



LEADING THE WAY

2021 Corporate Social Responsibility Report



TABLE OF CONTENTS

FROM THE CEO: FOCUSING ON THE RIGHT THINGS	4
ABOUT PAYCOM	6
OUR CORPORATE SOCIAL RESPONSIBILITY	10
OUR PEOPLE	18
OUR CULTURE	22
OUR COMMUNITY	26
OUR WORLD	32
SASB INDEX	36

FROM THE CEO: FOCUSING ON THE RIGHT THINGS.

Our culture is built on challenging the status quo and leading with grit, while at the same time fostering a safe and inclusive environment. These attributes hold true whether we are serving our clients, employees, shareholders or the communities where we live and work.

For nearly 25 years, we have been simplifying lives of businesses and their employees by giving them easy-to-use software that empowers transparency and direct access to data.

While our core business consists of being a leading provider of cloud-based human capital management (“HCM”) software and providing world-class service for our clients, our organization is also firmly dedicated to creating a safe and inclusive workplace, giving back to the community and minimizing our impact on the environment. We remain dedicated to focusing on these core initiatives for many years to come.

Employee well-being

As our most important asset, we are committed to providing our co-workers with a safe and engaging environment. I believe it is important everyone has the opportunity to exercise their minds just as they would their bodies, which is why we offer extensive mental wellness benefits and opportunities for our teams to meet with career coaches and utilize our counseling services and workplace well-being advisors.

While these are just a few examples of the level of care we provide for our teammates, we also offer several opportunities for them to focus on their physical, mental and financial wellness, ensuring they are their best selves at home and in the office.

Diversity, inclusion and belonging

We are committed to recruiting, developing and retaining top talent, and we value a diverse lens across our organization. We hire and promote those who possess diverse backgrounds and are proud that nearly half of our executive and senior level officials and managers are women as we continue to advance gender equality. By intentionally hiring the best and most qualified individuals, we ensure our clients have the most talented people working on their behalf.

To create an opportunity for our employees to build relationships and contribute to an equitable environment at Paycom, we launched our Better Conversations series. Throughout this program, we encourage open dialogue among colleagues to further promote a culture of inclusion and belonging. We have had guest speakers share varying perspectives during Pride Month, Women’s History Month, Hispanic Heritage Month, Disability Awareness Month and others.

Through our software, we are also empowering businesses to educate their staff on diversity and inclusion. We added courses to our learning management technology that cover important topics like fostering inclusion, inclusive leadership, hiring diverse talent and much more.

Our commitment to developing workforces across the country and our own organization extends through product training, continued education offerings and leadership development programs at every level, which helps us perform at our best every day.

Philanthropy

Investing in our community is at the forefront of our culture, and we reached new heights in our corporate and employee-led contributions. We supported a variety of nonprofits, including those that have a big impact on diversity and inclusion efforts, underserved communities and the environment. I’m proud of our combined contributions to groups such as Water4, The Salvation Army, The Boys & Girls Club and PADI Aware, just to name a few. We also supported the 1921 Tulsa Race Massacre Centennial Commission’s Greenwood Rising History Center, which opened in 2021.

Paycom and our co-workers are more involved than ever in supporting programs that ensure everyone has the resources they need for a brighter tomorrow. We have a gifted and purposeful team that leaves a lasting impact on those in need and strives to do the most possible good. I am excited to see what more we will accomplish through our giving in the future.

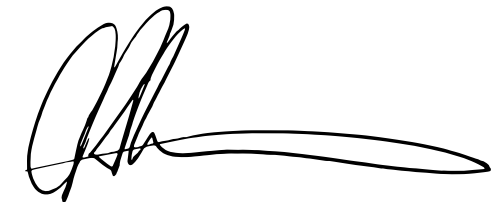
Environmental impact

Protecting our planet and minimizing our environmental impact is important. While our cloud-based technology helps our clients reduce carbon footprints, we have also implemented several new corporatewide initiatives, such as installing electric vehicle charging stations at our Oklahoma corporate campus and using recyclable and compostable dining materials. In 2021, we switched to 100% renewable energy at both our Oklahoma City and Texas corporate campuses.

We are proud of the collective impact we are making on the world and all we have added to help create a better future for generations to come.

Looking forward

Just as we have done throughout our history, we are committed to doing the right things and working toward a better future. Our Corporate Social Responsibility report shows our journey and leadership across our organization and communities. The success of Paycom is the sum of everyone’s efforts and commitment to these initiatives. It takes welcoming diverse thoughts and opinions for us to continue winning at the rate we are. For nearly a quarter of a century, we have focused on these tangible initiatives, but know we still have much more to accomplish. I look forward to leading our organization in doing our part to make a positive impact, and I am optimistic about what the future holds.



Chad Richison

Founder, CEO & Chairman of the Board



ABOUT PAYCOM



Since 1998, Paycom has been committed to redefining HR and payroll technology for a new era of digital convenience. In the process, we've changed the way employees engage with their organizations' HR department.

Paycom's single software encompasses an ever-evolving lineup of digital tools and eliminates the need to integrate, update or access multiple databases, all while providing real-time return on investment for HR tech. By empowering employees with direct access to their own data, Paycom helps free HR professionals to focus less on time-consuming tasks and more on serving as strategic partners.

On April 15, 2014, Paycom was listed on the New York Stock Exchange under the ticker symbol PAYC. For four consecutive years, Paycom was named one of the fastest-growing publicly traded companies in the world by *Fortune* magazine. In early 2020, the company joined the S&P 500, and in 2021, we continued to see rapid growth. Paycom is not only a company on the move, but one leading the way.

Welcome to the digital transformation of HR.

