



Corporate Social Responsibility Report

2024

From Our CEO

Our commitment to client satisfaction continues to guide us. In 2024, we again focused on full-solution automation, world-class service and maximized ROI for our clients.



Expanding our global reach

This past year, we announced the expansion of our product offerings and geographic reach into the U.K. and Ireland, including access to Beti®, our industry-first automated payroll experience. This expansion follows the introduction of payroll services in Canada and Mexico, as well as our launch of Global HCM™ in more than 190 countries.

Automation and AI

We already have the most automated solution in the industry and have brought many firsts to the HCM space, including the single database, Employee Self-Service®, Manager on-the-Go®, Direct Data Exchange®, Beti,

GONE® and other innovations. It is our vision that people shouldn't do tasks that technology can safely automate, and we continue to identify opportunities to automate even more processes. We've long recognized the potential of AI to further our automation capabilities and drive even more ROI for our clients. We ensure our AI enhancements are developed and deployed responsibly and maintain human oversight.

Innovation in action

Our dedication to innovation and automation has led to many software accolades, including being named one of the World's Most Innovative Companies of 2025 by *Fast Company*. A little over a year after its launch, the GONE enhancement to our Time-Off Requests tool continues to yield positive results for our clients. GONE helps businesses manage the historically undermanaged time-off process through automated decision-making.

Last fall, Forrester Consulting conducted a study to reveal GONE's

potential cost savings and business benefits. Along with substantial time savings, the study found that Paycom clients received a projected ROI of up to 821% over three years. GONE continues to change the employee experience, and it received Business Intelligence Group's Innovation Award for doing just that.

The unprecedented insight employees gain by engaging with Beti has had a significant impact on their peace of mind and overall well-being. By empowering them to manage their pay, fix errors and approve their checks, employees get a clearer understanding of every component of their compensation, boosting their pay literacy and financial wellness.

Strong workplace culture

We've always believed that success comes from a mix of grit, focus on client satisfaction and a drive to be the best. This commitment to client excellence and a strong work ethic is woven into our culture.

We continue to focus on providing a strong, inclusive environment in which our employees can thrive, as we've seen firsthand how a culture of belonging helps us lead and innovate in new ways. I am proud that Paycom was named a Best Company for Compensation and Company Culture by Comparably, while *Newsweek* recognized us as one of America's Greatest Workplaces for Diversity.

These accolades showcase our culture and our ability to deliver on our mission to help clients win.

Supporting our community

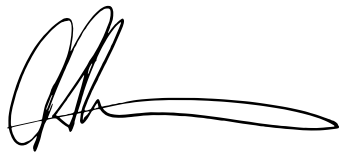
Our employees continue to donate their time and resources to worthy community causes that align with our collective values. Their 2024 donations, combined with Paycom's contributions, reached an all-time high. Notably, The Salvation Army of Central Oklahoma received \$112,500 in 2024, marking the \$1 million donation milestone since this partnership began in 2012.

Caring for the environment

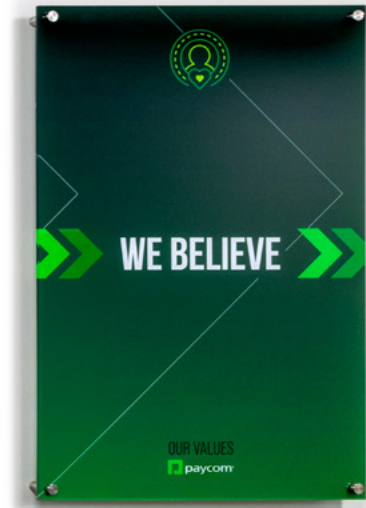
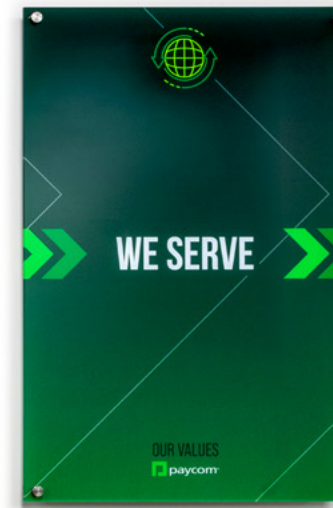
Paycom continues to minimize its impact on the planet. We support renewable energy by powering our headquarters and Texas Operations Center with 100% wind energy through the purchase of renewable energy credits and provide on-site electric vehicle chargers to our employees at no cost. We recycled about 11 tons of used electronics to reduce greenhouse gas emissions and toxic metals in our environment last year. We also promote and encourage composting and waste recycling across our campuses.

Conclusion

I am incredibly grateful for our clients, employees and investors. Everyone has played a significant role in shaping Paycom into what it is today: a leading innovator of HR and payroll software and a champion of community and diversity. I look forward to leading our organization toward a bright future of continued growth and client success.



