



**Fiscal Year**  
**2026:**

**Corporate Social  
Responsibility Report**

# Contents

|                                                            |            |
|------------------------------------------------------------|------------|
| <b>Introduction</b>                                        | 03         |
| Message from Our President and CEO                         |            |
| About This Report                                          |            |
| <b>Who We Are</b>                                          | 06         |
| What We Do                                                 |            |
| Awards                                                     |            |
| <b>Our CSR Mission</b>                                     | 10         |
| <b>Supporting Our People</b>                               | 11         |
| Pillar Partner: NAMI (National Alliance on Mental Illness) |            |
| Wellness for the Whole Person                              |            |
| Physical                                                   | Mental     |
| Financial                                                  | Healthcare |
| Inclusion and Belonging Council                            |            |
| Employee Resource Groups                                   |            |
| Employee Development                                       |            |
| Fostering a Culture of Learning                            |            |
| Supporting Our People Globally                             |            |

|                                           |                                           |
|-------------------------------------------|-------------------------------------------|
| <b>Uplifting Our Communities</b>          | 19                                        |
| Pillar Partner: Girls Who Code            |                                           |
| Pillar Partner: American Red Cross        |                                           |
| Paylocity Gives: Philanthropy and Service |                                           |
| Leadership that Gives Back                | Action Meets Impact: Our Service Campaign |
| Volunteers in Action                      | Peter J. McGrail Scholarship              |
| In-Kind Donations & Grant Programming     |                                           |
| Uplifting Communities Globally            |                                           |
| <b>Sustainability</b>                     | 25                                        |
| Pillar Partner: One Tree Planted          |                                           |
| Greenhouse Gas Emissions Study            |                                           |
| Sustainability Initiatives                |                                           |
| Global Sustainability                     |                                           |

|                           |                       |
|---------------------------|-----------------------|
| <b>Governance</b>         | 31                    |
| Protecting Our Clients    |                       |
| Data Security             |                       |
| Data Privacy              |                       |
| Global Privacy Program    |                       |
| <b>Our Products</b>       | 37                    |
| Designed with CSR in Mind |                       |
| Benefits                  | Employee Voice        |
| Community                 | Learning              |
| Compensation              | Recognition & Rewards |
| Compliance                | Recruiting            |
| Data Insights             |                       |
| <b>SASB Index</b>         | 48                    |



# Introduction

**Message from Our President and Chief Executive Officer**

**04**

**About This Report**

**05**



## Message from Our President and Chief Executive Officer

In fiscal 2026, Paylocity delivered another year of strong results, driven by our award-winning culture, innovation, and commitment to clients, employees, and communities. We continued to strengthen our position as a leading provider of HCM, payroll, and spend management solutions, expanding our platform with new Finance and IT offerings. We also continued investing in efforts that help our clients operate more effectively, including the launch of Paylocity for Retirement to simplify retirement plan management, expanded Elevate service offerings to enhance payroll and HR administration support, and new Ignite AI capabilities that drive greater automation, productivity, insights, and value for our 44,400 clients. All of these market-leading innovations are built to solve complex challenges and drive meaningful business outcomes.

Providing world-class service remains central to how we partner with our clients. Through these partnerships, we build technology that delivers a richer and more engaging experience for the 6.7 million+ client employees who rely on our platform every day.

I'm also proud of our commitment to our nearly 6,900 Paylocity employees, our communities, and our environment. By fostering an inclusive and innovative culture, we attract and retain strong talent who continue to drive innovation, serve clients, and support our communities.

By taking a holistic approach to our people, our communities, and sustainability — at work and at home — we're able to meaningfully expand our impact.

### Supporting Our People

We know our employees are our core strength, and we focus on meeting the needs of our people, their families, and their communities. Through our efforts to foster inclusion, wellness initiatives, and community partnerships — like our work with the National Alliance on Mental Illness — we create a culture that supports the whole person and empowers each of us to pay it forward. As we've grown, so has our commitment to building a workplace rooted in opportunity, respect, and belonging.

### Uplifting Our Communities

Giving back to our communities is part of who we are. We come together with our employees through Paylocity Gives, our internal initiative that includes paid volunteer time, philanthropic grants, and programs that elevate personal passions and expand our reach. We proudly partner with organizations like Girls Who Code and the American Red Cross to increase access to STEM education and fund disaster readiness and relief. From employee-nominated nonprofits to executive-led civic engagement, our culture of giving is a shared responsibility we carry forward, together.

### Sustainability

Environmental responsibility is integrated throughout our operations, from encouraging reusable alternatives to helping our clients reduce paper usage. Through partnerships with organizations like One Tree Planted, as well as our own efforts in and out of the office, we prioritize everyday practices to reduce our environmental footprint. We believe that every action we take today, no matter how small, creates a more sustainable workplace and contributes to a healthier planet for future generations.

### Governance

At Paylocity, trust and transparency guide how we manage data, protect privacy, and uphold ethical standards. We invest in advanced technologies, resilient infrastructure, and rigorous security protocols to protect client data, while embedding data privacy into every aspect of our operations. From ethical AI use and privacy governance to employee training and disaster recovery planning, we take a proactive, enterprise-wide approach to responsible data stewardship.

### Our Products

Innovation drives everything we do. For Paylocity, innovation means never settling — we ask bold questions and take action to create something better. We believe better workplaces start with technology that transforms how people work and collaborate. Because we stay connected to our clients, our ideas are grounded in real needs. Our products save our clients thousands of hours, freeing them to strategically support their people and grow their business.

Looking ahead, we will continue to evolve with purpose by delivering best-in-class products and service while creating meaningful and lasting impact for our people, our communities, and the broader world around us.