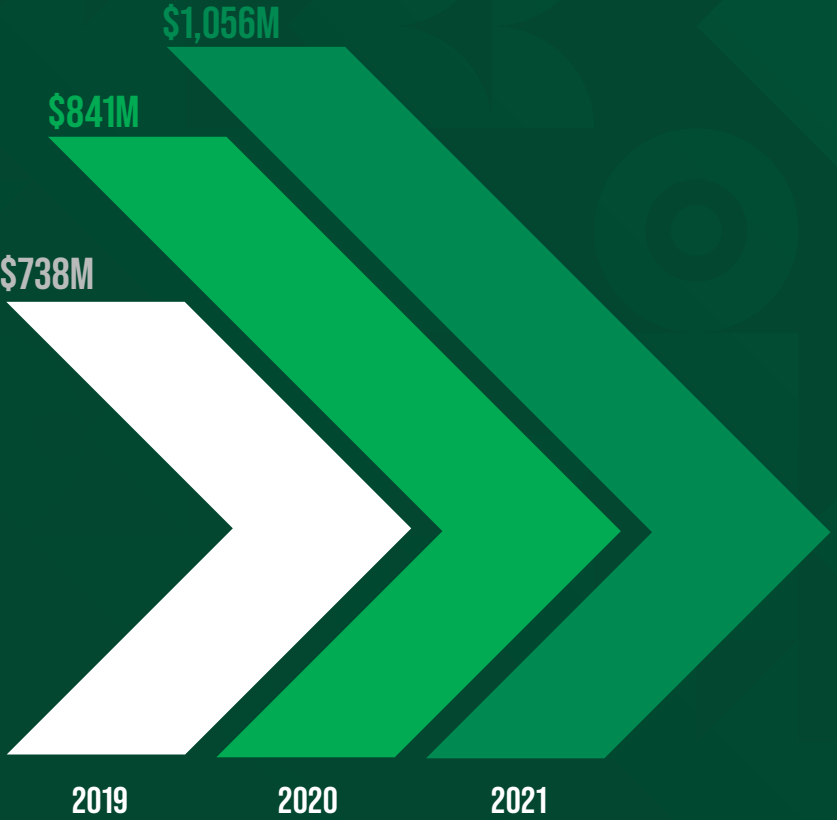


Annual Revenue Retention Rate



Annual Revenue Growth

Revenue



OUR SOLUTION

With Paycom’s end-to-end human capital management solution, the entire employee life cycle flows seamlessly through a single solution. Employee data lives securely in one database, accessible anywhere and anytime. Using our industry-first Direct Data Exchange®, leaders and HR professionals can reduce administrative burdens and redundant efforts while enhancing employee development, organizational efficiency, overall accuracy and their ability to focus on more strategic initiatives. Furthermore, our solution enriches the user experience and empowers our employees and our clients’ employees by providing easy access to their own information, benefits portal, payroll and development tools such as learning courses and performance reviews.

While we released nearly 2,000 product enhancements in 2021, two product releases stood out:

- Beti®

With Beti, employees do their own payroll. Beti builds and manages each payroll cycle automatically, identifies errors and guides employees to resolve them before submission. Employees have the opportunity to ensure their paycheck is correct before payday, empowering them to consistently own and manage their own HR data. Beti gives employees:

 - » full insight into paychecks, including advanced knowledge of take-home pay
 - » a direct connection to resolve errors before payday so they don’t have to wait for assistance
 - » clarity on how their pay changes and is calculated
 - » visualization of deductions, expenses and other allocations
 - » automatic alerts when items require further action so they won’t miss a deadline
 - » confidence in their paychecks’ accuracy, which can help increase engagement and retention

After three easy, one-time steps, all scheduled payroll begins automatically. Beti seamlessly pulls live data on employees’ hours worked, approved expenses and compensation changes. For HR, at the same time, Beti pulls pending tasks and who needs to act on them, new terminations, retroactive pay still outstanding and adjustments in checks, then notifies personnel when payroll is submission-ready.

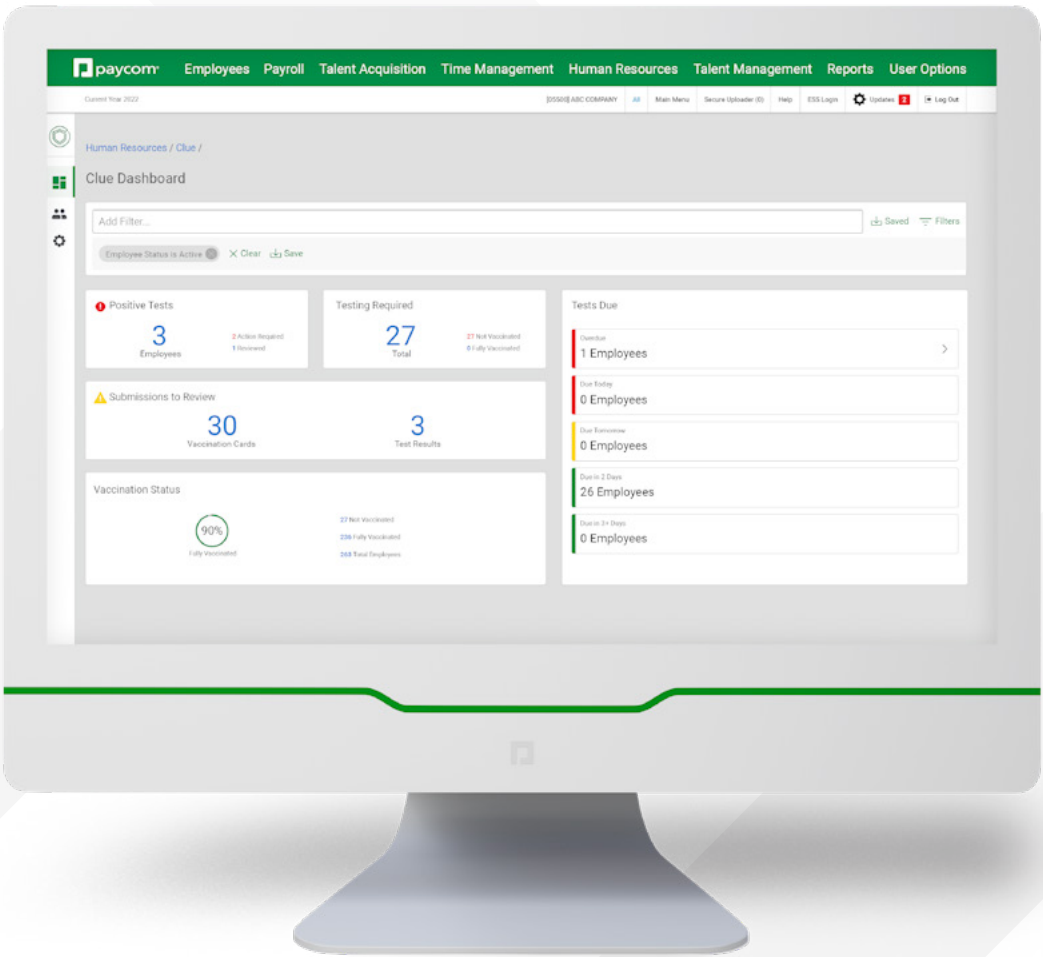
Beti reduces employer liability and increases employee autonomy, which is why it was named a Top HR Product of 2021 by *Human Resource Executive* magazine.



Clue™

In response to COVID-19 and other potential health challenges, we added enhanced document management and custom fields into file forms in the Paycom program. While this provided the necessary capabilities to track health-related employee data, we identified the need for a more comprehensive tool and created Clue. The tool clues employers in on their workforce’s vaccination and testing statuses by securely collecting, tracking and managing this important data, all in Paycom’s single software.

Employees can quickly and easily enter information, receive reminders of weekly tests, upload vaccination records or test results and provide data securely and confidentially without direct conversations. In turn, employers benefit from the ability to be informed with comprehensive and audit-ready insight. Employers can monitor and analyze results in one dashboard, view real-time vaccination percentages of their workforce and access robust analytics and customizable reports.



OUR CORPORATE SOCIAL RESPONSIBILITY



We Dream,
We Build,
We Deliver.