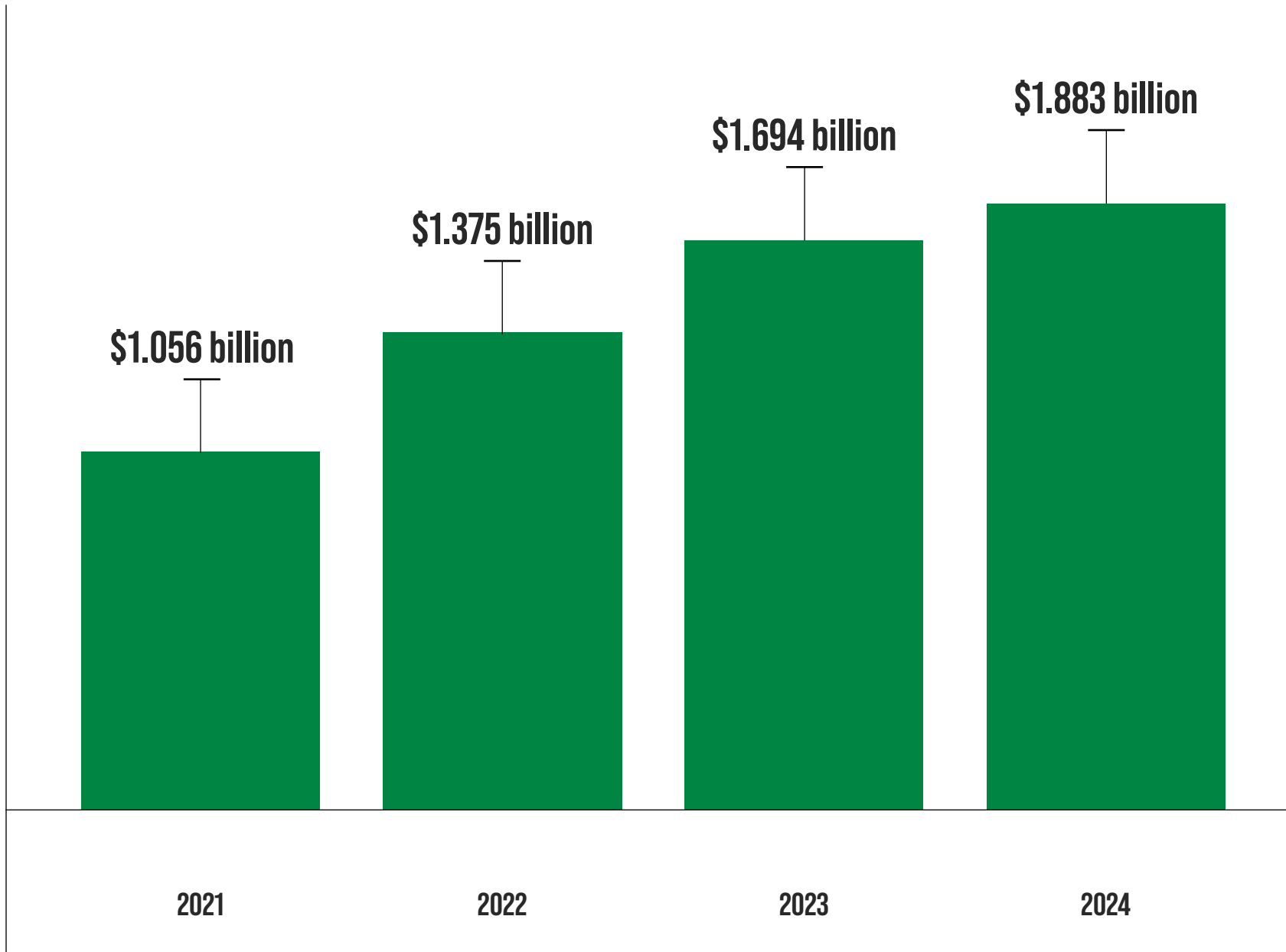
Chad Richison
Founder, CEO and Chairman





About Paycom

Since our founding in 1998, Paycom Software, Inc. **(NYSE: PAYC)** remains committed to simplifying life for employees while meeting our clients' needs in an ever-evolving landscape. We live that obligation every day through our single, easy-to-use HR and payroll software, empowering employees with direct access to their data. We continue to push the boundaries of automation to further reduce HR's administrative burden. Our automated payroll experience, Beti, continues to help ensure perfect payroll every cycle, while our latest enhancement, GONE, automates time-off request decision-making to simplify an often-undermanaged process. From onboarding and benefits enrollment to talent management and more, Paycom's software streamlines processes, drives efficiencies and gives employees power over their data, all in one app.



Revenue

2021 - 2024
Compound Annual Growth Rate

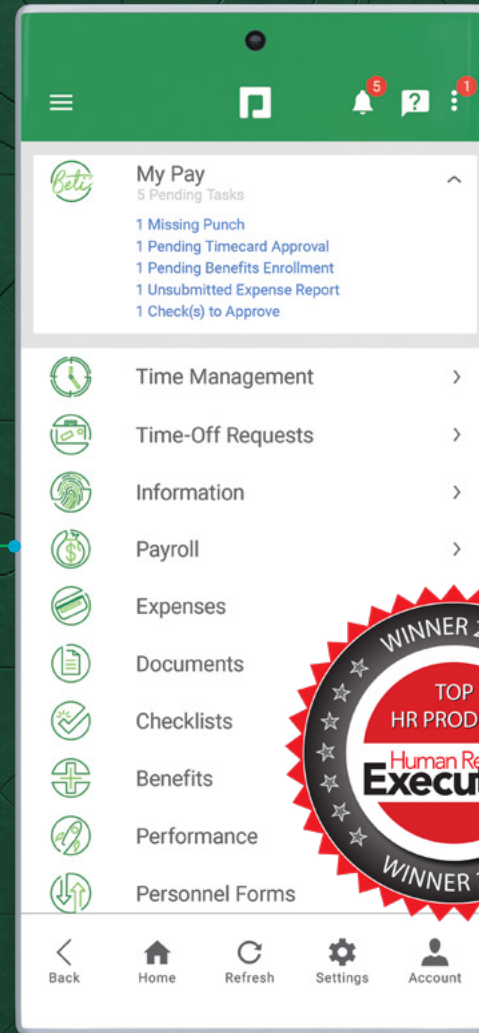
22%

From January 1, 2021 through December 31, 2024

Our Solution

No one knows employees' data better than they do. With Paycom, employees enter and manage their own HR and payroll data in a truly single software.

This approach empowers them to effortlessly onboard, train, enroll in benefits, verify payroll and track their development anytime, anywhere – all in the Paycom app. Data then flows seamlessly across our entire software, simplifying employees' lives while improving organizational efficiency and reducing paper usage.



Beti®



Our industry-first payroll solution, Beti, automates payroll by self-starting each period, pulling live employee data that affects their pay. Then it automatically finds errors and guides employees to fix them *before* payroll submission. As a result, HR has more time to focus on strategic initiatives while employees are able to better plan their finances.

GONE[®]

With GONE, a revolutionary enhancement to our Time-Off Requests tool, organizations can set a variety of time-off decision-making criteria for timely resolutions that abide by company policies and meet departmental needs. Automating the decision process creates a more efficient and empowering practice for everyone involved, and a commissioned study conducted by Forrester Consulting on behalf of Paycom revealed our time-off technology generated a projected ROI of up to 821%.*

By focusing on innovative solutions that improve people's lives and promote sustainability, Paycom is making a positive impact that goes beyond just HR and payroll.

Add Time-Off Request

* Indicates required field

Accrual Type *
Vacation

Hours Per Day *
8.00

Start Date
07 / 03 / 2024
July 3rd, 2024

to

End Date
07 / 03 / 2024
July 3rd, 2024

Starting Time
08:00AM

Exclude Weekends

Reason
Personal Day

✓ This request is likely to be approved with GONE

Update Schedule Availability

Unavailable All Day
 Unavailable During Time-Off

Request Summary

Projected Net Hours
Future Requested Hours
Current Request Hours
Total Hours Remaining

Cancel Approve

Back Home Refresh Settings Account



**A commissioned study conducted by Forrester Consulting on behalf of Paycom (October 2024). Results are for a composite organization based on interviewed clients with a three-year projected ROI of 102%-821%, and include annual savings of up to 192 hours for HR, finance and administrative teams.*

Corporate Social Responsibility



For more than **25 years,**

Paycom has remained committed to creating an inclusive workplace, giving back to the community and minimizing our environmental impact across our organization. We are led by our core values: we innovate, we win, we care, we serve and we believe. They guide us in everything we do, from HR software and client service to how we interact with our communities.