**Toby Williams**  
President and Chief  
Executive Officer



## About This Report

At Paylocity, Corporate Social Responsibility (CSR) reflects our ongoing commitment to supporting employees, strengthening communities, and operating responsibly as an organization. Through volunteerism, community partnerships, charitable giving, and sustainability initiatives, we continue creating opportunities for employees to support causes and programs that align with our values. These efforts reflect Paylocity's commitment to fostering an engaged culture while supporting responsible and sustainable business practices.

Our efforts remain grounded in three core pillars: **supporting our people, uplifting communities, and promoting sustainability**. These priorities continue to shape how we encourage employee engagement, strengthen partnerships, and support community involvement across our organization. Supporting our people includes creating opportunities for employees and their families through programs focused on well-being, education, and engagement. Uplifting communities reflects our commitment to volunteerism, charitable giving, and nonprofit partnerships that support meaningful local and global impact. Promoting sustainability guides efforts focused on responsible business practices, environmental initiatives, and long-term community support.

In fiscal 2026, collaboration across teams, offices, and internal partners continued strengthening Paylocity's CSR efforts and expanding engagement opportunities for employees throughout the organization. Employees participated in volunteer initiatives, charitable giving campaigns, ERG-led programs, and community partnerships supporting a variety of causes throughout the year.

Supporting hunger relief efforts remained an important focus throughout fiscal 2026. Through seasonal food drives, fundraising initiatives, and community giving efforts, employees helped provide nearly 186,000 meals by supporting nonprofits focused on eliminating hunger, along with food banks and pantries through the collection of thousands of nonperishable food items. Programs such as the Action & Impact Campaign further reflected employee engagement across the organization, helping translate volunteerism and giving efforts into direct community support.

We also continued investing in educational opportunities through the Peter J. McGrail Scholarship program, which supports students pursuing post-secondary education. In fiscal 2026, the program increased scholarship awards by 20%, expanding from 50 to 60 scholarships awarded to students from Paylocity families. Since its inception, the program has awarded nearly \$850,000 in scholarships and supported 297 scholars across nine scholarship cycles as they continue advancing their academic and professional goals.

As Paylocity's global presence continues expanding, we continued growing our community impact efforts in India through partnerships focused on education, accessibility, and digital inclusion. Through collaborations with Yuvalok Foundation, Akshara Foundation, and Kritagyata Trust, Paylocity supported digital learning, educational programs, and community engagement initiatives benefiting underserved students and families. In support of both sustainability and digital accessibility efforts, donated laptops were securely refurbished and redistributed to help reduce e-waste while expanding access to technology and digital learning resources.

Looking ahead, we remain focused on expanding opportunities for employees to engage, give back, and support the communities where we live and work. This report highlights the many ways employees, teams, and partners contributed to supporting communities and responsible business practices throughout fiscal 2026.



**Monica Roberts**

Vice President Talent  
Culture & Belonging





# Who We Are

**What We Do**

**08**

**Awards**

**09**



## Who We Are

**Founded in 1997 on a simple idea — to build an industry-leading payroll platform from the ground up — our story is a continuous journey forward.** Today, we're the award-winning provider of flexible, comprehensive solutions that evolve at the speed of business, unifying HR, Finance, and IT to streamline processes, boost agility, and surface actionable insights.

We empower **44,400 organizations** of all sizes and industries to automate complex workflows, drive efficiency, increase employee retention and engagement, and meet the future with the right data at their fingertips. Every step of our success comes from a talent-first approach where people matter most. By partnering with clients to co-create solutions, our **6,900 employees** are on a mission to make work more efficient, connected, and powerful.





## What We Do

Innovation isn't just in our products — it's in our DNA, woven into the way we partner with our clients to co-create solutions that meet today's most pressing business needs and anticipate tomorrow's challenges. Our U.S.-based implementation and service experts ensure a fast path to ROI and a partnership that lasts.



**6,900**  
Employees



**Founded in**  
1997



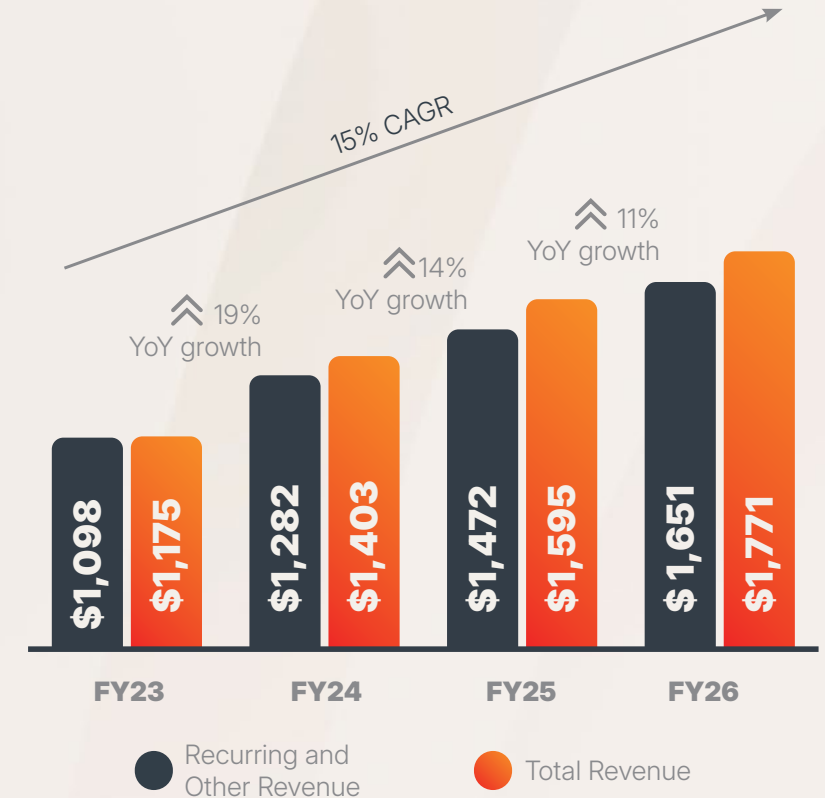
**Headquarters**  
Schaumburg, IL

**44,400**  
Clients

**92%+**  
Revenue  
Retention

**6.7M+**  
Employees  
on Platform

Revenue (\$ Millions)