At Paycom, we appreciate the enormous responsibility that comes with handling our customers' information and data. We also understand that as a leader in the tech industry, it is important that we endeavor to:

- » uphold an organizational culture centered on operating with integrity
- » develop high-performing, dedicated employees through our programs and unique culture
- » strengthen our community through productive conversations
- » foster an inclusive workplace and a sense of belonging for all
- » be an active steward of our environment through sustainability

CORE VALUES

The power of Paycom's software solution comes from our people, which is why we recently updated our core values and strive to uphold them every day. When we rally around and embody this set of beliefs, we are empowered to work together to create the best experience possible for our clients and our employees. These five core values help us live out our purpose:



WE INNOVATE. We transform how people do business.



WE WIN. We play to win.



WE CARE. We care more.



WE SERVE. We make life better for all.



WE BELIEVE. We believe in our people and technology.

Our purpose: We create technology
that simplifies life for employees.

Corporate Governance

Paycom is committed to maintaining high standards of business conduct and corporate governance. This commitment allows us to live up to our core values and operate our business consistent with our stockholders’ best interests and the requirements of law. We have adopted policies and guidelines to form the framework of corporate governance that fosters a culture of ethics and integrity.

Board of Directors

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

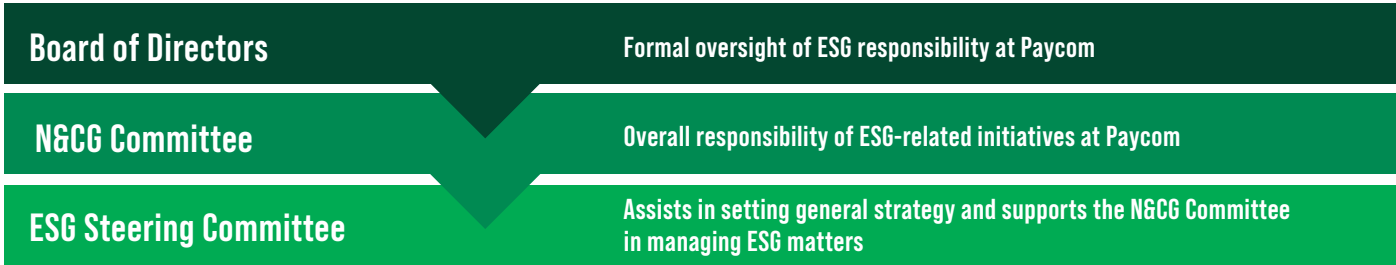
- » Our founder and chief executive officer serves as the chairman of the board
- » The remainder of the board is independent of Paycom and its management
- » All members of our board committees – the audit committee, compensation committee and nominating and corporate governance committee (“N&CG”) – are independent
- » All committees maintain charters that clearly establish their respective roles and responsibilities

For more information on the board’s structure, members and committees, please refer to our 2022 Proxy Statement and the *Corporate Governance* page on our website.

ESG Oversight

We believe that we have a responsibility to our people, our community and the world in which we operate and that effective management of environmental, social and governance (“ESG”) issues will help drive long-term growth. Because of this belief, the board delegated formal oversight of ESG programs and policies to its N&CG committee with additional topics also reviewed by other committees as needed. Management provides formal ESG updates to the N&CG committee on a regular basis.

Our ESG steering committee is a cross-functional group of leaders throughout the company that assists the CEO and board of directors in understanding, managing and setting a general strategy relating to ESG matters and initiatives.



We have a responsibility to our people, our community and the world.



Risk Management

Our board of directors is responsible for overseeing the conduct of our business and the company’s risk management strategy and activities as a whole and at the committee level. 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.

Ethics and Compliance

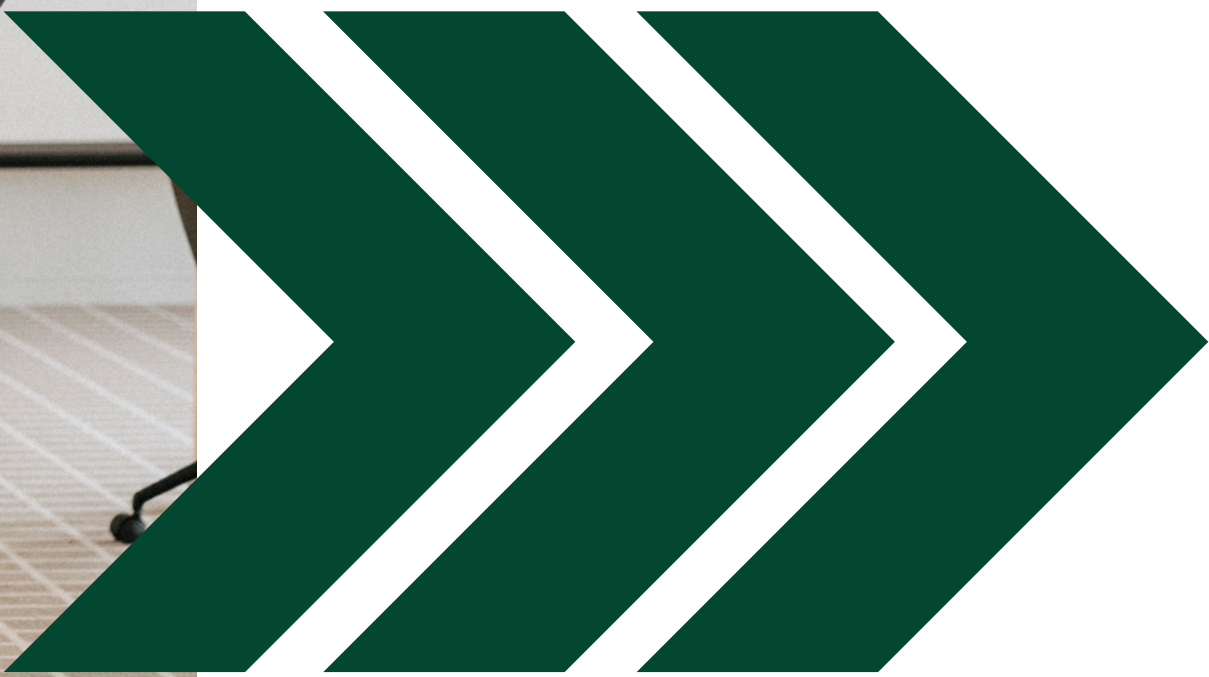
We are committed to honesty, just management, fairness and providing a respectful, safe and healthy environment. As we challenge the status quo and pursue our revolutionary vision, we realize ethics and compliance are critical to the success of our employees and our business.

In pursuit of these commitments, we have adopted a *Code of Ethics and Business Conduct* that applies to and is signed by all of our employees, officers and directors annually. We have also adopted a *Whistleblower Policy*. Our ethics and compliance programs are ultimately overseen by Paycom’s board of directors, with certain responsibilities delegated to board committees, the executive vice president and general counsel and other members of senior management.

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 advocate to advance the interests and goals of our employees, clients and company.