Corporate Governance

Board Responsibility

The Board of Directors is responsible for oversight of the business and affairs at Paycom. Our board believes the current composition and leadership structure promotes decisiveness, fosters clear accountability and enhances our ability to communicate our strategy clearly and consistently to our stockholders, employees, clients and other stakeholders.

- » Our Founder, CEO and President serves as the Chairman of the Board.
- » Our Lead independent director represents and coordinates the activities of non-management and independent directors, and helps ensure the independence of the Board of Directors.
- » The remainder of the Board is independent of Paycom and its management.
- » All members of our Board committees – the Audit Committee, Compensation Committee, and the Nominating and Corporate Governance (N&CG) committee – are independent.
- » All committees maintain charters that clearly establish their respective roles and responsibilities.

OVERSIGHT OF SUSTAINABILITY



BOARD OF DIRECTORS

Formal oversight of social responsibility and environmental sustainability at Paycom



NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Responsible for the oversight of social and environmental policies and programs



MANAGEMENT SUSTAINABILITY STEERING COMMITTEE

Assists in setting general strategy and supports the Nominating and Corporate Governance Committee in managing social responsibility and environmental sustainability matters

Sustainability Oversight

We believe that effective management of corporate social responsibility issues will help drive long-term growth. Ultimate oversight for sustainability lies with the Board. However, the Board has delegated formal oversight of social responsibility and environmental sustainability to its N&CG Committee, with additional topics also reviewed by other committees as needed. Management provides formal corporate social responsibility updates to the N&CG Committee on a quarterly basis.

Our Management Sustainability Steering Committee is a cross-functional group of leaders throughout the company that assists the Chief Executive Officer and the Board of Directors in understanding, managing and setting a general strategy relating to sustainability matters and initiatives. Key members of the committee include our Chief Financial Officer and multiple senior leaders from across our company in pertinent departments, including Legal, HR, IT and Accounting. This committee meets quarterly.

Risk Oversight

Our Board of Directors, as a whole and through its committees, is responsible for the oversight of the enterprise risk management strategy and oversees our long-term strategic, organizational and financial goals, executive performance reviews and succession planning, among other matters. Senior management is responsible for assessing, implementing and managing our risk

management processes on a day-to-day basis, and assisting and reporting to the Board and its committees. This oversight includes assessing risks related to our people, community and environment. We have implemented a formal sustainability risk management program in which the Management Sustainability Steering Committee is responsible for assessing and managing sustainability-related risks, including cybersecurity and climate-related risks according to the Task Force on Climate-Related Financial Disclosures. Additionally, we have begun to integrate sustainability risks into our enterprise risk management program.

Ethics and Compliance

We realize that Ethics and Compliance are critical to the success of our employees and our business. To support our commitment to ethical business, we have adopted a Code of Ethics and Business Conduct that applies to and is acknowledged by all our employees, officers and directors annually. Our Ethics and Compliance program is overseen by the Board of Directors, with certain responsibilities delegated to Board committees, the Chief Legal Officer and other members of senior management.

Paycom's Code of Ethics and Business Conduct outlines the standards and requirements each officer, director and employee must uphold. The officers, members of the Board of Directors and employees of Paycom are committed to honesty, just management, fairness, providing a safe and healthy environment, and respecting the dignity of everyone.

The Code of Ethics and Business Conduct addresses topics such as: anti-bribery and anti-corruption, conflicts of interest, record retention, positive and safe work environment, and avoiding illegal and questionable gifts and favors, among others.

The Code of Ethics and Business Conduct is provided to new employees and reinforced through ongoing training. We also provide more targeted and topic-specific training such as data privacy and security, anti-money laundering and anti-harassment trainings. Suspected violations of our Code of Ethics and Business Conduct or company policies are recorded and investigated, and appropriate action is taken based on the findings. The Risk and Corporate Compliance Department, led by the Director of Risk and Corporate Compliance, is empowered to enforce the Code of Ethics and Business Conduct and the Whistleblower Policy. The Director of Risk and Corporate Compliance, or his/her delegate, reviews all reported violations or suspected violations of the Code. The Director of Risk and Corporate Compliance, or his/her delegate, also routinely reports to the Chief Financial Officer, the Chair of the Audit Committee and the Chief Legal Officer any reported violation or suspected violation of the Code of Ethics and Business Conduct.

[View our Code of Ethics and Business Conduct here.](#)

Reporting Workplace Conduct

We encourage employee reporting of workplace misconduct as outlined in our Whistleblower Policy. This reporting is facilitated by the availability of a whistleblower hotline administered through a third party on a confidential, anonymous basis. It is available 24 hours a day, seven days a week and 365 days a year. Reporting mechanisms are made available to other stakeholders who may have a concern or information about a suspected violation. Employees, clients, suppliers, stockholders, consultants, temporary employees and others who conduct business with the company are empowered to report violations of internal policies, including the Code of Ethics and Business Conduct, as well as laws and regulations.

We have established a formal structure for all complaints received, of which the Audit Committee has ultimate oversight. Upon receiving a complaint, the complaint is recorded and an investigation is opened if deemed appropriate. The investigation is conducted by the company's Director of Risk and Corporate Compliance, or his/her delegate, Legal Department, Accounting Department and/or Audit Committee as determined in accordance with the Whistleblower Policy. After the complaint has been thoroughly investigated and resolved, the complaint is then closed. The Director of Risk and Corporate Compliance, or his/her delegate, reports on investigations to the Board of Directors on a quarterly basis. Included in our policy is a commitment to have zero tolerance of retaliation.



No member of the Board, officer or employee who in good faith reports a violation or suspected violation of the Code of Ethics and Business Conduct or company policies shall suffer harassment, retaliation or adverse employment consequence. In addition, no member of the Board, officer or employee who participates in an investigation into a violation or suspected violation of the Code of Ethics and Business Conduct shall suffer harassment, retaliation or adverse employment consequence.

[View our Whistleblower Policy here.](#)



Our approach to AI

In an ever-evolving landscape, we're committed to simplifying the lives of our clients and their employees. We recognize the power of artificial intelligence (AI) and continue using it to further automate and streamline legacy processes. To that end, we choose the right model and infrastructure for the job. Whether that's generative AI, machine learning, natural language processing, automated decision engines, vision language models or another type, we collectively call it Paycom's "smart AI."