## Awards



2019-2027



2024-2026



2024-2026



2024-2026



2026



2026



2026



2026



2026



2025-2026



2023-2026



2020-2026



2020-2026



2020-2026



2024-2025



2025



2012-2025



2024-2025



2025



2025



2025



2025



2025





## Our CSR Mission

We are a socially responsible corporation committed to making meaningful impacts by fostering awareness and understanding among our employees, clients, partners, and communities. Through collaborative efforts, we aim to create an informed, engaged, and responsible community committed to inspiring positive change.

A culture of inclusion and belonging is a fundamental aspect of our corporate social responsibility. As we expand internationally, we maintain this commitment by adhering to regionally aligned regulations, addressing social needs, and supporting relevant initiatives. Our goal is to ensure that all Paylocity employees feel valued and can thrive.



### Supporting Our People

Encouraging a holistic approach to well-being for our employees and the communities we serve.



### Uplifting Our Communities

Championing collaboration with nonprofits to uplift communities.



### Sustainability

Promoting environmental responsibility and sustainable practices to ensure a healthier planet for future generations.



# Supporting Our People

|                                        |           |
|----------------------------------------|-----------|
| <b>Pillar Partner: NAMI</b>            | <b>13</b> |
| <b>Wellness for the Whole Person</b>   | <b>14</b> |
| Physical                               |           |
| Mental                                 |           |
| Financial                              |           |
| Healthcare                             |           |
| <b>Inclusion and Belonging Council</b> | <b>15</b> |
| <b>Employee Resource Groups</b>        | <b>16</b> |
| <b>Employee Development</b>            | <b>17</b> |
| Fostering a Culture of Learning        |           |
| <b>Supporting Our People Globally</b>  | <b>18</b> |



## Supporting Our People

We strive to maintain a culture where every employee feels truly welcomed and appreciated, and differences of experience and perspective make us stronger together. We lead by example and forge a path forward where dignity, respect, safety, and justice are for all.

We prioritize inclusion for every employee by eliminating barriers to opportunities in hiring, compensation, development, and advancement. We offer various programs that facilitate growth for all employees, ensuring we meet individuals where they are.





### Pillar Partner

## National Alliance on Mental Illness

Paylocity is committed to fostering the well-being of employees and communities through mental health advocacy and access to resources. Partnering with the National Alliance on Mental Illness (NAMI), we proudly champion programs that support individuals and reduce mental health stigma. This past year, we're proud to have supported the NAMI HelpLine and StigmaFree Workplace initiatives and collaborated with our Mental Health Champions ERG to support our employees on Fighting the Winter Blues.

With Paylocity's support, NAMI has expanded its reach, serving over 1.5 million people from 2025-2026 via its National HelpLine and Knowledge Center. Requests for emotional support increased by more than 22% compared with the same period last year, underscoring the growing need for compassionate peer support.

Paylocity's partnership with NAMI advances our social impact vision by promoting mental health advocacy and fostering a more inclusive, supportive future.

”

“We are so grateful for Paylocity's continued commitment to people living with mental health conditions and their families. Your support means the world - it truly helps NAMI in our dedication to build better lives for the millions of American affected by mental illness.”



Kate Kennedy-Lynch,  
**National Director, External Relations**





## Wellness for the Whole Person

We take a holistic approach to well-being, offering a range of benefits to help our employees and their families lead healthy, fulfilling lives.



### Physical

On site, we offer free healthy snacks, workout facilities, yoga/fitness classes, ergonomic workspaces, sit-stand desks, and wellness rooms. Online, we offer a biweekly virtual high-intensity interval training class that provides a midday exercise option. Employees can also take advantage of virtual physical therapy sessions through Hinge Health, or access healthy-living resources from Blue Cross Blue Shield's "Well onTarget" program.



### Mental

Paylocity is committed to fostering a supportive and inclusive workplace that prioritizes employee well-being. To promote mental wellness, we offer a variety of resources, including educational sessions, and our Mental Health Champions Employee Resource Group, which provides peer support and advocacy. Through our Employee Assistance Program, Lyra, we provide employees and their families with confidential, high-quality mental health sessions. Lyra connects them with licensed therapists, coaches, and a range of mental wellness tools to support their overall well-being.



### Financial

We offer a competitive 401(k) plan with employer match, employee stock purchase plan, RSU program, financial planning resources, and scholarship opportunities/tuition reimbursement. If a financial need arises, employees can access part of their paycheck early through Paylocity's On Demand Payment.



### Healthcare

Paylocity is proud to provide employees with world-class healthcare benefits, including a wide range of services, such as preventive care, mental health support, fertility treatments, maternity care, and family planning services. Additionally, our plans offer access to a broad network of providers, ensuring employees and their families have the flexibility to choose high-quality care that best suits their needs, no matter where they are.





## Inclusion and Belonging Council

Paycom's Inclusion and Belonging Council (IBC), established in 2020, continues to play a key role in driving our inclusion and belonging strategies across the organization. In fiscal 2026, the IBC strengthened its impact by providing strategic governance, alignment, and oversight for our robust network of Employee Resource Groups (ERGs), ensuring they are supported, sustainably led, and creating programming that drives engagement and measurable impact.

