



HR | Payroll | Benefits | Insurance

**Paychex, Inc.**

**CDP Climate Change Response**

**August 2021**

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

# Paychex, Inc. CDP Climate Change Questionnaire 2021

## C0. Introduction

### C0.1

**(C0.1) Give a general description and introduction to your organization.**

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of integrated human capital management solutions for human resources, payroll, benefits, and insurance services. As a technology-enabled service company our major source of Scope 1 and Scope 2 greenhouse gas emissions is energy consumed to operate our office facilities, data centers and fulfillment centers.

### C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	June 1, 2020	May 31, 2021	Yes	3 years

### C0.3

**(C0.3) Select the countries/areas for which you will be supplying data.**

Denmark  
 Germany  
 India  
 United States of America

### C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Financial control

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board-level committee	The Governance and Compensation Committee (G&C Committee) of the Board of Directors is responsible for overseeing climate-related issues. The G&C Committee annually reviews and provides ongoing oversight of the company’s programs on corporate social responsibility (CSR), including the activities of the company’s Ethics and CSR Steering Committee (the CSR Steering Committee), environmental sustainability, social, human rights, and health & safety matters. The CSR Steering Committee is chaired by the Vice President, Chief Legal & Ethics Officer, and Secretary. The purpose of the Ethics and Corporate Social Responsibility Steering Committee (‘the Committee’) is to assist Senior Management in the development and sustenance of a world-class Ethics and Corporate Social Responsibility Program (‘the Program’). The CSR 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.

### C1.1b

**(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

Frequency with which climate-related issues are	Governance mechanisms into which climate-	Please explain
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a scheduled agenda item	related issues are integrated	
Scheduled – some meetings	Reviewing and guiding strategy	The Vice President, Chief Legal & Ethics Officer, and Secretary, who chairs the Ethics and Corporate Social Responsibility Steering Committee (CSR Steering Committee) updates the Governance and Compensation Committee of the Board about the activities of the CSR Steering Committee. These include the company's greenhouse gas (GHG) emissions report, 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 CSR activities.

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other, please specify Ethics and Corporate Social Responsibility Steering Committee	Both assessing and managing climate-related risks and opportunities	Half-yearly
Other C-Suite Officer, please specify VP, Chief Legal & Ethics Officer, and Secretary	Both assessing and managing climate-related risks and opportunities	Half-yearly

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The VP, Chief Legal & Ethics Officer, and Secretary reports to the Chief Financial Officer, who reports to the Chief Executive Officer. The VP, Chief Legal & Ethics Officer, and Secretary chairs the Ethics and Corporate Social Responsibility Steering Committee (CSR Steering Committee). The CSR Steering Committee is comprised of members representing Legal, Human Resources, Business Operations, Compliance, Finance, Marketing, Enterprise Risk Management, Sustainability, Enterprise Security, and Communications. These business units at Paychex are stakeholders in sustainability strategy and policy setting.

The purpose of the CSR Steering Committee is to assist Senior Management in the development and sustenance of a world-class Ethics and Corporate Social Responsibility Program. The CSR 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. There are currently 23 members in the CSR Steering Committee, including Vice President - Service Excellence and Operations, Vice President - Chief Human Resources Officer, Vice President - Marketing, Director - Compliance Risk, Director - Business Operations, Director - Benefits & Wellbeing, Director of Internal Audit, Director - Corporate Marketing, and 5 Senior Managers.

Our Greenhouse Gas (GHG) emissions is one of the metrics for measuring climate-related risks and opportunities, and the business units represented on the committee provide data for the GHG emissions reporting, and lead any GHG emission mitigation activities.

The CSR Steering Committee meets at least four times per year, and reviews climate-related issues and mitigation initiatives. In this reporting year, the CSR Steering Committee performed an analysis of Political, Climate, Social, Legal, and Business Continuity risks that might affect the company, and assessed the mitigation initiatives being taken. An Environmental Risks Assessment was performed and the results and recommendations were presented to the CSR Steering Committee.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	6	
Long-term	6	10	

## C2.1b

### **(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

Paychex does not use a single definition of substantive financial or strategic impacts on our business, but rather evaluates each risk or opportunity individually. Criteria used in this assessment 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, employees, and the communities in which we serve; (4) the investment required to implement changes; and (5) the potential financial and environmental return on investment. Paychex performs an enterprise-wide risk assessment, at least annually, including an environmental risk assessment to identify climate-related risks and opportunities. We disclose risks or opportunities in line with the United States Generally Accepted Accounting Principles. In relation to risks, we determine whether the risk of loss is remote, reasonably possible, or probable. If a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate of the loss. If a loss is considered reasonably possible, we disclose the risk and our estimate, or range of estimates of loss, if material. Our commitments and contingencies disclosure in our Annual Report on Form 10-K would include this disclosure, if applicable. If a potential opportunity is identified, it is not recognized in the financial statements until it has been realized. Disclosure of the opportunity would be considered if it were determined to have a substantial impact on our business trends, results of operations, or financial position.