Our smart AI

What is Paycom's "smart AI"? It's built within our proprietary single software, aiding users by eliminating decisions, steps and tasks across the HR life cycle. To further maximize efficiency and ROI for our clients in meaningful ways, our smart AI:

- » writes job descriptions from a few keywords you supply
- » pulls from new hires' resumes to prepopulate their HR data, eliminating reentry
- » automates HR workflows for each position, based on your org's rules
- » self-starts and self-builds scheduled payrolls
- » guides employees to ensure an accurate paycheck before payroll submission
- » approves or denies employees' time-off requests, based on rules you set
- » parses uploaded receipts to prefill employees' expense reimbursement requests
- » identifies which employees are most at risk to leave
- » and much more

Our stance on AI development

Transparency and explainability

We establish clear lines of accountability and governance structures to ensure our AI systems are developed and deployed responsibly, all while giving clients the game-changing automation they deserve.

Data security and privacy

Privacy and data security continue to be top priorities for clients who entrust Paycom with their personal information. All personal client data is self-hosted on our premises and duplicated across multiple facilities nationwide. AI systems are developed with privacy in mind and in strict compliance with our [privacy policy](#) and [security standards](#). Being built as a single-database software provides additional layers of client protection and, unlike others in our industry, ensures your data isn't shared across multiple third parties.

Retaining a human touch

While AI often can be the smartest tech in the stack, it lacks the strength of human instinct. Therefore, our oversight is vital to the secure, compliant and accountable operation of AI. That includes our service model of providing clients a single point of human contact, which AI can enhance, but never replace. Through our human-in-the-loop approach, we're committed to identifying and mitigating bias in our systems to further promote fairness and inclusivity as we do throughout our entire organization.

Public Policy and Government Relations

Paycom actively monitors public policy and relevant legislation pertinent to our business practices throughout the jurisdictions in which we operate. We work to educate policymakers and lobby to advance the interests and goals of our stockholders, clients, employees, partners and community. Paycom files lobbying disclosure reports in each jurisdiction where we engage in lobbying activity, as laws require. We are committed to complying with all laws, rules and regulations relevant to our lobbying activity.

Paycom engages with several 501(c)(6) trade associations, working collaboratively with industry partners to promote our public policy interests and business goals. Paycom uses corporate funds to pay for membership in these groups. By law, trade associations may use a portion of membership dues for political activities. Some of the groups we belong to engage in political activities. Paycom reviews the appropriateness and value of these memberships at least annually.

In 2024, Paycom did not contribute to any political candidate, party or government. We do not maintain a political action committee.





Data Governance and Cybersecurity

IT Security and Privacy

Security Overview

At Paycom, protecting the security and privacy of all client information is a top priority. We employ comprehensive, in-depth, industry-proven standards and technologies to protect and defend client data in our environment. We take the same degree of care and caution to prevent unauthorized disclosure of client data as we do with our own data, including measures required by applicable privacy law. Our Chief Information Officer oversees the activities of our IT and Information Security teams and, together with our Vice President of Information Technology and Information Security (who reports to our Chief Information Officer), is responsible for designing, implementing and managing our information security risk management program, which includes our cybersecurity policies, practices and infrastructure.

Our Chief Information Officer and our Vice President of Information Technology and Information Security provide quarterly cybersecurity reports to the Board's Audit Committee. Such reports cover our information security program, including its current status, capabilities, objectives and plans; the outcomes of regular business continuity, crisis communications and disaster recovery exercises; updates on our ongoing compliance with applicable regulations and international cybersecurity standards; participation rates in our twice-annual information security and monthly phishing trainings for employees; and the evolving cybersecurity threat landscape.

Under the supervision of our Chief Information Officer and our Vice President of Information Technology and Information Security, Paycom's Information Security team is responsible for the security

awareness training program; identifying, assessing and mitigating risk; maintaining security controls; auditing software, web application and infrastructure for vulnerabilities; incident response, business continuity and disaster recovery planning; impact analysis and crisis management; and more. The team distributes ongoing activities to ensure compliance with the policies, procedures and guidelines of the information security program. As part of our commitment to security, all employees, including contractors, receive annual training on information security and phishing. In addition, we conduct regular privacy awareness communications with employees at least quarterly.



Risk-Based IT Security and Compliance

Paycom uses the Risk Management Framework for risk assessments as defined by the ISO 27001 Information Security Management Standard. Paycom continues to be PCI-DSS, ISO 9001, ISO 22301, ISO/IEC 27001 and ISO/IEC 27701 certified. We also work with a third-party assurance provider, and publish SOC 1 reports semiannually and SOC 2 and SOC 3 reports annually. Our business continuity, information security, privacy and quality management systems are audited and certified by third parties. Paycom utilizes intrusion detection and firewall monitoring and restrictions, along with other technical and logical controls, to defend against malware. This includes installed and active antivirus and anti-malware software, 256-bit encryption technology to protect all information at rest and in transit over the internet, intrusion-detection systems to monitor attempts of unauthorized access, data loss prevention and traffic monitoring, and vulnerability scanning and remediation.

Employee Training on IT Security

Paycom employees are required to participate in IT trainings, including Paycom's Quality Management System, Data Compliance, Understanding Privacy by Design, NCR and PAR Compliance, and Phishing Awareness and Reporting.

Cybersecurity

Our clients entrust us with highly sensitive data, and we recognize our attendant responsibility to safeguard the accessibility, confidentiality and integrity of this data. Our information security program consists of policies, procedures, systems, controls and technology designed to help us prevent, identify, detect and mitigate cybersecurity risks. Our processes are informed by cybersecurity events we have observed within the company, across our industry and across the cybersecurity landscape.

To assess and manage risk, we have integrated cybersecurity risk management into our overall

risk management framework by conducting annual enterprise risk management assessments and IT risk management assessments, implementing periodic key risk indicator tracking and holding periodic meetings among multiple department stakeholders to address cybersecurity risks. We review our information security policies at least annually and in connection with certain process changes to ensure they meet the needs of the organization and the goals and objectives of the information security program.