The council, composed of cross-functional department leaders and executive advisory board members, remains committed to developing and implementing company-wide inclusion strategies. Building on the success of the BRIDGE program, our award-winning training focused on unconscious bias and inclusive leadership, the IBC continues to provide guidance, establish best practices for ERG leadership and programming, and champion inclusive practices across the organization.

### Executive Sponsors



**Monica Roberts**

Vice President Talent  
Acquisition, Culture & Belonging



**Amber Livingston**

Vice President of  
General Counsel



**Allison Windon**

Vice President, Marketing,  
Revenue Growth & Operations



**Nick Rost**

Chief Accounting  
Officer & Treasurer



**Sarah Alexander**

Area Vice President  
People Operations

### Council Members



**Matty Braden**

Senior Director Leadership  
& Org Effectiveness



**Mukul Varma**

Senior Director  
Engineering



**Aparna Narayan**

Senior Director  
Talent Acquisition



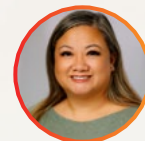
**Anna McFarland**

Director Product  
Management



**Brett Meisinger**

Director User  
Experience



**Melissa Perlas**

Director Product  
Operations Ops



## Employee Resource Groups

Our Employee Resource Groups (ERGs) remain a vital force in driving engagement and fostering a diverse and inclusive workplace. In fiscal 2026, our ERGs continued to spearhead initiatives aligned with their four key pillars: career development, community impact, company advancement, and culture enrichment.

Led by employees, the groups support engagement through initiatives including local volunteerism, enriching cultural education programs, expert-led presentations, opportunities for personal and professional growth, environmental sustainability campaigns, and comprehensive wellness initiatives.





## Employee Development

Guided by the belief that growth fuels opportunity, we foster a culture that empowers our people to grow their careers at Paylocity through upskilling, development experiences, and networking. By providing the tools, resources, and support they need to succeed, we help our people build meaningful careers while contributing to the long-term success of our organization.

## Fostering a Culture of Learning

We continually see our people invest significant time and effort in their ongoing learning.



2026  
Award  
Winner

Association for Talent  
Development BEST 2026 Award  
Winner (7th year in a row)



**14 Brandon Hall Excellence Awards**  
in the past 5 years, including Best  
Learning Team



**22%**  
of employees  
promoted



**3,000+**  
employees engaged in  
live learning experiences



**18**  
leadership development  
programs accelerating  
leadership capability worldwide





## Supporting Our People Globally

### Czech Republic

In April 2025, we partnered with Femme Palette — a mentoring platform and community dedicated to helping individuals grow their careers through personalized mentorship, practical skill development, and a supportive professional network. Focused on empowering talent, especially women, the organization promotes diversity, inclusion, and equal opportunity in the workplace. Through this collaboration, we supported their Women in Tech event, helping foster the development of women in technology through participation and networking opportunities.

In November 2025, we expanded our involvement as a General Partner, with 11 colleagues attending and three presenting insights on key industry topics. Through this continued collaboration, we help advance diversity, inclusion, and professional growth within the tech community.

### India

This year, our employee well-being initiatives included comprehensive health insurance for employees and their immediate families, along with extensive health benefits such as outpatient coverage and gym memberships. We also supported employee well-being through Personal Accident and Term Life Insurance, helping provide financial protection during unforeseen events, as well as 24/7 Employee Assistance Programs offering confidential professional counseling and mental wellness support. In addition, we provided a generous Baby Bonus to support employees welcoming a new addition to their family.





# Uplifting Our Communities

|                                       |           |
|---------------------------------------|-----------|
| <b>Pillar Partner: Girls Who Code</b> | <b>21</b> |
|---------------------------------------|-----------|

|                                           |           |
|-------------------------------------------|-----------|
| <b>Pillar Partner: American Red Cross</b> | <b>22</b> |
|-------------------------------------------|-----------|

|                                                  |           |
|--------------------------------------------------|-----------|
| <b>Paylocity Gives: Philanthropy and Service</b> | <b>23</b> |
|--------------------------------------------------|-----------|

Leadership that Gives Back

Volunteers in Action

In-Kind Donations & Grant Programming

Action Meets Impact: Our Service Campaign

Peter J. McGrail Scholarship

|                                       |           |
|---------------------------------------|-----------|
| <b>Uplifting Communities Globally</b> | <b>24</b> |
|---------------------------------------|-----------|



## Uplifting Our Communities

“Forward Together” describes our partnership with clients, but it’s also a promise to our employees and communities.

Investing in our employees is foundational in building and maintaining a strong company culture. We’re committed to cultivating a well-rounded culture that supports the people who help drive our success, empowering our employees to enjoy the work they do and where they do it.

We invest in our communities through our corporate philanthropic partnerships with nonprofit organizations like those highlighted in this report. Through grant programming, we also support other nonprofits nominated by our employees, such as Big Brothers Big Sisters of Metropolitan Chicago and Colorectal Cancer Alliance. Our financial and in-kind donations provide resources to help local youth and community members facing economic hardship, support nonprofit leaders working to lift their communities, and more.





### Pillar Partner

## Girls Who Code (GWC)

GWC is an international nonprofit dedicated to closing the gender gap in technology by equipping girls with essential computing skills and changing the perception of what a person in tech looks like.

As proud partners, Paylocity supports Girls Who Code and its learners in a variety of ways. Our volunteers mentor college and early-career professionals, serve as GWC Challenge judges supporting learners as they build projects exploring how AI can protect their identities and creativity online, and create Inspiration Kits for youth learners beginning their STEM journeys. We are proud to continue our impact with this incredible organization.

