from:

- ☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

- ☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

- ☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- ☒ Carbon dioxide (CO₂)
☒ Methane (CH₄)
☒ Nitrous oxide (N₂O)

(7.53.1.8) Scopes

Select all that apply

- ☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

- ☒ Scope 3, Category 8 - Upstream leased assets

(7.53.1.11) End date of base year

05/31/2019

(7.53.1.21) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

16635.487

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

16635.487

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

16635.487

(7.53.1.42) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100

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

17.8

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

17.8

(7.53.1.54) End date of target

05/31/2030

(7.53.1.55) Targeted reduction from base year (%)

50

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

8317.744

(7.53.1.66) Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

6765.329

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

6765.329

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

6765.329

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

118.66

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target is company-wide and covers emissions from our leased facilities across the U.S., Denmark, Germany and India. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050. The numbers reported under columns 'Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)' and 'Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes' represent the Scope 3 categories for which Paychex has reported GHG emissions.

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is pursuing initiatives aimed at reduction of GHG emissions. In FY24, Paychex vacated 93,751 sq. ft. of occupied facilities, resulting in reduced Scope 3 Upstream Leased Assets emissions. We also add language in all our new lease agreements to measure energy consumption.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

Row 12

(7.53.1.1) Target reference number

Select from:

☒ Abs 12

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

04/13/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☒ Scope 3, Category 8 - Upstream leased assets

(7.53.1.11) End date of base year

05/31/2019

(7.53.1.21) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

16635.487

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

16635.487

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

16635.487

(7.53.1.42) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100

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

17.8

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

17.8

(7.53.1.54) End date of target

05/31/2040

(7.53.1.55) Targeted reduction from base year (%)

70

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

4990.646

(7.53.1.66) Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

6765.329

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

6765.329

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

6765.329

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

84.76

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target is company-wide and covers emissions from our leased facilities across the U.S., Denmark, Germany and India. All our GHG emissions reporting and this target are for fiscal years. This target is aligned with our ambition to reach Net Zero GHG emissions by 2050. The numbers reported under columns 'Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)' and 'Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes' represent the Scope 3 categories for which Paychex has reported GHG emissions.

(7.53.1.83) Target objective

To achieve the company's ambition to reach Net Zero GHG emissions and align it with a lower carbon economy.

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

Paychex is pursuing initiatives aimed at reduction of GHG emissions. In FY24, Paychex vacated 93,751 sq. ft. of occupied facilities, resulting in reduced Scope 3 Upstream Leased Assets emissions. We also add language in all our new lease agreements to measure energy consumption.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☒ NZ1

[Add row]

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	`Numeric input
To be implemented	2	510.51
Implementation commenced	2	78.96

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Implemented	2	3.63
Not to be implemented	1	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Building Energy Management Systems (BEMS)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

79

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

Select all that apply

☒ Scope 1

☒ Scope 2 (location-based)

☒ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

75000

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

0

(7.55.2.7) Payback period

Select from:

☒ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ Ongoing

(7.55.2.9) Comment

Monitoring and fine tuning of Building Energy Management System in owned facilities to improve energy efficiency.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2

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

Select all that apply

- ☒ Scope 2 (location-based)
- ☒ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

- ☒ Voluntary

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

5000

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

25000

(7.55.2.7) Payback period

Select from:

- ☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

- ☒ 16-20 years

(7.55.2.9) Comment

Replacement of existing lighting at an owned facility with LEDs.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☒ Heating, Ventilation and Air Conditioning (HVAC)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2

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

Select all that apply

☒ Scope 1

☒ Scope 2 (location-based)

☒ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

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

5000

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

100000

(7.55.2.7) Payback period

Select from:

☒ 16-20 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 21-30 years

(7.55.2.9) Comment

Replacement of Heating, Ventilation and Air Conditioning equipment at an owned facility with energy efficient equipment.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☒ Internal finance mechanisms

(7.55.3.2) Comment

Paychex supports and self-finances emissions reduction initiatives such as upgrades of mechanical and lighting systems at owned buildings, changes in BEMS system, etc.

Row 2

(7.55.3.1) Method

Select from:

☒ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

Our facilities team and IT department identify projects with the best return on investment, the highest efficiency, and in areas of the greatest strategic need that will also reduce energy consumption at the source.
[Add row]

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

Row 1

(7.74.1.1) Level of aggregation

Select from:

☒ Product or service

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

Select from:

☒ No taxonomy used to classify product(s) or service(s) as low carbon

(7.74.1.3) Type of product(s) or service(s)

Other

☒ Other, please specify :Digital W-2

(7.74.1.4) Description of product(s) or service(s)

Electronically delivered tax reporting document (W-2)

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

Select from:

☒ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☒ Other, please specify :Spend-based method and US E.E.I.O. Supply Chain Greenhouse Gas Emission Factors v1.3

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

Select from:

☒ Not applicable

(7.74.1.8) Functional unit used

One tax reporting document (W-2) printed, packaged in an envelope and mailed to a client employee.