We also engage with trade associations to help us work collaboratively with industry partners to promote our public policy interests and business goals. In 2021, Paycom did not contribute to any political candidate, party or government. We also do not maintain a political action committee.



Data Governance

Paycom’s single-database software employs comprehensive, in-depth and industry-proven standards and technologies to protect and defend client data and its privacy in our environment. As one of the few payroll processors to maintain accordance with SOC-1 and SOC-2 reports as well as certificates outlining compliance with the ISO 27001, ISO 27701, ISO 9001 and ISO 22301 standards, Paycom’s information security, privacy and quality management systems are formally reviewed and audited at least annually.

Paycom has developed a governance structure for our privacy program that addresses data privacy and security at every level of our organization. The audit committee of the board of directors oversees data privacy and security, including compliance with legal and regulatory requirements, and reports to the full board regularly. The chief information officer is responsible for ensuring that data privacy and security programs are effective and consistent; providing feedback to the audit committee on IT operations; conformity to and development of program policies, procedures and guidelines; enterprise data governance; and companywide IT compliance.

Data Security

At Paycom, we take our responsibility to keep client data secure seriously and consider it a top priority. We deploy stringent security measures to safeguard client data at organizational, operational and infrastructure levels. This includes robust data encryption; secured, monitored and redundant data centers with full battery and generator power; and a 24/7/365 security command center.

Business continuity and disaster recovery testing is part of our ISO 27001 and ISO 22301 certifications. We perform disaster recovery testing monthly and full failover testing annually. In addition, we replicate client data live to our failover data center with the goal of clients maintaining access to their data at all times.

Data Privacy

Our commitment to protecting our clients’ data is at the core of our business. Our privacy program follows guidelines to meet or exceed industry standard practices concerning access to and the use and disclosure of client information. Features include IP filtering for time clocks and direct deposit changes, security and verification questions, and enhanced password requirements for all users of the Paycom system. To ensure we are upholding our privacy practices to the best of our ability, we also deploy mandatory training on privacy and data protection to all employees on an annual basis.

[Read more about our privacy policy.](#)



OUR PEOPLE



An Inclusive Environment

At Paycom, we support diversity, inclusion and belonging. We have zero tolerance for racism, harassment or discrimination and have demonstrated that as an organization. Still, we understand there is much more work to do. We encourage every one of our team members to form deeper relationships with those around them based on mutual respect, dignity and understanding.

Paycom’s goals for inclusion and diversity are to ensure that we:

- » make employees feel heard, valued and appreciated for who they are
- » foster a work environment where employees feel safe to share their story
- » encourage diversity of thought through open dialogue and engagement
- » build and retain a more diverse workforce at all employee levels through recruitment and continuous development
- » identify opportunities to strengthen the communities where we live and work

Our hope is for our entire workforce to do its part to combat bias and divisiveness, as individuals and as an organization.

We foster a work environment where employees feel safe to share their story.

Diversity, Inclusion and Belonging

In 2021, we created a robust diversity, inclusion and belonging (“DI&B”) strategy to help strengthen our culture, drive innovation and enhance the employee experience.

<p>With clear vision and purpose, we will:</p> <ul style="list-style-type: none">» add an additional senior level manager to our DI&B program under the guidance and supervision of our VP of HR and HR senior leaders» help elevate and evolve our program and outcomes» continue to communicate our strategy to all stakeholders	<p>Through collaboration, advocacy and senior-level sponsorship, we will:</p> <ul style="list-style-type: none">» evolve our DI&B committees into a more formalized leadership steering committee and employee advisory council» commit to leadership accountability for outcomes that drive our organizational growth	<p>We will drive positive employee engagement through:</p> <ul style="list-style-type: none">» regular celebration, awareness campaigns and personal stories» education and training for all employees» continuing Better Conversations listening and engagement sessions
---	--	--

Workforce Initiatives

Paycom appreciates and values diversity of thought, and we recognize that the best way to understand and be understood is by leveraging our most valuable asset: our people. To encourage productive conversations, foster a more inclusive workplace and provide a forum for open and honest dialogue, we launched an employee listening and engagement series called Better Conversations.

The series aims to cover topics that are most relevant and important to our employees, such as diversity, inclusion and belonging; working parents; mental wellness; women in tech; and more, as well as special sessions for Disability Awareness, Black History, Hispanic Heritage, Native American Heritage and Pride Months. The sessions are open to everyone, presenting an opportunity to listen, increase allyship and have our voices heard. To date, we have hosted over 100 Better Conversations sessions with over 3,100 participants, including all Paycom leaders.

In 2021, Paycom received the Learning in Practice Innovation award for the series, presented by *Chief Learning Officer*® magazine.