Since its founding, GWC has reached more than 860,000 students, over half from historically underrepresented groups, and its 425,000 alumni are earning computer science degrees at five times the national average. Through their annual GWC Challenge competition, Girls Who Code participants build a project to address a real-world problem and compete to win prizes.

”

“Paylocity’s support of Girls Who Code’s GWC Challenge helped students build technical, problem-solving, and teamwork skills that are valuable across various fields and in daily life. Through partnership with Paylocity, we’re able to provide our students with meaningful, real-world experiences and encouragement”



Laura Meli,  
**Chief Development Officer, Girls Who Code**

This year, Ruxandra Levy, Paylocity’s Director of Engineering, joined GWC’s Challenge judging panel, assessing projects from middle and high school students focused on integrating AI and cybersecurity. Among the winners were three high school students who used AI to create a tool that makes Terms and Conditions agreements easier to understand.

“It is such a privilege to witness how unique perspectives and diverse backgrounds fuel a new era of technology, where bold creativity meets technical precision to build innovative products that don’t just solve problems, but genuinely reshape the world for the better.” – Ruxandra Levy





### Pillar Partner

## American Red Cross

The American Red Cross is on a mission to prevent and alleviate human suffering in the face of emergencies by mobilizing the power of volunteers and the generosity of donors. Responding to an emergency every 8 minutes, the American Red Cross goes wherever needed so people can have clean water, safe shelter, and hot meals when they need them the most.

Paylocity proudly supports this mission as a Ready 365 Giving Circle partner, funding disaster relief to ensure the Red Cross is prepared to meet urgent needs anytime, anywhere. Over the past decade, disasters have impacted over 88% of U.S. counties. Across the country, the Red Cross responds to nearly 65,000 disasters each year.

In support of relief near and far, Paylocity employees participated in blood drives held at our offices across the United States through both the American Red Cross and OneBlood in Florida. Through Paylocity sponsored blood drives, our Volunteers in Action service program, and co-sponsored blood drives with facility partners, approximately 60 units of blood were donated – saving up to 180 lives in the areas where we work and live.



"We are incredibly grateful for Paylocity's partnership and commitment to the Red Cross mission," said Kellie O'Connell, CEO of the American Red Cross of Illinois. "From their Ready 365 support to employees donating blood at drives across the country, Paylocity continues to make a meaningful impact helping ensure patients have access to lifesaving blood products and families affected by disasters receive the support they need."



**American Red Cross**  
of Greater Chicago

Kellie O'Connell,  
**Illinois Red Cross CEO**





## Paylocity Gives: Philanthropy and Service

Paylocity Gives empowers our workforce to make a difference through in-kind donations, grants that support nonprofits nominated by our employees, paid time off to volunteer, college scholarships, and more.



We encourage our employees to engage with causes that are most meaningful to them. Our partners offer additional ways for employees to get involved with organizations whose missions align with Paylocity's CSR pillars.

### Leadership that Gives Back

At Paylocity, employees at every level engage in the practice of Corporate Citizenship, which is why we've decided to help them do good, even better. In partnership with Business Volunteers, we provide our executive leadership with the tools they need to practice corporate citizenship beyond their Paylocity roles, including guidance on nonprofit board service that enables them to lift their surrounding communities.

### Volunteers in Action

Since our Volunteers in Action (VIA) program launched in 2021, Paylocity employees have dedicated over 34,590 hours to bettering the communities where they work and live. To create a culture of giving into the employee experience, we support our employees and the causes that drive them to action with paid volunteer leave.

#### Paylocity employees have:

- Supported over 430 unique organizations and volunteer projects
- Supported 16 charity sectors
- Spent over 9,220 hours bettering their communities in fiscal 2026

### In-Kind Donations & Grant Programming

Our employees care deeply about giving back — and we're intentional about supporting the causes that matter most to them. Through employee-driven programs and company-wide initiatives, we create opportunities for our teams to strengthen both their communities and their connections to one another.

**Elevate Your Passions Grant:** A bi-annual employee-powered and employee-led grant program that supports eligible local nonprofits that our employees feel compelled to serve.

**Internal Give-Back Events:** Giving starts within. Across our offices, we live by our values and work to incorporate a culture of giving. Our events have provided nearly 9,500 kits that support the needs of local youth, mothers in crisis, students, and more.

### Action Meets Impact: Our Service Campaign

Our Action and Impact campaign is Paylocity's two-month-long effort to bridge service and philanthropy and is held during the giving season. It is a friendly competition among our employees to spend the most number of hours giving back to their communities. Our employees gave 1,320 hours during the holiday season in support of this campaign. These volunteers in action are invited to nominate a nonprofit for the Action and Impact Grant to deepen their impact.

### Peter J. McGrail Scholarship

Created to honor the legacy of our late CFO and his passion for learning, this scholarship is how Paylocity invests in future generations of Paylocity families. Dependents of employees with at least one year of service are eligible for the program, which has awarded nearly \$850,000 since its inception, helping support 297 scholars pursuing higher education.



## Uplifting Communities Globally

### Czech Republic

Our employees in the Czech Republic use their volunteer hours to support their local communities. As a company, we joined a nationwide event called 'Let's Clean up Czechia (Uklid'me Česko)', which mobilizes hundreds of thousands of people every year to clean up waste across the entire country while raising environmental awareness. It's amazing to see how much a small group of volunteers can do in a few hours to make their community a cleaner place for everyone.