We routinely undertake activities to prevent, identify, detect and mitigate risks from cybersecurity threats, including but not limited to the following:

- » procedures and guidelines designed to ensure that information security is a key consideration in the requirements for both new information systems and enhancements to existing systems and assets
- » IT environment risk assessments conducted at regular intervals and in connection with certain events, such as implementation of a new system, service or vendor
- » tabletop and simulation exercises to discuss roles and responsibilities of team members in the event of a cybersecurity incident and to test and modify the plan as needed
- » ongoing security penetration testing and threat modeling of our network and web application
- » automated tools and manual review processes to ensure ongoing compliance with technical standards, and identify configuration issues and technical vulnerabilities
- » encryption of all communications with our servers, which are configured to utilize only high-grade encryption algorithms
- » ongoing employee training related to information security and data privacy policies and standards, including periodic phishing, vishing and social engineering exercises

Cybersecurity

We continue to maintain policies, procedures, systems, controls and technology to oversee and identify the cybersecurity risks associated with our use of third-party service providers. For example, we conduct thorough cybersecurity risk assessments of all third-party service providers prior to engagement, and ongoing monitoring to ensure compliance with our robust cybersecurity requirements. The monitoring includes periodic audits of third-party systems and vendors. We engage third-party consultants and auditors in connection with assessing, identifying and managing material risks from cybersecurity threats. Our collaboration with these third parties includes independent audits, threat assessments and consultation on security enhancements.

Business Resiliency Program

Information security continuity is embedded in Paycom's business continuity management systems to ensure that continuity operations do not present a potential compromise to Paycom's security standards. Our in-house Incident Response and IT Security Operations Center provides around-the-clock security monitoring and incident investigation. Paycom's information processing facilities have sufficient redundancies to meet ongoing availability requirements for both normal operations and business continuity/failover operations. Capacity planning takes critical recovery paths and business needs into consideration when designing and implementing data centers and individual systems. Failover capabilities are tested as part of routine business continuity exercises. We recognize that documentation, procedures, systems and controls must be routinely reviewed to ensure they remain appropriate and effective. As a result, we conduct business continuity and disaster recovery exercises each year.



Our Culture

At Paycom, we value the unique perspective, skill set and experience that each employee brings to our company. We strive to provide an inclusive environment that allows employees to thrive both in their careers and their personal lives. We support employees of all backgrounds to help them reach their highest potential.



Talent Acquisition and Development

Our goal is to attract and retain top talent for our corporate campuses and locations across the United States. In 2024, we achieved this through internships, summer engagement programs, university partnerships and more. Further, we work to apply this strategy as we expand globally.



At Paycom, learning never stops. From software developers to salespeople, our employees receive job-specific training to ensure excellence in their chosen field. We're proud to offer our workforce access to self-paced, mobile-friendly training modules through Paycom Learning. These programs allow employees to elevate their skills at their own convenience with courses covering leadership, effective workplace communication, management styles and more. We're committed to helping our team members achieve their full potential, while also cultivating a strong talent pipeline that fuels Paycom's ongoing success and innovation.

Our performance review process is focused on accountability to hit key performance indicators and supporting employee growth. Using self- and supervisor evaluation, the review process encourages open dialogue between employees and their leaders about performance and ongoing development. Paycom's software facilitates the performance review process, allowing employees and leaders to track and review progress on goals, competencies and performance at any time. We consider skills, job-related experience and market value of the job when making decisions around pay. Paycom will continue to seek ways to incorporate equity and other initiatives to promote parity across the organization.



Internships

At Paycom, our internships aren't about busywork and errands. Here, students receive the same welcome as any other employee. Our paid internships provide real-world experience working alongside industry experts. Paycom's four internship programs provide opportunities for students looking to hone business skills or gear up for a career at Paycom. We also offer short-term opportunities for students to connect with Paycom professionals, build skills and advance their industry knowledge. In our virtual Summer Engagement Program, undergraduate and graduate students learn from industry experts on our Technology, Operations and Sales teams. Students interested in sales learn foundational career skills at the Sales Summit.



In 2024, interns participated in a day of service, volunteering at various nonprofits and exemplifying Paycom's value "We serve." Interns in Oklahoma and North Texas volunteered at local food banks, sorting and packing food for people experiencing hunger. Sales interns in various locations volunteered at a beach clean-up and an event supporting a service animal organization.

Employee Resource Groups (ERG)

Paycom's 11 ERGs allow employees from a variety of backgrounds to build connections, find support and give back to our communities. Each ERG is open to all team members who identify directly or as an ally. These communities unite employees around a shared purpose and foster professional development, mentorship and networking across the organization.

Each ERG has the opportunity to host a Better Conversations session that is open to all Paycom employees. Through talking and listening boundaries, space is created for open dialogue, not debate. Team members are able to share personal experiences, stories and topics often avoided at work. Better Conversations helps employees expand their opinions and find shared values among their differences.



Employee Benefits

We prioritize holistic employee well-being through generous health benefits. Paycom celebrates bringing the “whole person” to work. Our employees are much more than their professional role. We recognize many factors contribute to a positive work environment and employees’ engagement with Paycom.

Paycom's eight-pillar approach accounts for the holistic well-being of employees. Some specific benefits include:

- » a \$0 copay for in-network mental health services and \$1-per-pay-period individual health insurance
- » on-campus well-being advisors
- » soundproof privacy booths for virtual appointments
- » on-site interfaith spaces
- » weekly companywide guided meditation sessions
- » financial well-being resources, such as generous 401(k) matching and an employee stock purchase plan
- » fully equipped gyms at our Oklahoma City, Oklahoma, and Grapevine, Texas, campuses



Well-Being Center

Our commitment to employee wellness can be seen in our new Well-Being Center at our Oklahoma City headquarters. The center provides the capacity and flexibility to host well-being programs in a dedicated setting. It offers a welcoming space for team members to take productive pauses, meet with advisors and hold confidential appointments.

We offer many trainings both internally and through a wellness course catalogue in the learning portion of our software. Topics such as the stress-health connection, personal budgeting and gratitude are available to Paycom employees and clients. Our well-being program has seen increased employee use year over year, and opening the new space has helped remove barriers and create access to opportunities for personal and professional growth.



8 Pillars of WELL-BEING



EMOTIONAL



PHYSICAL



SPIRITUAL



INTELLECTUAL



OCCUPATIONAL



SOCIAL



ENVIRONMENTAL



FINANCIAL



Supporting Families

Paycom supports our employees as professionals, but we also give them the tools and resources necessary to be active, thriving members of their own growing families. At Paycom, we don't simply say our people are our most valuable resource. We demonstrate this belief with a culture to help them overcome professional challenges and meet the many responsibilities of adding new members to their household.

All families need time to acclimate as they grow. Paycom offers paid family leave and leave for other family-related scenarios, including:

- » parental leave: To support new parents and assist in balancing work and family, Paycom provides paid parental leave for bonding or caring for a newborn child.
- » adoption/foster leave: Paycom provides paid leave for employees adopting or becoming foster parents.