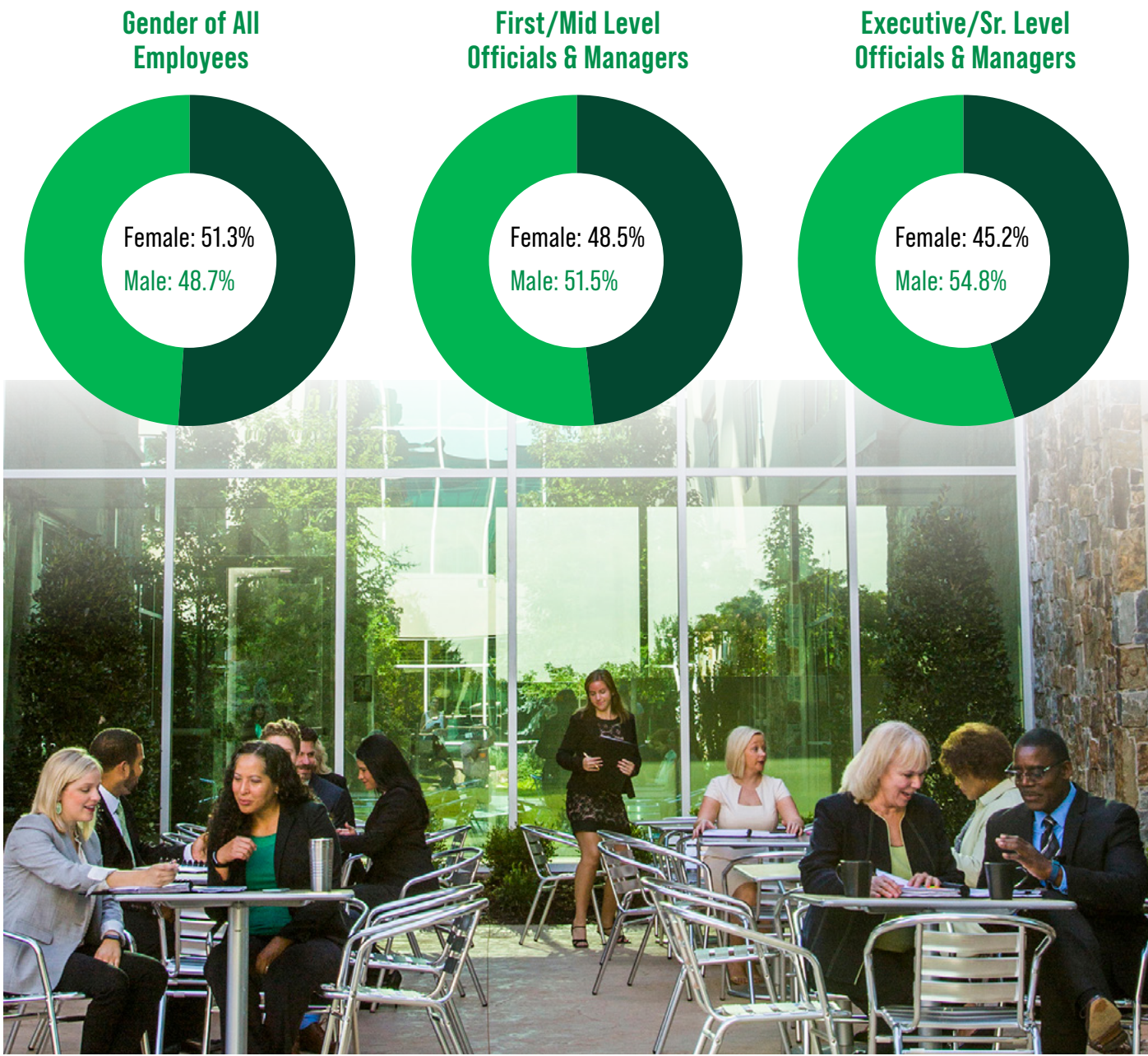
Education Collection

To help our clients foster productive conversations of their own, we added a collection of diversity and inclusion courses to our digital platform, the Paycom Learning application. The collection includes key topics such as bias, fostering inclusion, inclusive leadership, hiring diverse talent and more. In addition to offering this educational tool to our clients, Paycom has incorporated diversity and inclusion courses as part of our own employee learning experience, including those listed above and mandatory annual discrimination and harassment training.

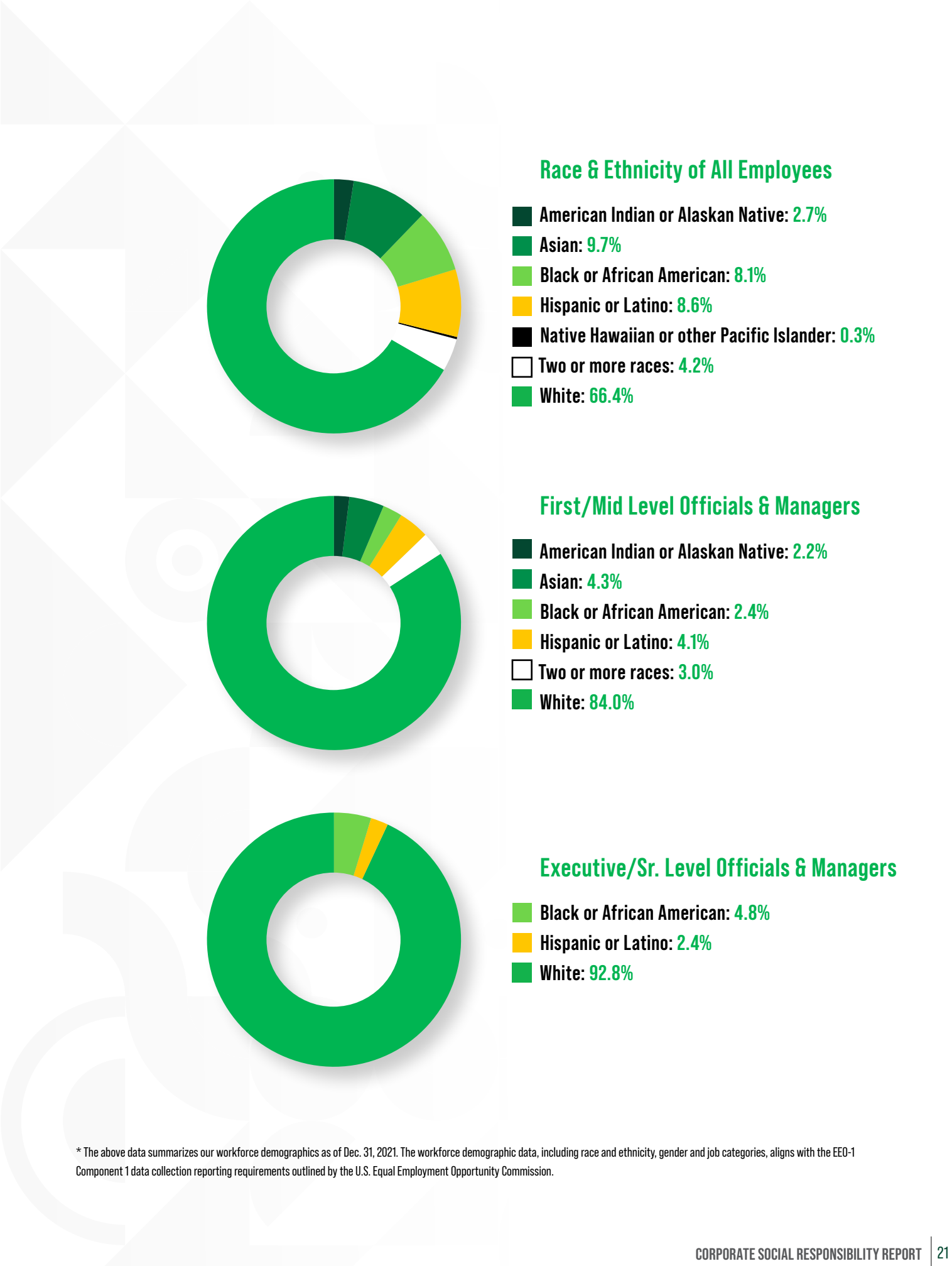
Diversity at Paycom

In 2021, we adopted qualification standards that consider race and ethnicity, gender and other diversity-related factors when evaluating candidates to the board of directors.

As of December 31, 2021, women represented 51.3% and ethnic minorities represented 33.6% of our workforce. Our focus is to recruit, hire, develop, promote and retain top diverse talent. We continue to work toward a diverse workforce at all employee levels, from entry level to executive.



* The above data summarizes our workforce demographics as of Dec. 31, 2021. 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.



OUR CULTURE

Talent Acquisition and Development

Internship and Student Programs

To fill our pipeline with top incoming talent, we offer paid internship programs for sales, technology and corporate positions at our corporate campus and field locations across the country. Additionally, we hosted two summer engagement programs in sales and technology. The free, two-week events, led by Paycom recruiting, sales and technology team members, provided professional development and technical training to college students interested in future opportunities at Paycom.

Diversity Partners

Paycom currently partners with 16 historically Black colleges and universities (HBCUs) and 11 Hispanic-serving institutions (HSIs). We continue to strengthen those partnerships and identify additional opportunities to provide resources to and bolster the employment pipeline for HBCU and HSI graduates. One successful partnership is the Langston Career Closet at Langston University in Oklahoma, which provides job seekers and college recruits business attire for career fairs and interviews. Additionally, we work with other programs, such as WayUp and SV Academy, to connect with and attract diverse talent entering the workforce.