### India

As part of our philanthropic and volunteer initiatives, employees partnered with YuvaLok Foundation to celebrate Independence Day with students and staff through meaningful community engagement activities. A team of nine employees participated in the event, supporting the distribution of special meals to more than 600 students and staff members, while five employees led career guidance sessions for 9<sup>th</sup>- and 10<sup>th</sup>-grade students focused on future education and career opportunities. Additionally, snack boxes and school shoes were distributed to 507 students to support their well-being and learning journeys. Through our partnership with YuvaLok, we have provided nearly 56,360 meals to 255 children.





# Sustainability

|                                         |           |
|-----------------------------------------|-----------|
| <b>Pillar Partner: One Tree Planted</b> | <b>27</b> |
| <b>Greenhouse Gas Emissions Study</b>   | <b>28</b> |
| <b>Sustainability Initiatives</b>       | <b>29</b> |
| <b>Global Sustainability</b>            | <b>30</b> |



## Sustainability

At the core of our organizational values is a strong commitment to sustainability. As a company and as individuals, we promote sustainable practices and mindsets that positively impact the environment.

Our pursuit of eco-friendly practices is led by our Sustainability Employee Resource Group, which includes employees from across the organization. The group's mission is to foster sustainable practices throughout our business and in the daily lives of our employees. In partnership with our Facilities team, the group works to advance sustainability initiatives across Paylocity.





### Pillar Partner

## One Tree Planted

Paylocity was proud to continue its ongoing support of One Tree Planted, helping them put over 120,000 trees in the ground across their coastal and terrestrial reforestation programs.

Among other projects in fiscal 2026, Paylocity supported mangrove restoration in the Indian Sundarban, which will enable the planting of 35,000 mangrove trees in the West Bengal region over the course of our partnership.

This past year, we have also supported reforestation projects such as the California Mountain Meadows Wildfire Restoration project, focused on restoring wildfire-impacted landscapes in the Northern Sierra Nevada Mountains using a science-based, climate-resilient approach.

Since 2014, One Tree Planted has planted over 171 million trees with 489 partners in 84 countries.

”

“Our global reforestation efforts are only made possible by the generous support of partners like Paylocity. Through our partnership, they’ve supported the planting of tens of thousands of trees in areas where reforestation and restoration is needed most. We’re incredibly grateful for their support.”



PROUD SUPPORTER OF  
**ONETREEPLANTED**

Billy Dixon,  
**One Tree Planted, Corporate Development**





# Greenhouse Gas Emissions Study

Our direct greenhouse gas (“GHG”) emissions, primarily from diesel and natural gas, (Scope 1), together with our indirect emissions from purchased electricity (Scope 2), are generated by our leased office locations and data centers. Our total Scope 1 and Scope 2 emissions decreased year over year despite growth in business activity and increased operational demands across our office locations. Because we lease all our office facilities, we work closely with our landlords to monitor energy consumption and to implement energy-efficient initiatives throughout our locations.

During fiscal 2026 we engaged an independent firm to review the accuracy and completeness of our historical Scope 1 and Scope 2 emissions data and related calculations. As our business and operational footprint evolves, we are committed to implementing sustainable practices to manage energy consumption and GHG emissions over time.

|                   | Fiscal 2025 Emissions  | Fiscal 2026 Emissions  |
|-------------------|------------------------|------------------------|
| Scope 1           | 78 metric tons CO2e    | 89 metric tons CO2e    |
| Scope 2           | 4,054 metric tons CO2e | 3,985 metric tons CO2e |
| Total Scope 1 & 2 | 4,132 metric tons CO2e | 4,074 metric tons CO2e |





# Sustainability Initiatives



## Paperless Processing

By encouraging clients to go paperless, we avoided printing more than 7 million forms, which represents approximately 54% of our clients’ potential paper forms needs.



## Composting

In our Lake Mary, Florida, and Schaumburg, Illinois, offices, we successfully diverted 5,470 lbs. of food waste and organic materials from landfills, and have launched composting initiatives in our Rochester, NY office. Instead, these materials are composted and turned into soil for local farms or are free to our employees for use in their home gardens. That is the equivalent of 245 gallons of gasoline offset by diverting food scraps from the landfill – the same as not driving 5,425 miles! Where reusable plates and cutlery are not utilized, we are procuring products that are CPLA compostable.



## Reuse

We strive to conserve water, reduce plastic use, and promote environmental responsibility in our offices. We encourage the use of reusable water bottles and cups, and provide glassware and mugs for employee use, which has saved over 350,000 plastic bottles and cans from forests, waterways, and landfills.



## Green Volunteering

We provide employees with numerous opportunities to get involved with environmental volunteering throughout the year. Annually during Earth Month, we host four official company hosted volunteer events in Schaumburg, Lake Mary, Meridian, and Rochester, while encouraging our employees in other locations to host their own volunteer events in their community.



## Recycling

We donate tangible items, recycle materials and equipment, and dispose of electronic waste responsibly in partnership with Full Circle Electronics. We’ve diverted more than 9,560 kilograms or 10.54 tons of plastic and harmful materials from landfills by recycling and refurbishing our retired electronics during fiscal 2026 — saving critical resources.

### Resources saved:

**1,189,275**  
kilowatt hours  
energy

**739,927**  
kilograms  
air emissions

**194,703**  
kilograms of CE  
greenhouse gas  
emissions

**853**  
reused  
electronics

**156**  
recycled  
electronics



## Global Sustainability

### Czech Republic

Our Prague office operates in a LEED Gold-certified building, reflecting a strong commitment to environmental and energy efficiency. Our teams in the Czech Republic support sustainability efforts by separating waste in the office, using reusable supplies at events, and encouraging employees to use public transportation instead of personal vehicles when traveling for on-site meetings.