## C2.2

### **(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

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#### **Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

#### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

#### **Frequency of assessment**

More than once a year

#### **Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

#### **Description of process**



Paychex performs an enterprise-wide risk assessment, at least annually, including an environmental- focused risk assessment to identify climate-related risks and opportunities. The CSR Steering Committee (composition of the committee described in C1.2a) performs an annual assessment of political, environmental, social, compliance, legal, and business continuity risks and opportunities that may affect the company, and the current control environments in place. Management identifies specific climate-related risks and the impact to different areas of the business including, but not limited to, our facilities, data centers, etc.

Paychex assesses each risk or opportunity individually. Criteria used in this assessment 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, employees, and the communities in which we serve; (4) the investment required to implement changes; and (5) the potential financial and environmental return on investment.

Risks are ranked by the residual risk rating. Residual risk is the net risk calculated after factoring in the existing control environment and related practices. The assessment includes evaluations of the control environment. The CSR Steering Committee establishes risk response plans and monitors progress.

We disclose risks or opportunities in line with the United States Generally Accepted Accounting Principles. In relation to risks, we determine whether the risk of loss is remote, reasonably possible, or probable. If a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate of the loss. If a loss is considered reasonably possible, we disclose the risk and our estimate, or range of estimates of loss, if material. Our commitments and contingencies disclosure in our Annual Report on Form 10-K would include this disclosure, if applicable. If a potential opportunity is identified, it is not recognized in the financial statements until it has been realized. Disclosure of the opportunity would be considered if it were determined to have a substantive impact on business trends, results of operations, or financial position.

## C2.2a

### (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Paychex assesses several current climate change related regulations including but not limited to emissions reporting, pollution limits, and carbon taxes. Failure to comply with existing regulations applicable to our operations could negatively impact our organization in multiple ways. Any fines, suspension or revocation of licenses, or civil or

		criminal penalties could result in material damage to our reputation. In turn, day to day operations could be disrupted and the organization could face detrimental financial results. Paychex reviews climate-related risk from a facilities, operational, and business unit perspective.
Emerging regulation	Relevant, always included	Paychex continuously monitors emerging climate-related regulations including carbon price, mandatory environmental disclosures, and clean energy regulation. Paychex assesses the impact, likelihood, and velocity of new climate-related regulations to proactively prepare for potential financial impacts and operational changes. Paychex recognizes the importance of maintaining compliance with climate-related regulations and takes into account the reputational, operational, and financial impacts that could result if consistent assessments are not completed and their results not addressed.
Technology	Relevant, always included	As a technology-enabled service company technology risks are relevant to our business and are always included in our assessment of climate-related risks. Technological advances and evolving needs and preferences of clients could impact our business. For example, as consumer demand for low-carbon digital products increases, failure to innovate and expand our portfolio of digital products could reduce demand for our products and our financial condition.
Legal	Relevant, always included	The risk of climate-related litigation is evaluated. Climate-related laws, regulations and disclosure requirements are expected to grow in the coming years, increasing the possibility of non-compliance resulting in possible litigation and/or regulatory enforcement action. We also evaluate and assess these risks at the Ethics & CSR Steering Committee level. Decreasing emissions and reducing overall environmental impact can mitigate potential legal risk as emerging regulations are enacted. For example, if there are regulations requiring reduction in GHG emissions, our failure to comply with them could result in litigation and/or regulatory enforcement action
Market	Relevant, always included	As the world transitions to a lower-carbon economy, climate-related market risks could affect our company. For example, demand for our paper-based products could reduce. The risk assessment processes at Paychex assess all such risks across Paychex product and service offerings. To address such risks, we continue to innovate and expand our portfolio of technology-enabled products and services.
Reputation	Relevant, always included	If the company doesn't take initiatives to measure and manage its impact on the climate, it's perception amongst stakeholder groups like clients, investors, employees, community, and potential employees could be affected, thus creating climate-related reputation risks. For example, if Paychex does not report on GHG emissions from its operations and initiatives it's taking to reduce them, it could affect recruitment and talent retention at the company. Such risks are considered in company-wide risk assessments.