U.S. Workforce Demographics

	All Employees	First/Midlevel Officials and Managers	Executive/Senior Level Officials and Managers
Gender:			
Female	47.4%	52.4%	41.9%
Male	52.0%	47.6%	58.1%
Nonbinary	0.6%	-	-
Race and Ethnicity			
American Indian or Alaskan Native	2.4%	2.8%	-
Asian	12.2%	7.2%	2.7%
Black or African American	8.0%	4.2%	-
Hispanic or Latino	11.1%	6.1%	-
Native Hawaiian or Pacific Islander	0.3%	0.2%	-
Two or more races	4.1%	2.3%	-
White	58.5%	74.5%	95.9%
Not Specified	3.4%	2.7%	1.4%

*The data on this page summarizes our workforce demographics as of Dec. 31, 2024. The workforce demographic data, including race and ethnicity, gender and job categories, aligns with the EEO-1 Component 1 data collection reporting requirements outlined by the U.S. Equal Employment Opportunity Commission, where applicable.



Our Community

At Paycom, we believe in giving back to the communities where we live and work. We constantly exemplify our values “We care” and “We serve” through volunteering opportunities and charitable giving. We are proud to share that Paycom donated more than \$3.2 million in 2024, with more than \$224,000 of that coming directly from our employees. Almost 400 organizations benefited from these donations across 37 states and Washington, D.C., through small grants, employee giving and corporate sponsorships.





Charitable Giving

\$3.2 million in 2024

\$224,000 directly from our employees

394 organizations across 37 states and Washington, D.C.

The Salvation Army

Since 2012, Paycom has partnered with The Salvation Army of Central Oklahoma to donate time, money and goods to help those in need in our community. In 2024, Paycom reached a milestone of more than \$1 million donated to the nonprofit over the course of our partnership. This collaboration continues to help The Salvation Army of Central Oklahoma with its mission to meet human needs without discrimination.

Through participation in its Angel Tree program, food pantry and coat drive, Paycom has helped serve and support individuals and families across the state.

more than

\$1,000,000

donated to the The Salvation Army since 2012



Burpees for Vets

For the third year in a row, Paycom challenged our employees to raise funds for veterans by participating in the Burpees for Vets campaign. In 2024, our teams raised a record-breaking \$137,814 for the Mark Divine Courage Foundation. Burpees for Vets is a national fitness challenge that raises funds and awareness for veterans transitioning out of military service. Paycom's contribution remains the largest single donation on record for both the Courage Foundation and Burpees for Vets, making a lasting impact on the lives of those they serve. This donation will continue to support the Courage Foundation's holistic Veteran Integration program, a 12-month intensive and immersive initiative that provides specialized training and support to mitigate post-traumatic stress.

Our teams raised a record-breaking

\$137,814

for the Mark Divine Courage Foundation



Philanthropy Fair

Paycom's third annual Philanthropy Fair brought together employees and local nonprofits at our Oklahoma City and Grapevine campuses. The event highlighted each nonprofit's mission and encouraged Paycom team members to learn more and volunteer.

Thirty-two nonprofits attended the fair over the course of two days. Many employees took advantage of the chance to volunteer, packing an impressive 1,500 care packs for service members deploying overseas and assembling hygiene kits for individuals experiencing homelessness.

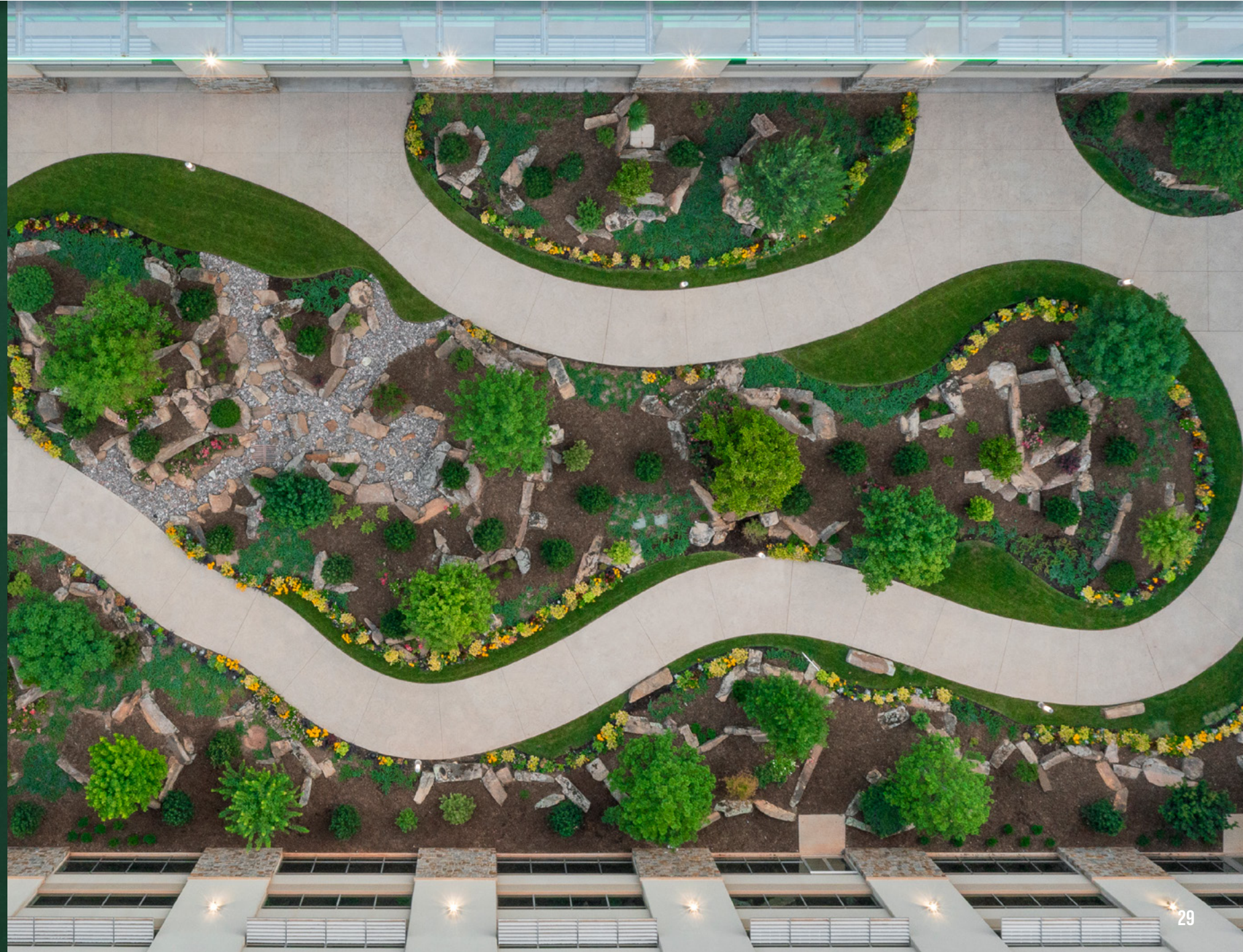
To cap off the event, Paycom surprised each nonprofit with a \$1,000 donation. This generous gift was a testament to the company's commitment to giving back to our communities and supporting the vital work of these organizations.