### India

As part of our sustainability and community impact initiatives, we repurposed and donated 32 laptops rather than scrapping them, helping reduce e-waste while extending the lifecycle of existing technology. The devices were donated to Akshara Foundation (14 laptops), Yuvalok Foundation (11 laptops), and Kritagyata Trust (7 laptops) to support digital learning, educational programs, and operational efficiency in underserved communities. Through secure refurbishment and responsible redistribution, this initiative helped bridge the digital divide and reinforced our commitment to sustainable and socially responsible practices.





# Governance

|                               |           |
|-------------------------------|-----------|
| <b>Protecting Our Clients</b> | <b>33</b> |
| <b>Data Security</b>          | <b>34</b> |
| <b>Data Privacy</b>           | <b>35</b> |
| <b>Global Privacy Program</b> | <b>36</b> |



## Governance

We wholeheartedly believe in responsible corporate governance. That mission is rooted in our company's code of ethics, driven from the top down, starting with our Executive Team and Board of Directors. Both work tirelessly to create long-term value for our company and shareholders, promote transparency, and adhere to the highest ethical standards.

### Paylocity Board of Directors

10

Members

9

Average Tenure  
(years)

7

Independent  
Members

3

Committees

### Board Committees

**Linda M. Breard**



**Virginia G. Breen**



**Robin L. Pederson**



**Andres D. Reiner**



**Kenneth B. Robinson**



**Craig Conway**



**Ronald V. Waters III\***

\*Lead Independent Director



#### Key



**Audit  
Committee**



**Compensation  
Committee**



**Nominating  
and Corporate  
Governance**



## Protecting Our Clients

### Client Data Protection

To provide a seamless experience for our clients and their employees, we need access to important and sensitive data. We treat that responsibility with the utmost care, which is why we embed security controls and practices into what we do.

Our customers are at the center of our decision-making, the technology we build, the infrastructure we use, and the way we hire and educate our people.

### Security Controls and Practices

It takes several steps and measures to create a culture of security that keeps information out of the hands of cybercriminals. Learn more about the many safeguards we have in place in our [Trust Center](#).

### Compliance

We monitor for changes to state and federal laws and regulations to keep our security program compliant with the latest legislation.

### Securing Our Clients' Data

Protecting our clients' data is one of our highest priorities. We protect our client data with commercially reasonable tools and practices in our private SaaS cloud. We use advanced monitoring technology at all levels of our applications and infrastructure.

### People and Process

Our Information Security Awareness Program advances and promotes a healthy security awareness culture throughout the organization through supplemental education, training courses, informational videos, internal and external publications, regular phishing tests, and supporting activities.

### AI Ethics

Paylocity develops artificial intelligence (AI) to streamline HR automation, engage with employees, and boost productivity. Because we consider the ethical use of data a core value, we created a [AI ethics statement](#) to fully convey our commitment.

### Prepared for the Unexpected

Our Business Continuity and Disaster Recovery Plans enable us to support uninterrupted service and operational stability, helping ensure our clients' businesses remain up and running even in the face of unexpected disruptions.

Learn more about how we are  
**protecting our clients.**

[www.paylocity.com/who-we-are/  
protecting-our-clients/](https://www.paylocity.com/who-we-are/protecting-our-clients/)





## Data Security

### Infrastructure Security and Resilience

Paylocity employs a multi-layered resilience strategy that combines geographically dispersed data centers with cloud-based services. These environments are connected through multiple independent Internet Service Providers (ISPs) to reduce single points of failure and enhance availability. Paylocity's infrastructure is designed for high availability and performance through redundant hardware, intelligent load balancing, clustering technologies, and container orchestration. These capabilities support scalability and agility for critical applications.

### Robust Underlying Security Technology

We protect our client data with commercially reasonable tools and practices in our private SaaS cloud, including:

- Deployment of Intrusion Prevention Systems (IPS) to detect and block malicious traffic
- Web Application Firewalls (WAF) that protect our application from attacks
- Network Firewalls
- Security Information and Event Management (SIEM)
- User and Entity Behavior Analytics (UEBA)
- Endpoint Detection and Response (EDR) to protect our workstation and server population
- Data Loss Prevention (DLP) at multiple layers of our dataflow stack
- Regular Penetration Testing from both our internal teams and external providers
- Multi-layered vulnerability management program to identify, assess, and remediate vulnerabilities within our product and infrastructure

### Advanced Monitoring and Backup

Paylocity relies on a multi-tiered, redundant, immutable backup strategy to help ensure recovery of data. Backup procedures include daily snapshots of critical client data and near-real-time replication to support business continuity. Backups are stored on redundant systems across multiple geographic regions, ensuring recoverability even during regional disruptions, and are tested regularly to ensure recovery reliability.

Advanced monitoring technologies are deployed across Paylocity's applications and infrastructure to enhance environmental awareness and issue detection. These tools provide real-time insights and are integrated with a 24/7 on-call notification system that rapidly engages appropriate response teams.

### Security Features Built into Our Product

We have several built-in security features for client use, including multi-factor authentication for company administrators and additional layers of verification when requesting changes to sensitive data, such as tax documentation. Admins can also define user access, and we log user activities within the platform to make periodic review easy.

DATA  
SECURITY



## Data Privacy

We're committed to safeguarding the privacy and personal information of all our stakeholders, including our employees, contractors, and job applicants; our clients' employees and contractors; our business partners, including client contacts, prospects, and vendors; and our website users. Our robust privacy program ensures compliance with applicable laws and upholds ethical data practices as a fundamental part of our business strategy. Through strong processes and enforcement mechanisms, we prioritize transparency, security, and responsible data stewardship.

DATA  
PRIVACY





## The Foundation of Our Global Privacy Program

### Governance and Accountability

Paylocity has a robust global privacy program led by our Senior Director of Privacy & Compliance and staffed with a team of professionals with deep expertise in data privacy and data governance. With oversight from our regulatory compliance and enterprise risk committees — comprising representatives from across the organization — our program ensures a strong, enterprise-wide commitment to data privacy.