In 2021, Paycom sponsored both the Grace Hopper Celebration and Society of Women Engineers Conference, two events aimed at eliminating gender disparity in STEM. We hope to continue contributing to breaking down barriers for women in our industry.

Employee Development

Ensuring our employees have the training and resources they need to do their jobs starts with our new employees. New employees receive robust training on our digital tools, business strategy and more. Our commitment to employee development extends through continued education offerings and leadership development programs at every level, which helps us perform at our best every day.

Rising Leaders. Paycom's leadership development program, Elevate, kicked off in 2020. The goal of the program is to provide enhanced opportunities for professional growth to first-time leaders, giving them the tools and resources needed to be effective and successful. Leaders complete 30 hours of blended learning during a 12-week period, including self-study and facilitator-led sessions with their cohort.

Experienced Leaders. Experienced leaders are also able to build their business acumen and leadership skills. Our leadership academy includes training focused on personal and professional development. It's designed to introduce new ways of thinking in order to provide high-level insight and understanding of leadership principles across Paycom.

Furthermore, we partner with external leadership coaching programs for employees at the director level and above. Participants are matched with leadership mentors that provide one-on-one coaching sessions, assist the leadership team with collaborative and strategic conversations, advise on building relationships across business lines and promote an overall growth mindset.

Future Leaders. We also offer Basecamp, a program focused on building foundations for future leaders. Basecamp equips high-potential individual contributors with leadership foundations, resources and tools that strengthen them in their current roles and equip them to transition into a future leadership role. Participants complete 11 hours of blended learning during an eight-week period, including self-study and facilitator-led debriefs with their cohort.

In addition, Paycom conducted development and compensation reviews for its employees in 2021. The review process contains an employee self-evaluation portion allowing for open dialogue between employees and their leaders. Our employees and leaders utilize Paycom's own software tools to facilitate development reviews.



Support for Employees

Our philosophy is to support our employees inside and outside their careers. We are committed to providing our employees with a safe, engaging environment where they feel empowered to work hard toward common goals. Paycom’s employees thrive on collaboration, yet flourish in an environment that celebrates their individuality. We celebrate this with a variety of annual events, including National Payroll Week and Customer Service Week festivities. Paycom also actively recognizes, celebrates and educates during cultural observances such as Black History Month, Women’s History Month, Diversity Month, Pride Month, Mental Health Awareness Month and Juneteenth. During these observances, we highlight employees’ experiences, share educational resources, offer ways for employees to give to inclusive organizations and provide opportunities for meaningful conversations with others.

We recognize that physical, mental and emotional well-being are at the foundation of our employees’ success. To foster this, we provide a myriad of health and benefits programs to all employees, including a \$1 employee health insurance plan with mental health coverage. Additionally, employees at our corporate facilities have access to a number of Paycom’s health and wellness opportunities, such as fully equipped fitness centers. Centers were closed in 2021 due to COVID-19, but we continued to provide fitness classes virtually. Our Oklahoma City corporate campus also contains four acres of greenspace and two cafés that offer subsidized catered lunches with a daily healthy option.

We also offer financial benefits, such as financial wellness tools and identity theft protection, to all employees. Furthermore, all employees are eligible to participate in an employee stock purchase plan and full-time employees are able to enroll in a 401(k) plan with a company match program after 90 days of service.

In addition to our employee assistance program, Paycom introduced well-being advisors in 2020. These advisors offer a customized and effective approach to learning skills and finding solutions for mental health and well-being obstacles. The program provides employees with a confidential mental health and wellness resource — individually and in group settings — to foster a more inclusive, productive workplace. When necessary, our advisors can also connect employees with external mental health and well-being resources.

Support for Families

It is our belief that when we champion families, we empower our employees and allow them to achieve at their fullest potential. To support new parents and assist in balancing work and family matters, Paycom provides paid parental leave to eligible employees for bonding or caring for a newborn or adopted child.

We have also implemented comprehensive support for parents in our workforce. Paycom benefits include support through fertility, pregnancy, pregnancy loss, postpartum, adoption, surrogacy and new



parenthood, as well as resources for returning to work after leave. In addition, employees have access to a discounted child care platform offering full-time and part-time recurring care, occasional care and backup care from caregivers of their choice.

Paycom supports all members of the family, and benefits that extend to legal spouses are inclusive of any gender or sexual orientation. We also offer a support program for those acting as caregivers for both children and adults at no cost to our employees, as well as insurance coverage for pets.

COVID-19

Throughout the course of the COVID-19 pandemic, we maintained a transparent, intentional and conservative approach to managing the workplace.

In March 2020, we transitioned our workforce to a remote work environment and adjusted leave policies to protect the health and safety of our employees. We provided 80 hours of COVID-19 leave time to cover personal or household illness, and we eliminated new-hire leave restrictions for COVID-19 and sick time. To protect our employees and the communities around us, we also switched all in-person events to virtual and suspended work-related travel.

Every step of the way, resources and updates were consistently communicated to all employees. Additionally, we added our well-being advisor program and provided coaching for leaders on handling COVID-19 questions and concerns from employees. We offered a Better Conversations special session for employees to have their voices heard during the challenging global pandemic.

In late 2021, we were able to implement a safe and gradual return-to-office plan. We continued to provide additional leave time and instituted rigorous protections on campus such as enhanced sanitization and social distancing measures. In addition, we offered optional flu shots and COVID-19 vaccinations at our free, on-site clinic as well as a voucher program for flu shots at sales offices and for employees not covered under health insurance plans.



OUR COMMUNITY

Community Giving

We are deeply committed to giving back to our community and receive a vast number of requests each year from organizations across the country. To maximize our impact and ensure our charitable footprint reaches as many people in need as possible, giving is supported at both the corporate level through quarterly grant programs and individually during monthly employee giving opportunities.

Paycom gives to the communities in which we live across the country, supporting sustainable programs that ensure basic needs are met and encourage a brighter future for all. These programs support children and families, veterans, people living with disabilities, STEM curriculum, environmental education and mental health. We focus efforts based in communities in which we live and operate.

Standout 2021 contributions and involvement:

Regional Food Bank of Oklahoma and Feeding America

Regional Food Bank of Oklahoma leads the fight against hunger in the state and envisions a community where no one goes hungry. The food bank distributes food through a network of more than 1,300 community-based partner agencies and schools in 53 counties in central and western Oklahoma and is a leader in educating the public on hunger, advocating for those living with hunger and providing access to additional resources.

In 2021, Paycom and our employees donated nearly \$2 million to over 250 organizations based in 32 states and Washington, D.C.



Feeding America is the largest hunger-relief organization in the United States. Its mission is to advance change in America by ensuring equitable access to nutritious food for all in partnership with food banks, policymakers and supporters in the communities they serve. With Paycom's donation, Regional Food Bank of Oklahoma and Feeding America were able to provide 210,000 meals across the country.