Our World

Environmental Impact

From the early stages of our company, Paycom has believed it is our responsibility to provide our clients with the best HR software in a way that minimizes our impact on the planet.



Electronic Recycling

Paycom uses a variety of computers, servers and electronic accessories to support our operations. When these items no longer suffice for our business needs, all company data is destroyed and the equipment is recycled or refurbished through a partnership with an Oklahoma company committed to responsible recycling.

In 2022, we began our practice of repurposing our used electronics to produce revenue from reused assets and avoid the environmental impact of destroying the items. We recycle any electronic assets that can't be used for materials.

In 2023, we shifted our focus to primarily repurposing our electronic assets to further reduce our environmental impact. This shift greatly minimized our quantity of assets to be destroyed and increased the quantity of electronic assets recycled and/or repurposed. We are proud of the progress we made in 2024 as we continue to focus on repurposing and recycling our electronic assets.

Our recycling partner processed

22,417 lbs.

of electronic assets for reuse and/or material recovery

reduced greenhouse gas emissions in the amount of an estimated

85,265 lbs.

diverted

1,758 lbs.

of toxic metals

recovered

20,658 lbs.

of metals



Energy Use

Renewable Energy

We are proud to continue to power our headquarters in Oklahoma City, Oklahoma, and our operation center in Grapevine, Texas, with 100% wind energy through the purchase of renewable energy credits. We are committed to reducing energy consumption when possible and rely on several practices to increase energy efficiency. We also encourage our employees to utilize our on-site electric vehicle chargers at no cost. In August 2024, Paycom acquired a 54,000 square foot data center in Arizona, in addition to expanding our Oklahoma City headquarters by 315,000 square feet in early 2024. Our increased electricity usage can be attributed to our increased square footage of Paycom-owned locations. Regarding the newly acquired data center in Arizona, which is expected to be fully operational in mid-2025, Paycom has used a conservative approach to estimate our energy use as we work to collect accurate and complete data. Renewable energy credits were not purchased for this location in 2024.

Data Centers

Paycom has implemented energy-reducing and energy-efficient practices and designs in our on-site data centers while prioritizing system uptime. We use the latest generation of high-efficiency, uninterruptible power supply systems and perform regular system-idle reviews to identify how to reduce usage of central processing units. We have an ongoing virtualization program to improve scalability and workloads while using fewer servers and consuming less energy. In our largest data centers, we utilize closed-system, cold-aisle containment to decrease energy consumption and increase efficiency.

Year	MWH Electricity	Percent Renewable
2022	29,417 MWH	100%
2023	30,511 MWH	100%
2024	51,310 MWH	78%



558 metric tons CO₂e

Scope 1 - owned and operated locations

4,324 metric tons CO₂e

Market-based Scope 2 - owned and operated locations

4,882 metric tons CO₂e

Total Scope 1 and 2 market-based

Carbon Emissions

In 2024, we calculated Scope 1 and Scope 2 greenhouse gas emissions from our owned and operated facilities at the Oklahoma and Texas corporate campuses, as well as our newly acquired data center in Arizona. These facilities represent approximately 47% of the total square footage Paycom occupies. The remaining square footage is in leased locations. We use the Greenhouse Gas Protocol to calculate our carbon emissions, and follow recommendations from the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures. As we grow, we will continue to evaluate our energy use and carbon emissions to ensure that we operate in a sustainable way.

Continuing our use of 100% renewable energy credits at the Oklahoma City headquarters and Grapevine, Texas, operations center in 2024 has allowed us to keep our Scope 2 market-based carbon emissions low. The remaining Scope 2 reflect partial year occupancy and an estimate of electricity use at our newly acquired data center in Arizona. Without the use of renewable energy credits, our 2024 location-based Scope 2 emissions equate to approximately 20,018 metric tons of CO₂e.

About This Report

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are any statements that look to future events and include, but are not limited to, statements regarding our corporate governance efforts, goals and objectives; our recruiting efforts; our efforts related to creating a culture of belonging and other important social causes; and our sustainability, framework and responsibilities. In addition, forward-looking statements also consist of statements involving trend analyses and statements including such words as “plan,” “expected,” “believe,” “goal,” “strategy,” “future” and similar expressions, or the negative of such terms or other comparable terminology. Forward-looking statements are neither historical facts nor assurances of future performance and 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 inherent uncertainties, risks and changes in circumstances that are difficult to predict, and many of which are outside our control. Therefore, you should not rely on any of these forward-looking statements. Actual results may differ materially from those predicted in the 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 risks described in our Annual Report on Form 10-K for the year ended Dec. 31, 2024, and our other filings with the Securities Exchange Commission (SEC).

Materiality

This report contains statements based on hypothetical scenarios and assumptions, as well as estimates that are subject to a high level of uncertainty. These statements should not necessarily be viewed as being representative of current or actual risk or performance, or forecasts of expected risk or performance. Any matters discussed in this report should not be taken or otherwise assumed as necessarily rising to the level of materiality used for purposes of public company disclosure obligations pursuant to the U.S. federal securities laws and regulations, even if we use the words “material” or “materiality” in this report.

In addition, historical, current and forward-looking environmental and social-related/sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future.

No Incorporation by Reference

Our investor relations website at investors.paycom.com contains additional information about Paycom, including financial and other information for investors. The content of our website is not incorporated by reference into this report, or into any report or document we file with the SEC. Any references to our website are intended to be inactive textual references only.



Awards and Accolades



Paycom's GONE was named one of the top HR products of 2024



Named one of *Newsweek's* Most Trustworthy Companies in America for the third consecutive year



Recognized as a company redefining the customer service standard



Listed as one of the top-performing companies across the globe by *TIME*



Selected among the Best Companies in America based on employee satisfaction, revenue and sustainability



Named one of the best companies for tech workers by *Forbes*



Earned a Bronze GLOBEE for the achievements of Paycom's service teams



Earned a Silver GLOBEE for Paycom's automated time-off request feature, GONE



Honored as one of 60 worldwide winners of the Gallup Exceptional Workplace Award



Named as one of the best workplaces for young professionals by *Newsweek*



Recognized as a Top Workplace in the U.S. for the fourth consecutive year



Honored as one of America's Greatest Workplaces for Diversity by *Newsweek* for the second consecutive year



Ranked No. 6 for Best Company Outlook by Comparably



Awarded as a company excelling at recruiting and supporting recent graduates



Recognized as a B2B technology company going above and beyond to support employees and communities



Ranked No. 1 for Best Company Culture, based on employee reviews



Named among Best Companies For Career Growth for the third consecutive year



Chosen as a great company for work-life balance based on employee reviews



Paycom Founder and CEO Chad Richison ranked in the top 10 best CEOs



Ranked in the top 5 for companies with the happiest employees based on employee reviews



Ranked as the No. 1 sales team in the U.S. by Comparably



Honored for Best Company Leadership based on employee reviews



Ranked No. 1 for best compensation, based on employee reviews

Appendix

SASB Index

This report contains disclosures in alignment with the Sustainability Accounting Standards Board (SASB) Software and IT Services Standard.