Acute physical	Relevant, always included	Paychex locations, client and third-party locations can all be impacted by acute physical risks. The frequency and severity of such risks are increasing and the need to monitor and mitigate potential impacts is extremely important. Acute physical risks could lead to temporary or permanent disruption of our operations. Damage from acute physical events, such as weather-related events, can lead to increased costs. Established business continuity, crisis management and disaster recovery plans are tested at least annually and updated as needed to mitigate potential effects of acute physical risks.
Chronic physical	Relevant, always included	<p>Paychex facilities could be impacted by acute physical risks. The frequency and severity of such risks are increasing and the need to monitor and mitigate potential impacts is extremely important. Acute physical risks could lead to temporary or permanent disruption of our operations.</p> <p>Paychex operates a risk-based business continuity program, staffed with full time professionals who are dedicated to the practice of business continuity planning. Acute physical risks driven by meteorological (severe weather) events could interrupt the availability of client service centers. Each client service center has a set of alternate service centers designated as rescue partners to sustain customer service in the event of meteorological events, power outages, or infrastructure failures. Acute physical risks are embedded in the contingency planning process, performed continuously throughout the year, and tested through a set of tabletop exercises. Specific plans are reviewed prior to hurricane season and again prior to winter. Plans protect against the loss of staff, facilities, and technology, and include resiliency and redundant solutions. Applications and services are tested annually between centers and a full data center activation test is conducted annually.</p>

### C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

No

### C2.3b

**(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

	Primary reason	Please explain
Row 1	Risks exist, but none with potential to have a substantive financial or	Paychex is exposed to climate-related risks. Currently, based on our risk assessments and evaluation of potential risks individually for materiality, climate-related risks do not have the potential to have a

	<p>strategic impact on business</p>	<p>substantive financial impact on our business. Criteria used in evaluating a potential risk for materiality include: (1) the nature of the risk including risk to the reputation of our business, risk to operations, and financial loss; (2) the likelihood of occurrence and magnitude of the event; and (3) the scope of the potential impact on stakeholders including clients, shareholders, employees, and the communities in which we serve. Paychex consistently evaluates climate-related impacts on Paychex’ reputation and potential financial loss. Risks are identified through the normal course of business, industry sources, and the annual Environmental Risk Assessments. It is imperative that we remain able to service our clients even during climate-related events. To ensure business continuity for our clients, disaster recovery plans are reviewed to confirm business operations are not significantly impacted by climate-related disasters. Reputational risks and the risk of lost business in case the Company does not minimize environmental impacts are continuously evaluated.</p>
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## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

No

### C2.4b

**(C2.4b) Why do you not consider your organization to have climate-related opportunities?**

	Primary reason	Please explain
Row 1	<p>Opportunities exist, but none with potential to have a substantive financial or strategic impact on business</p>	<p>Climate-related opportunities exist for Paychex, but currently none have the potential to have a substantive financial impact on the business. The criteria used to determine if an opportunity is substantive include: (1) the nature of the opportunity and potential for strengthening our reputation or financial gain; (2) the likelihood we will realize the opportunity; (3) the scope of the impact on stakeholders including clients, shareholders, employees, and the communities in which we serve; (4) the investment required to implement changes; and (5) the potential financial and environmental return on investment. In line with US GAAP standards, we do not recognize an opportunity until it has been realized. Disclosure of such opportunities would be considered if it was determined to have a substantial impact on our business trends, results of operations, or financial position.</p>

## C3. Business Strategy

### C3.1

**(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes

### C3.1b

**(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?**

	Intention to publish a low-carbon transition plan	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	We are currently evaluating the possibility of publishing a low-carbon transition plan, and the appropriate timeline.

### C3.2

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative

### C3.2a

**(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.**

Climate-related scenarios and models applied	Details
Other, please specify Internal Climate Scenario Analysis	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, N+1 HVAC equipment, redundant network and power feeds, physical security, and adequate infrastructure capacity to run 100% of critical workload from any single location. BCP 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. During the COVID-19 pandemic, a work from home strategy was implemented, and Paychex service to its clients was not affected.