(7.74.1.9) Reference product/service or baseline scenario used

One tax reporting document (W-2) printed, packaged in an envelope and mailed to a client employee and also delivered electronically versus only delivered electronically.

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

Select from:

☒ Not applicable

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

0.000087

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Baseline scenario: Tax document is printed on a sheet of paper, packaged in an envelope and mailed to a client employee, and is also delivered electronically. Lower carbon product: Tax document is only delivered electronically. Since in both cases the document is delivered electronically, the avoided emissions were estimated by calculating the emissions resulting from the spend on one tax document (W-2) printed on a sheet of paper, packaged in an envelope and mailed to a client employee. Emissions factors used: US E.E.I.O. Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6. Global Warming Potential used: IPCC Fifth Assessment Report 100-Year Global Warming Potential.

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

1

[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

(13.1.1) Other environmental information included in your CDP response is verified and/or assured by a third party

Select from:

☒ No, and we do not plan to obtain third-party verification/assurance of other environmental information in our CDP response within the next two years

(13.1.2) Primary reason why other environmental information included in your CDP response is not verified and/or assured by a third party

Select from:

☒ Not an immediate strategic priority

(13.1.3) Explain why other environmental information included in your CDP response is not verified and/or assured by a third party

We annually obtain third party verification of the Company's Scope 1, Scope 2 and Scope 3 Upstream Transportation and Distribution, Business Travel, Employee Commuting and Upstream Leased Assets emissions. These are the key environmental metrics relevant to Paychex.
[Fixed row]

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

(13.2.1) Additional information

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS Certain written statements made here may contain, and members of management may from time to time make or discuss statements which constitute, "forward-looking statements" within the meaning of the safe harbor provisions of the United States ("U.S.") Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by such words and phrases as "expect," "estimate," "intend,"

“intent,” “outlook,” “will,” “would,” “projections,” “strategy,” “mission,” “anticipate,” “believe,” “could,” “may,” “target,” “potential,” “purpose,” “design,” “might,” and other similar words or phrases. Forward-looking statements include, without limitation, all matters that are not historical facts. Examples of forward-looking statements include, among others, statements we make regarding operating performance, events, or developments that we expect or anticipate will occur in the future, including statements relating to our outlook, revenue growth, earnings, earnings-per-share growth, and similar projections. 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. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: • our ability to keep pace with changes in technology or provide timely enhancements to our solutions and support; • software defects, undetected errors, and development delays for our solutions; • the possibility of cyberattacks, security vulnerabilities or Internet disruptions, including data security and privacy leaks and data loss and business interruptions; • the possibility of failure of our business continuity plan during a catastrophic event; • the failure of third-party service providers to perform their functions; • the possibility that we may be exposed to additional risks related to our co-employment relationship with our professional employer organization (“PEO”) business; • changes in health insurance and workers’ compensation insurance rates and underlying claim trends; • risks related to acquisitions and the integration of the businesses we acquire; • our clients’ failure to reimburse us for payments made by us on their behalf; • the effect of changes in government regulations mandating the amount of tax withheld or the timing of remittances; • our failure to comply with covenants in our debt agreements; • changes in governmental regulations, laws, and policies; • our ability to comply with U.S. and foreign laws and regulations; • our compliance with data privacy and artificial intelligence laws and regulations; • our failure to protect our intellectual property rights; • potential outcomes related to pending or future litigation matters; • the impact of macroeconomic factors on the U.S. and global economy, and in particular on our small- and medium[1]sized business clients; • volatility in the political and economic environment, including inflation and interest rate changes; • our ability to attract and retain qualified people; and Table of Contents 19 • the possible effects of negative publicity on our reputation and the value of our brand. Any of these factors could cause our actual results to differ materially from our anticipated results. The information provided here is based upon the facts and circumstances known as of the date of this report, and any forward-looking statements made here speak only as of the date on which they are made. Except as required by law, we undertake no obligation to update these forward-looking statements after the date of filing of this response to the CDP Corporate questionnaire to reflect events or circumstances after such date, or to reflect the occurrence of unanticipated events.

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Director, Legal

(13.3.2) Corresponding job category

Select from:

☒ Other, please specify

[Fixed row]