TOPIC	ACCOUNTING METRIC	ITEM CODE	RESPONSE
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-SI-130a.1	Please refer to the Our World: Energy Use section of this report for electricity consumption.
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-SI-130a.3	Please refer to the Our World: Data Centers section of this report.
Data Privacy and Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1	<p>Paycom uses various third-party advertisers and technologies to advertise our services to visitors of our public-facing website. These technologies include cookies, web beacons and pixels, which automatically collect certain information about visitors' online activities over time and across third-party websites or other online services. Our public website provides settings to limit the use of cookies, as well as links to third-party opt-out mechanisms (e.g., NAI).</p> <p>Although Paycom may use technical data collected from our website for various purposes as described in our privacy policy, Paycom will not share client data with a third party unless it is necessary to provide services on behalf of our clients. We use at least industry standard security policies and measures to help prevent any unauthorized access to client data. Please refer to our Privacy Policy for a full description of our privacy practices.</p>
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	Any material monetary losses as a result of legal proceedings would be disclosed in our 2024 Annual Report on Form 10-K.
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2	Please refer to the Data Governance and Cybersecurity section of this report.
Recruiting and Managing a Global, Diverse and Skilled Workforce	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff and (3) all other employees	TC-SI-330a.3	Please refer to the Our People: Demographics at Paycom section of this report.
Intellectual Property Protection and Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-SI-520a.1	Any material monetary losses as a result of legal proceedings would be disclosed in our 2024 Annual Report on Form 10-K.
Managing Systemic Risks From Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	TC-SI-550a.1	Paycom serves approximately 37,500 clients through multiple services and products. Although rare, there are occasions when our products may experience temporary, unplanned service disruptions due to unforeseen circumstances. These outages are typically limited in scope, and we work quickly to restore service and minimize client impact. In addition, client data is backed up in real time to a secondary data center with the goal of clients maintaining access to their data 24/7/365.
	Description of business continuity risks related to disruptions of operations	TC-SI-550a.2	Please refer to Item 1A. Risk Factors in our 2024 Annual Report on Form 10-K for risks related to our business.

Appendix

TCFD Index

Task Force on Climate-Related Financial Disclosures (TCFD) Index

Paycom is committed to providing transparency on our management, governance and performance related to climate-related risks and opportunities. We recognize the importance of climate-related initiatives as they relate to our business strategy.

Governance	Strategy	Risk Management	Metrics
<p>A) Board Oversight The Board of Directors has ultimate oversight of climate-related risks and opportunities and reviews the company’s overarching strategy and related strategic initiatives. The Board has delegated formal oversight of policies and programs specific to topics of social responsibility and environmental risks to the Nominating and Corporate Governance (N&CG) Committee, with other committees reviewing additional topics as needed.</p> <p>B) Management Role Our management team is responsible for day-to-day implementation of our corporate social responsibility initiatives and managing climate-related risks and opportunities. Management sets strategies, approves goals and provides support and resources to meet those objectives.</p> <p>Our Management Sustainability Steering Committee, consisting of a cross-functional group of senior leaders, is made to assist the N&CG Committee in understanding and managing related strategies and initiatives, and provides formal updates to the Board on a quarterly basis. Key members of the committee include our Chief Financial Officer, Chief Legal Officer and other senior leaders across pertinent departments.</p>	<p>A) Climate-Related Risks and Opportunities We have identified the following climate-related risks and opportunities that may impact our business:</p> <p>Physical Risks Although impacts may be limited due to the nature of our business, climate-related events could affect our operations as well as that of our customers. Business disruptions may be caused by extreme weather events and natural disasters, such as tornadoes, hurricanes, fires, earthquakes and floods. We have extensive business continuity plans to mitigate these risks to support normal operations of our business and data centers should such events occur. Our current data centers have environmental monitoring and extensive environmental controls such as heat and fire protection; moisture, temperature and humidity sensors; backup power supply and exterior reinforced concrete walls.</p> <p>Technology We continue to seek opportunities to reduce energy consumption. We have implemented energy-reduction and efficiency in our on-site data centers while prioritizing system uptime. We use the latest generation of high efficiency, uninterruptible power supply systems and perform regular system-idle reviews to identify how to reduce usage of central processing units. We have an ongoing virtualization program to improve scalability and workloads while using fewer servers and consuming less energy. In our largest data centers, we utilize closed-system, cold-aisle containment to decrease energy consumption and increase efficiency.</p> <p>B) Impact on Strategy We integrate environmental risks and opportunities into our overall operational and financial strategy by employing technology that enhances efficiency and mitigates risks.</p>	<p>A) Identifying Risks We have an enterprise risk management system in place to assess our business risks and the effectiveness of our processes on a day-to-day basis. We have implemented a formal sustainability risk management program, in which the Management Sustainability Steering Committee is responsible for assessing and managing climate-related risks and opportunities.</p> <p>B) Managing Risks Our enterprise risk management processes align with the company’s strategy in mitigating risks and activities. Our Board of Directors is responsible for overseeing the conduct of our business and the company’s risk management strategy and activities.</p> <p>C) Integrating Climate-Risk into the Risk Management Process We integrate climate-related risks and opportunities into our overall enterprise risk management program.</p>	<p>A) Metrics We monitor and report on our energy usage and carbon emissions at our owned locations and data centers. Renewable energy credits cover 78% of our electricity use at our owned locations.</p> <p>B) GHG Emissions As part of our GHG emissions reporting, we disclose on Scope 1 and 2, which are utilized to assess our climate-related risks and opportunities.</p> <ul style="list-style-type: none"> • Scope 1: 558 metric tons CO₂e • Scope 2: (market-based): 4,324 metric tons CO₂e <p>C) Climate-related targets and performance against targets Our Management Sustainability Committee evaluates our environmental performance and sets a strategy accordingly to continue to evolve and enhance our environmental programs.</p>