Imua Family Services

Paycom supported Imua Family Services, whose mission is to empower children and families to reach their full potential. Programs and staff assist children and families to overcome developmental learning challenges in the most formative years of childhood. This donation helped Imua continue and improve its programming at its service centers in Maui, Lana'i and Molokai, Hawaii.

Honoring America's Warriors

Paycom has a proud history of supporting veterans services and organizations. In 2021, we donated to Honoring America's Warriors, an organization dedicated to providing service dogs and training for disabled veterans. Our donation helped Honoring America's Warriors strengthen its programming and events allowing these men and women to connect with other veterans in a peer-to-peer environment.

Tulsa Race Massacre Centennial Commission

The 1921 Tulsa Race Massacre Centennial Commission facilitates actions, activities and events to commemorate and educate all citizens about the history of Tulsa’s Historic Greenwood District and Black history in Oklahoma. In 2021, Paycom contributed to the commission to help with the construction of Greenwood Rising History Center.

Award-winning Greenwood Rising History Center is the flagship project of the commission and was chosen to be built as the world-class museum and immersive experience at the gateway to Tulsa’s Historic Greenwood District.



NAMI (National Alliance on Mental Illness) and Calm Waters

In 2021, Paycom and our employees donated to the NAMI and Calm Waters Center for Children and Families.

NAMI is the nation’s largest grassroots mental health organization dedicated to building better lives for millions of Americans affected by mental health challenges. This donation helped expand efforts for the NAMI Helpline, which is a free, nationwide peer-support service providing information, resource referrals and assistance to people living with a mental health condition.

Calm Waters is dedicated to helping bereaved children in their grief journey after a death, divorce or significant loss. The Oklahoma-based organization used our donation to help fund support groups, counseling and consultations, parenting seminars, workplace crisis services and trainings.

The Anna’s House Foundation

Paycom has been a consistent supporter of The Anna’s House Foundation since 2013. The Anna’s House Foundation helps support local foster families by providing immediate, stable and loving homes for Oklahoma’s foster children. In 2021, Paycom and our employees contributed to the Gumdrops and Lollipops event and participated in a toy drive donating over 600 toys for holiday gifts for the children. Paycom employees have also volunteered hours to support the organization’s mission.



The Salvation Army of Central Oklahoma

Paycom and its employees have a proud history of supporting The Salvation Army of Central Oklahoma, having donated over the past nine years. In 2021, Paycom donated the largest amount the Oklahoma City-based nonprofit has received as part of its annual Red Kettle Campaign to help the local chapter of The Salvation Army assist Oklahomans in need during the holiday season and beyond. This annual year-end contribution assists individuals and families needing support, whether it be food assistance, a hot meal, temporary housing in shelter facilities, rent or utility assistance or winterwear. Finally, our Holidazzle event provided nearly 500 coats to The Salvation Army to give to those in need during the winter season.

PADI AWARE

PADI AWARE works to protect our oceans by influencing policy, cleaning the oceans and providing species protection and conservation. Through the help of its donors, PADI AWARE has protected over two dozen shark and ray species, driven over 222,000 conservation actions, removed 2 million pieces of marine debris and advanced groundbreaking citizen science. Paycom has been a partner of the PADI AWARE Foundation since 2018.

Boys & Girls Club of Oklahoma County

With our donation to Boys & Girls Club of Oklahoma County, the organization was able to strengthen and expand its partnership with Oklahoma City Public Schools, allowing it to serve 2,500 more students. Thousands of kids in the Oklahoma City metro will now have access to academic enrichment, sports, activities and mentoring. Boys & Girls Club of Oklahoma County operates 12 clubs with a total of 5,000 youth members.

Community Engagement

We are guided by our values and committed to making the communities we serve stronger. We are the presenting sponsor of Advancing Oklahoma, a joint partnership of five nonprofit organizations dedicated to facilitating a conversation on race in our home state. The goal of this program is to bring together local leaders to listen, learn and understand race and race relations in the context of business, government, schools and criminal justice. On the national scale, Paycom is a member of the U.S. Chamber of Commerce and various chambers in communities in which we operate across the country.

Thousands of kids in the Oklahoma City metro will now have access to academic enrichment, sports, activities and mentoring.

Maisha Project and Water4

Both based out of Oklahoma City, Maisha Project and Water4 provide essential services in communities across Africa.

Maisha Project aims to break generational poverty by providing children in Kenya with crucial wellness resources and education. The mission of Maisha Project is to transform lives and empower communities through lasting solutions to address poverty, hunger and lack of education. Our donation in 2021 helped the organization invest in schools, health care, local entrepreneurship and community building projects to foster economic empowerment and sustainability.

Water4 is dedicated to eradicating the world’s water crisis through local, mission-based business in 15 countries in sub-Saharan Africa. Water4 reimagines the role charity plays in the solution to the water crisis by partnering with local entrepreneurs who use donated capital to operate locally owned water service businesses sustained by local people paying affordable rates for safe water. In 2021, Paycom’s donation provided capital for sustainable water resources.



OUR WORLD

Environmental Impact

We recognize our responsibility to contribute to a more sustainable environment in the future.

Paycom’s technology helps our clients “go green” by managing all payroll, HR processes and documents in our single software. We strive to minimize our environmental impact by implementing green initiatives throughout our workforce and workflow.

The following data is specific to our Oklahoma City corporate campus, located on over 100 acres of company-owned property and housing two fully redundant data centers. We plan to introduce additional data in future periods for: [1] our second company-owned operations center, opened in December 2021, and [2] our leased offices across the U.S.

Waste

We provide designated recycling and compost containers across owned facilities and cutlery, to-go boxes, napkins, drinkware, lids and plates in cafes and break rooms that are made from 100% recyclable or compostable materials.

In 2021, Paycom and its employees:



recycled 150,105 lbs. of paper waste through secure shredding



composted 6,380 lbs. of organic matter

Electronic Waste

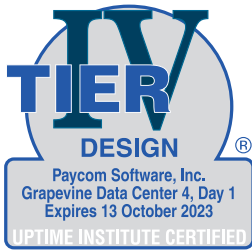
In addition to using Energy Star-rated and -labeled equipment, including servers, desktops and appliances, for energy efficiency, our corporate campus also uses a local vendor for e-waste reuse and material recovery.

In 2021, **47,695 lbs.** of Paycom electronic assets were processed, reducing an estimated 66.5 thousand lbs. of greenhouse gas emissions and diverting over 1,300 lbs. of toxic metals from landfills.