### C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	As the world transitions to a lower carbon economy, climate-related Market risks and opportunities related to Products and Services can affect us both negatively and positively. As our clients become conscious of the impacts of their choices on climate, the demand for digital and other low-carbon products and services will increase. In response to that, as a technology-enabled service company, we consider the impact of our products and services on climate and are constantly striving towards creating more low-carbon products and services. A few examples of our low-carbon product portfolio include: 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; direct deposit and digital pay stubs that replace the use of paper checks and paper stubs; and, in our PEO business, HR generalists can provide their services remotely instead of travelling to the clients' offices. We also have initiatives in place to encourage clients to move to such low-carbon products and services from their conventional counterparts.
Supply chain and/or value chain	Yes	To reduce the impact of climate-related market risks and utilize climate-related opportunities in the area of Products and Services, we continue to expand our portfolio of low-carbon products. As a consequence of that, both upstream and downstream aspects of our value chain have been affected. This includes reduced purchasing of paper for paper-based products, and reduced transportation and distribution services for delivery of our products. These decisions also help reduce our Scope 3 GHG emissions. The specific Scope 3 categories affected are: Purchased Goods and Services, and Downstream Transportation and Distribution. We are also in the process of revising our Code of Vendor Conduct, to expand its scope to include all

		third parties Paychex engages with, and we seek to engage third parties who take initiatives to manage and reduce their impact on the environment.
Investment in R&D	Yes	Our Product Development and Software Engineering teams are constantly exploring ways to digitize existing products and services which are currently manual or paper based. To encourage further development of low-carbon products, realize climate-related opportunities, and reduce possible impact of climate-related risks, we train our employees to consider climate impact when making business decisions on product development. In this reporting year, we conducted such trainings for Vice President - Corporate Strategy and Product Management, and Vice President - Software Engineering and their respective teams of Directors. These trainings are helping us create a culture of awareness on considering impact of products on climate into our product development life cycle.
Operations	Yes	<p>We continue to evaluate the impact of climate-related risks and opportunities when making strategy decisions on the company's operations. In this reporting year, the possible impacts of climate-related risks and opportunities were considered when making several business decisions. Traditionally, before the Annual Meeting of Shareholders, Paychex provides paper-based copies (hard copies) of its Annual Financial Report and Proxy Statement to all shareholders. This contributes to our Scope 3 GHG emissions due to purchase of paper and printing of the reports, and transporting them to the shareholders. The specific Scope 3 categories affected are: Purchased Goods and Services, and Upstream Transportation and Distribution. In this reporting year, we adopted the SEC's Notice and Access rules (e-proxy) by which we transitioned from paper-based to electronic copies of the Annual Financial Report and Proxy Statement. This helped reduced our Scope 3 GHG emissions in the above mentioned two categories.</p> <p>Another key business strategy decision that was affected by climate-related risks and opportunities was the decision to reduce our geographic footprint by reducing the number of Paychex facilities. Many of the employees assigned to those facilities transitioned to work from home. This decision reduced the GHG emissions from our operations, and from Scope 3 - Employee Commuting.</p> <p>We also continue to evaluate other initiatives to reduce impact from Scope 3 - Employee Commuting. This year we committed to install more Electric Car Chargers at our</p>

		company owned facilities in Rochester, New York. To reduce our Scope 2 emissions from electricity usage, we committed to replace existing lighting with energy efficiency LED light fixtures at more facilities.
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### C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Capital expenditures Assets Liabilities	Climate-related risks and opportunities have affected several elements of our financial planning. In this reporting year, to reduce the impact of climate-related risks from operation of facilities, we accelerated our plans to reduce the number of Paychex facilities. Our financial planning was affected by way of costs including one-time lease acceleration and facilities decommissioning costs, along with future savings on rent and facilities maintenance costs. The decision to adopt the SEC’s Notice and Access rules (e-proxy) had an impact on financial planning in the form of reduced costs of printing and distribution of hard copy annual report and proxy materials to shareholders.  To reduce the impact of climate-related risks from emerging regulations, we are taking initiatives to reduce our GHG emissions. The investments in infrastructure made to reduce GHG emissions is one way by which our financial planning has been affected. Infrastructure initiatives include replacement of existing light fixtures with energy efficient LEDs to reduce Scope 2 GHG emissions from electricity usage, Electric Car Chargers to reduce Scope 3 GHG emissions from Employee Commuting.

### C3.4a

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

No target

## C4.1c

**(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.**

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	We anticipate our GHG emissions will decrease.	In this reporting year, we are reporting the GHG emissions from our owned facilities across the company, all leased facilities across our operations in Denmark, Germany and India, and from electricity use for 55% and natural gas use for 42% of leased floor space in the US. We are committed to reducing GHG Emissions and are working on establishing targets for reducing GHG emissions and we plan to disclose them within the next year.

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO<sub>2</sub>e savings.**

	Number of initiatives	Total estimated annual CO <sub>2</sub> e savings in metric tonnes CO <sub>2</sub> e (only for rows marked *)
Under investigation	1	
To be implemented*	2	
Implementation commenced*	0	
Implemented*	3	
Not to be implemented	0	

## C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

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### Initiative category & Initiative type

### Estimated annual CO<sub>2</sub>e savings (metric tonnes CO<sub>2</sub>e)

#### Scope(s)

Scope 2 (location-based)

Scope 2 (market-based)

#### Voluntary/Mandatory

Voluntary

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

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

70,000

### Payback period

### Estimated lifetime of the initiative

21-30 years

### Comment

In this reporting period we continued installing LED lights at another one of our owned facilities. These will help reduce our Scope 2 emissions.

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### Initiative category & Initiative type

Energy efficiency in buildings

Heating, Ventilation and Air Conditioning (HVAC)

### Estimated annual CO<sub>2</sub>e savings (metric tonnes CO<sub>2</sub>e)

#### Scope(s)

Scope 2 (location-based)

Scope 2 (market-based)

#### Voluntary/Mandatory



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

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

40,000

**Payback period**

**Estimated lifetime of the initiative**

16-20 years

**Comment**

In this reporting year, we installed Solar Shades at a few of our owned facilities. These will reduce the need for cooling, thus reducing our Scope 2 emissions.

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**Initiative category & Initiative type**

Other, please specify

Other, please specify

Installation of snowmelt at entrance of an owned facility that helps in reduction of sidewalk salting, reduces deterioration to lawn & landscape from salting, and increases longevity of carpet.

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

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

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

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

95,000

**Payback period**

**Estimated lifetime of the initiative**

21-30 years

**Comment**

### C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for energy efficiency	
Dedicated budget for other emissions reduction activities	
Employee engagement	

### C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

### C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

#### Level of aggregation

Group of products

#### Description of product/Group of products

Our low-carbon product portfolio includes: 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; direct deposit and digital pay stubs that replace the use of paper checks and paper stubs; and, in our PEO business, HR generalists can provide their services remotely instead of going into the clients' offices. Our Paychex Flex® mobile app allows clients and their employees to receive and provide information in a paperless format.

#### Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

#### Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Digital Products and Services

#### % revenue from low carbon product(s) in the reporting year

0

**Comment**

Our low-carbon products described above help reduce our Scope 3 GHG emissions. Revenue earned from such products is confidential information, hence we are reporting 0 under that column.

## C5. Emissions methodology

### C5.1

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

#### Scope 1

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**Base year start**

June 1, 2017

**Base year end**

May 31, 2018

**Base year emissions (metric tons CO<sub>2</sub>e)**

3,019.245

**Comment**

These emissions are being reinstated. In 2020 CDP reporting we had reported Scope 1 emissions for the base year for only our facilities in Rochester, New York. They did not include emissions from 50% of the 8 vehicles we own. The emissions provided above represent our owned facilities across the company and include emissions from all the owned 8 vehicles.

#### Scope 2 (location-based)

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**Base year start**

June 1, 2017

**Base year end**

May 31, 2018

**Base year emissions (metric tons CO<sub>2</sub>e)**

3,493.15

**Comment**

These emissions are being reinstated. In 2020 CDP reporting we had reported Scope 2 (location-based) emissions for the base year for only our facilities in Rochester, New York. The emissions provided above represent our owned facilities across the company.

#### Scope 2 (market-based)

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**Base year start**

June 1, 2017

**Base year end**

May 31, 2018

**Base year emissions (metric tons CO<sub>2</sub>e)**

3,493.15

**Comment**

This is the first time we are reporting Scope 2 (market-based) emissions.

## C5.2

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity

US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources

US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources

US EPA Emissions & Generation Resource Integrated Database (eGRID)

## C6. Emissions data

### C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

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**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

2,792.844

**Start date**

June 1, 2020

**End date**

May 31, 2021

**Comment**

The emissions provided above represent our owned facilities and vehicles across the company.