Data Centers

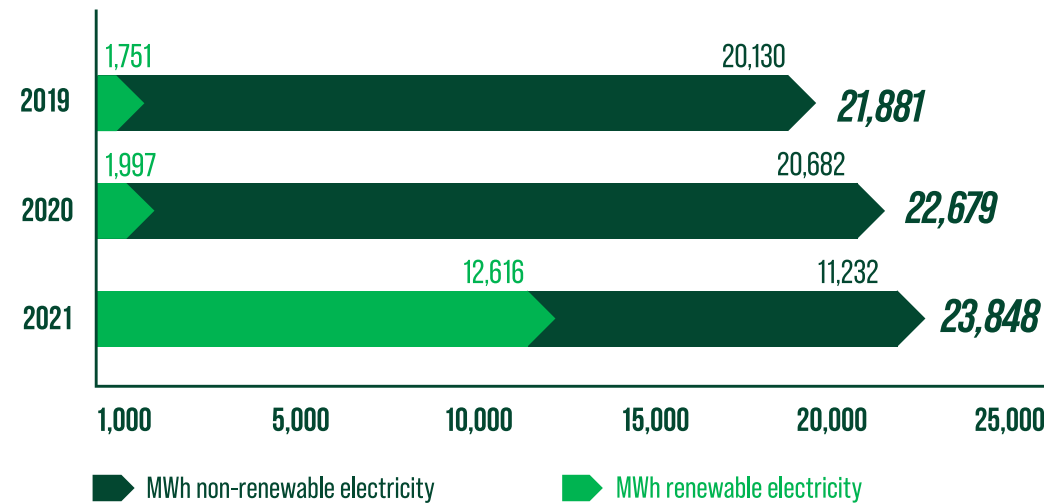
Paycom has implemented energy-reducing and -efficient practices and designs in our on-site data centers while prioritizing system uptime. We use the latest generation of high-efficiency, uninterruptible power supply systems and perform regular system-idle reviews to identify how to reduce usage of central 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.

In late 2021, Paycom’s Texas Operations Center opened in Grapevine, Texas. This location, powered by 100% renewable grid electricity, houses similar facilities to our corporate headquarters, including processing and production facilities. Demonstrating our commitment to and alignment with high standards in data center infrastructure functionality and effectiveness, we received an Uptime Institute Tier IV Certification of Design Documents award for our data center at our Texas Operations Center.



Energy Use

We are committed to increasing renewable energy use across our corporate facilities. In July 2021, we partnered with our local utility provider to power our Oklahoma City corporate campus using 100% renewable grid electricity from wind power. Below is a summary of our estimated electricity consumption in Paycom-owned facilities.



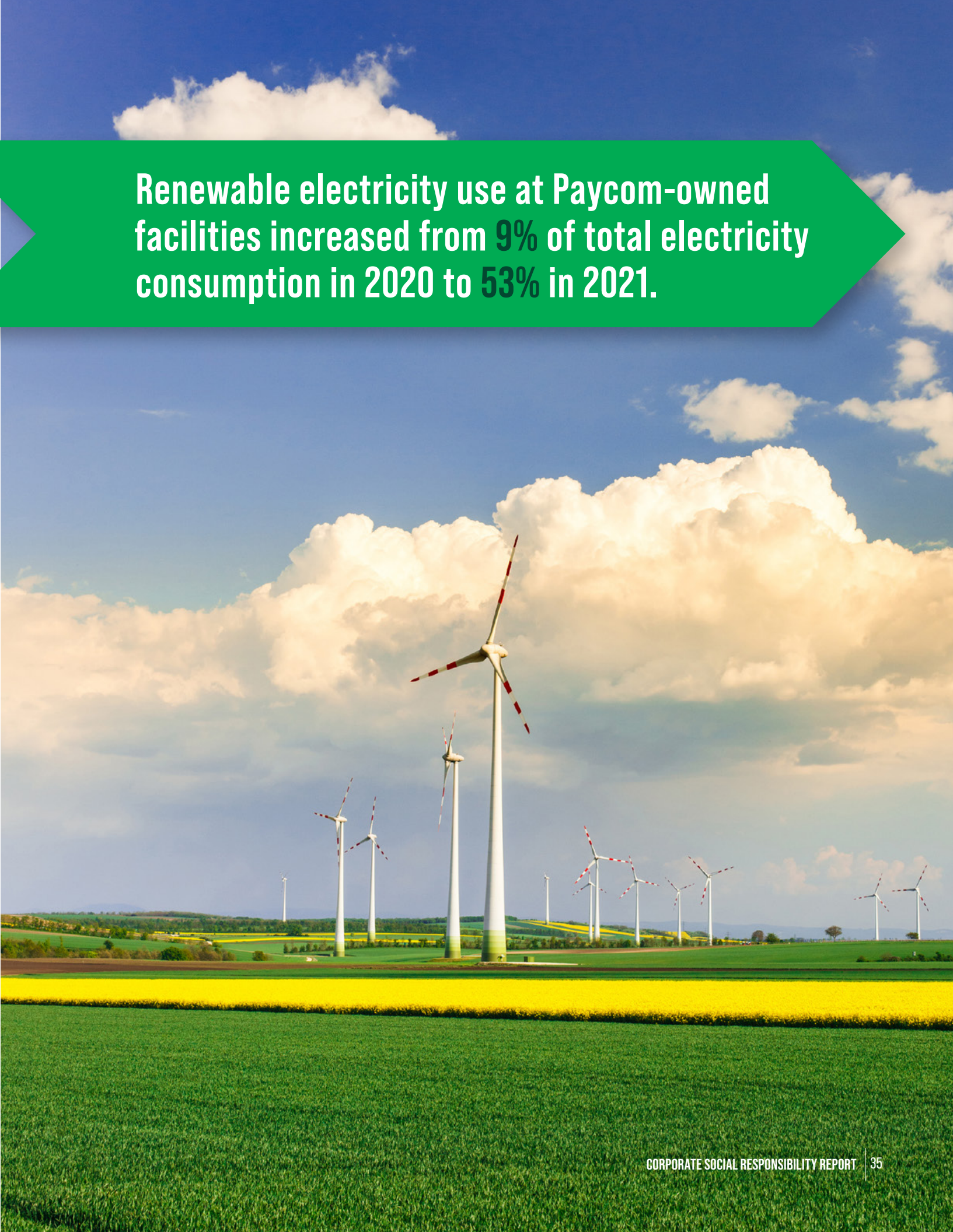
Emissions

In 2021, we determined Scope 1 and Scope 2 greenhouse gas emissions from our owned facilities at the Oklahoma City corporate campus, representing approximately 34% of our facilities' total square footage. This data does not include vehicle emissions for our small corporate fleet. We expect to report data for additional sites in future periods.

Oklahoma City Corporate Campus Greenhouse Gas Emissions
(Metric Tons CO₂e)

Scope 1	327
Scope 2	3,909
Total	4,236

Renewable electricity use at Paycom-owned facilities increased from 9% of total electricity consumption in 2020 to 53% in 2021.



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 Environmental Impact 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 Data Centers section of this report.
Data Privacy & 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 2021 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 section of this report.
Recruiting & Managing a Global, Diverse & 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 Diversity at Paycom section of this report.
Intellectual Property Protection & 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 2021 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 over 31,000 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 2021 Annual Report on Form 10-K for risks related to our business.