**Past year 1**

---

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

3,128.881

**Start date**

June 1, 2019

**End date**

May 31, 2020

**Comment**

These emissions are being reinstated. We have changed our reporting boundary from Operational Control to Financial Control. In 2020 CDP reporting we had reported Scope 1 emissions for this time period for only our facilities in Rochester, New York. They did not include emissions from 50% of the 8 vehicles we own. The emissions provided above represent our owned facilities across the company and include emissions from all the owned 8 vehicles.

**Past year 2**

---

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

3,235.095

**Start date**

June 1, 2018

**End date**

May 31, 2019

**Comment**

These emissions are being reinstated. We have changed our reporting boundary from Operational Control to Financial Control. In 2020 CDP reporting we had reported Scope 1 emissions for this time period for only our facilities in Rochester, New York. They did not include emissions from 50% of the 8 vehicles we own. The emissions provided above represent our owned facilities across the company and include emissions from all the owned 8 vehicles.

**Past year 3**

---

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

3,019.245

**Start date**

June 1, 2017

**End date**

May 31, 2018

**Comment**

These emissions are being reinstated. We have changed our reporting boundary from Operational Control to Financial Control. In 2020 CDP reporting we had reported Scope 1 emissions for this time period for only our facilities in Rochester, New York. They did not include emissions from 50% of the 8 vehicles we own. The emissions provided above represent our owned facilities across the company and include emissions from all the owned 8 vehicles.

## C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

### Row 1

#### Scope 2, location-based

We are reporting a Scope 2, location-based figure

#### Scope 2, market-based

We are reporting a Scope 2, market-based figure

#### Comment

Following the GHG Protocol Scope 2 Guidance Hierarchy for market-based Scope 2 emissions reporting, we have used grid-average factors for the electricity units for which there was no purchase of contractual instruments. Residual mix is not available for the US.

## C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?**

### Reporting year

#### Scope 2, location-based

2,956.155

#### Scope 2, market-based (if applicable)

2,953.146

#### Start date

June 1, 2020

#### End date

May 31, 2021

#### Comment

The emissions provided above represent our owned vehicles across the company.

### Past year 1

#### Scope 2, location-based

3,278.993

#### Scope 2, market-based (if applicable)

3,278.993

#### Start date

June 1, 2019

**End date**

May 31, 2020

**Comment**

Scope 2, location-based emissions are being reinstated. In 2020 CDP reporting we had reported Scope 2 (location-based) emissions for this time period for only our facilities in Rochester, New York. The emissions provided above represent our owned facilities across the company.

**Past year 2**

---

**Scope 2, location-based**

3,524.735

**Scope 2, market-based (if applicable)**

3,524.735

**Start date**

June 1, 2018

**End date**

May 31, 2019

**Comment**

Scope 2, location-based emissions are being reinstated. In 2020 CDP reporting we had reported Scope 2 (location-based) emissions for this time period for only our facilities in Rochester, New York. The emissions provided above represent our owned facilities across the company.

**Past year 3**

---

**Scope 2, location-based**

3,493.15

**Scope 2, market-based (if applicable)**

3,493.15

**Start date**

June 1, 2017

**End date**

May 31, 2018

**Comment**

Scope 2, location-based emissions are being reinstated. In 2020 CDP reporting we had reported Scope 2 (location-based) emissions for this time period for only our facilities in Rochester, New York. The emissions provided above represent our owned facilities across the company.

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

### C6.4a

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

---

**Source**

Fugitive emissions from refrigerants

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

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

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

---

**Evaluation status**

Relevant, not yet calculated

**Please explain**

**Capital goods**

---

**Evaluation status**

Not evaluated

**Please explain**



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

---

### Evaluation status

Not evaluated

### Please explain

## Upstream transportation and distribution

---

### Evaluation status

Not evaluated

### Please explain

## Waste generated in operations

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Paychex is a technology-enabled service 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 'Waste generated in operations' emissions are not relevant to our business.

## Business travel

---

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

102.148

### Emissions calculation methodology

These emissions were calculated following the methodology 'GHG Protocol Technical Guidance for Calculating Scope 3 Emissions'. Both distance-based and spend-based methods were used depending upon the type of data available for each mode of business travel. Data for air travel was obtained from our travel services partner, and the rest was obtained from fuel and mileage reimbursement requests submitted by employees.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

51.12

### Please explain

Emissions reported here include emissions from air travel, road travel on rental cars and road travel on employee owned cars.

## Employee commuting

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

670.8

**Emissions calculation methodology**

These emissions were calculated following the methodology 'GHG Protocol Technical Guidance for Calculating Scope 3 Emissions'. The distance-based method was used. Data for daily travelling distance for each employee and the frequency of their office use was used to calculate these emissions. During FY21, because of the COVID-19 pandemic, only a fraction of our employees worked from the office. The emissions reported here represent commuting by those employees.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

## Upstream leased assets

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

5,495.929

**Emissions calculation methodology**

Emissions were calculated following The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard Revised Edition. Emissions factors used were obtained from 'EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories' for operations in the US and 'IEA Emission Factors 2020' for operations in Denmark, Germany, and India.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

Emissions reported here represent our leased facilities: Electricity for 55% and Natural gas for 42% of leased floor space in the US, and all the leased floor space in Denmark, Germany and India.

## Downstream transportation and distribution

---

**Evaluation status**

Relevant, not yet calculated

**Please explain**

**Processing of sold products**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Paychex is a technology-enabled service company, and does not produce any intermediate products that produce emissions on processing.

**Use of sold products**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

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

**End of life treatment of sold products**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Paychex does not have products whose end of life treatment may generate significant amount of emissions. Therefore, Scope 3 'End of life treatment of sold products' emissions are not relevant.

**Downstream leased assets**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Paychex does not own any assets that it leases to other entities.

**Franchises**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Paychex is not a franchisor.

**Investments**

---

**Evaluation status**

Not evaluated

**Please explain**

**Other (upstream)**

---

**Evaluation status**

**Please explain**

**Other (downstream)**

---

**Evaluation status**

**Please explain**

## **C6.7**

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

## **C6.10**

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

---

**Intensity figure**

0.0000014164

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

5,745.99

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

4,056,800,000

**Scope 2 figure used**

Market-based

**% change from previous year**

10.69

**Direction of change**

Decreased

**Reason for change**

The following reasons have led to a reduction in our emissions reduction intensity: (i) in the current reporting year, we started using electricity generated from wind energy at one of our facilities; (ii) many of our facilities were not operating at full capacity because employees were working from home during the COVID-19 pandemic; (iii) we sold an owned facility during the reporting year; (iv) we replaced light fixtures in more facilities with energy efficient LEDs.

## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

### C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO <sub>2</sub> e)	GWP Reference
CO <sub>2</sub>	2,789.756	IPCC Fourth Assessment Report (AR4 - 100 year)
CH <sub>4</sub>	0.054	IPCC Fourth Assessment Report (AR4 - 100 year)
N <sub>2</sub> O	0.006	IPCC Fourth Assessment Report (AR4 - 100 year)

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO <sub>2</sub> e)
United States of America	2,792.844
Denmark	0
Germany	0
India	0

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By activity

### C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Stationary Combustion	2,760.381
Mobile Combustion	32.464

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO <sub>2</sub> e)	Scope 2, market-based (metric tons CO <sub>2</sub> e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America	2,952.236	2,952.236	25,019.53	0
Denmark	3.919	0.91	23.12	17.75
Germany	0	0	0	0
India	0	0	0	0

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By activity

### C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based (metric tons CO <sub>2</sub> e)	Scope 2, market-based (metric tons CO <sub>2</sub> e)
Electricity - Owned Offices	1,496.688	1,493.678
Electricity - Owned Data Centers	1,459.467	1,459.467

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

### C7.9a

**(C7.9a) 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.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption				
Other emissions reduction activities				
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified	661.884	Decreased	10.3292	The following reasons have led to a reduction in our emissions (i) many of our facilities were not operating at full capacity because employees were working from home during the COVID-19 pandemic; (ii) we sold an owned facility during the reporting year; (iii) we

				replaced light fixtures in more facilities with energy efficient LEDs.
Other				

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) 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)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

### C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**



	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	15,235.61	15,235.61
Consumption of purchased or acquired electricity		17.76	25,024.9	25,042.66
Consumption of self-generated non-fuel renewable energy				
Total energy consumption		17.76	40,260.51	40,278.27

## C8.2b

**(C8.2b) 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	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### Fuels (excluding feedstocks)

Natural Gas

### Heating value

HHV (higher heating value)

### Total fuel MWh consumed by the organization

14,792.19

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

14,792.2

**Emission factor**

53.1148

**Unit**

kg CO<sub>2</sub>e per million Btu

**Emissions factor source**

EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories. March 2020.

**Comment**

---

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

308.26

**MWh fuel consumed for self-generation of electricity**

308.26

**MWh fuel consumed for self-generation of heat**

0

**Emission factor**

74.2138

**Unit**

kg CO<sub>2</sub>e per million Btu

**Emissions factor source**

EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories. March 2020.

**Comment**

The fuel is used for performing test runs on generators, and the electricity generated is minimal and is not tracked. Therefore in question C8.2d, the amount of electricity generated reported is zero.

**Fuels (excluding feedstocks)**

Motor Gasoline

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

135.16

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

135.16

**Emission factor**

8.78

**Unit**

kg CO2 per gallon

**Emissions factor source**

EPA Center for Corporate Climate Leadership – Emission Factors for Greenhouse Gas Inventories. March 2020. Mobile Combustion.

**Comment**

## C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity				
Heat				
Steam				
Cooling				

## C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

**Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

**Low-carbon technology type**

Wind

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Denmark

**MWh consumed accounted for at a zero emission factor**

17.76

**Comment**

## C9. Additional metrics

### C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

## C10. Verification

### C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

### C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we do not verify any other climate-related information reported in our CDP disclosure

## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

### C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

## C12. Engagement

### C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

### C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

---

**Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Collect climate change and carbon information at least annually from suppliers

**% of suppliers by number**

**% total procurement spend (direct and indirect)**

0.03

**% of supplier-related Scope 3 emissions as reported in C6.5**

0.18

### **Rationale for the coverage of your engagement**

We engage at least annually with our travel services partner to collect climate change and carbon information. Scope 3 emissions from Category 6 Business Travel are an important source of Scope 3 emissions for us, and hence this supplier group was chosen.

### **Impact of engagement, including measures of success**

This engagement helps us understand our emissions from Scope 3 Category 6 Business Travel. We continue to explore ways to reduce our emissions, and measure success by trend in emissions over time. A reduction in emissions year over year reflects success.

### **Comment**

## **C12.1b**

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

### **Type of engagement**

Education/information sharing

### **Details of engagement**

Run an engagement campaign to education customers about your climate change performance and strategy

### **% of customers by number**

41

### **% of customer - related Scope 3 emissions as reported in C6.5**

0

### **Please explain the rationale for selecting this group of customers 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.

### **Impact of engagement, including measures of success**

Paychex has initiatives in place to encourage clients to move to our low-carbon digital products, wherever such alternatives are available. Engaging with clients on our climate change performance and strategy demonstrates to clients our commitment to reducing our impact on climate. Success is measured by increase in adoption of low-carbon

digital products by clients. This has led to a decrease in paper usage because of increase in adoption of digital products.

## C12.1d

### **(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

We engage with landlords and or property managers to collect climate change and carbon information for our leased facilities, at least annually. We continue to encourage them to take initiatives to reduce their emissions, which can consequently reduce our emissions from Scope 3 Category 8 Upstream Leased Assets.

## C12.3

### **(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

## C12.3b

### **(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## C12.3c

### **(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

---

#### **Trade association**

National Association of Professional Employer Organizations (NAPEO)

#### **Is your position on climate change consistent with theirs?**

Consistent

#### **Please explain the trade association's position**

Paychex' Vice President of Risk, Compliance and Data Analytics is a member of NAPEO's Board of Directors. While NAPEO does not provide a specific position on climate change, the increased usage of technology to reduce the amount of paper and enabling clients to be paperless is a product of being environmentally conscious.

#### **How have you influenced, or are you attempting to influence their position?**

Paychex' Professional Employer Organization business and its subsidiary, Oasis Outsourcing, have both made efforts to allow for a paperless onboarding experience for worksite employees and employers. The same is true for regular payroll and human resource reporting and quarterly and annual tax reports.

## C12.3f

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Paychex is committed to reducing GHG Emissions and we are working on establishing targets for reducing GHG emissions, which we plan to disclose within the next two years. Our Board of Directors is regularly updated on climate-related issues to ensure that our activities are aligned with our climate change strategy.

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

---

### Publication

In voluntary sustainability report

### Status

Underway – previous year attached

### Attach the document

 Paychex\_CSR-Report\_2020.pdf

### Page/Section reference

30-36

### Content elements

Emissions figures  
Other metrics

### Comment

## C15. Signoff

### C-FI

**(C-FI) 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.**





## C15.1

**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	<b>Job title</b>	<b>Corresponding job category</b>
Row 1	Vice President, Chief Legal & Ethics Officer, and Secretary	Other C-Suite Officer