### Transparency and Notice

Whether it's an employee, applicant, client, vendor, or website user, everyone associated with Paylocity is provided full details on how we process personal information and how they can exercise their rights regarding that information via our Privacy Center.

### Purpose Limitation

We process personal information for the purposes it was collected and may process it for legitimate secondary purposes that are closely related to the original purpose for which such information was collected. Client employees' personal information is processed in accordance with our clients' contracts and any instructions we receive from clients.

### Data Minimization

Collection and use of personal information is limited to the minimum amount necessary to achieve the stated business purpose(s). That includes segregating access to personal information based on roles and what is necessary for specific job functions.

### Data Retention

Our data retention policy and schedule govern how we keep and delete data related to our employees, our clients and their employees, and other stakeholders.

### Security

Our administrative, technical, and physical security measures help maintain the confidentiality and integrity of the personal information we process. That includes protective measures against unauthorized/unlawful processing, accidental loss, destruction, or damage.

### Data Quality and Accuracy

Where Paylocity controls personal information, or where required by law, we take reasonable steps to ensure it is accurate and up to date.





# Our Products

## Designed with CSR in Mind

38

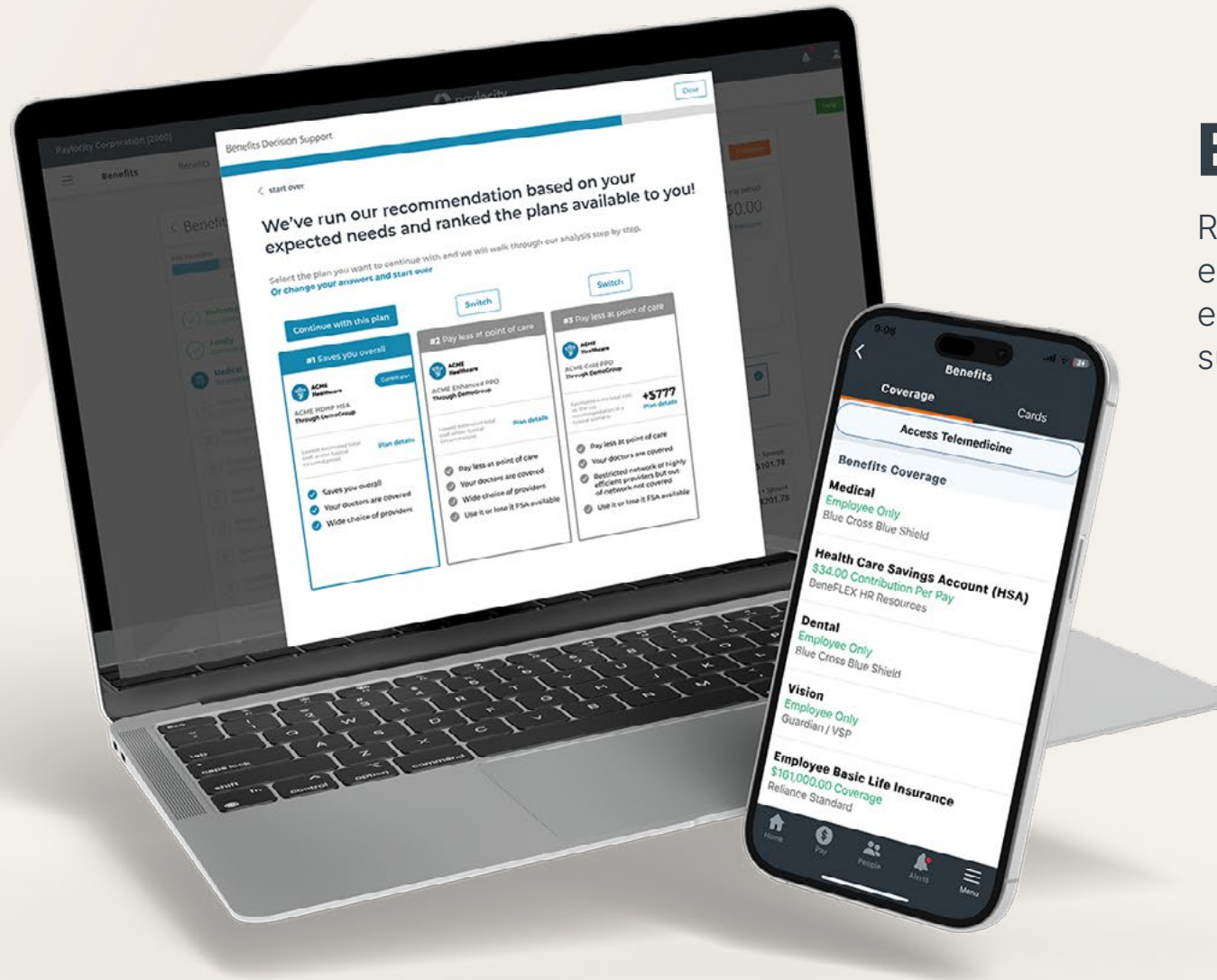
- Benefits
- Community
- Compensation
- Compliance
- Data Insights
- Employee Voice
- Learning
- Recognition & Rewards
- Recruiting



## Designed with CSR in Mind

Our innovation reflects continuous feedback from clients and experience using our own products internally. Co-creating with clients allows us to build tools the modern workforce needs while prioritizing responsible innovation — including inclusive, accessible design and AI that maintains the highest standards of data privacy and transparency to users. Our solutions are built to support workplaces that encourage engagement and compliance.





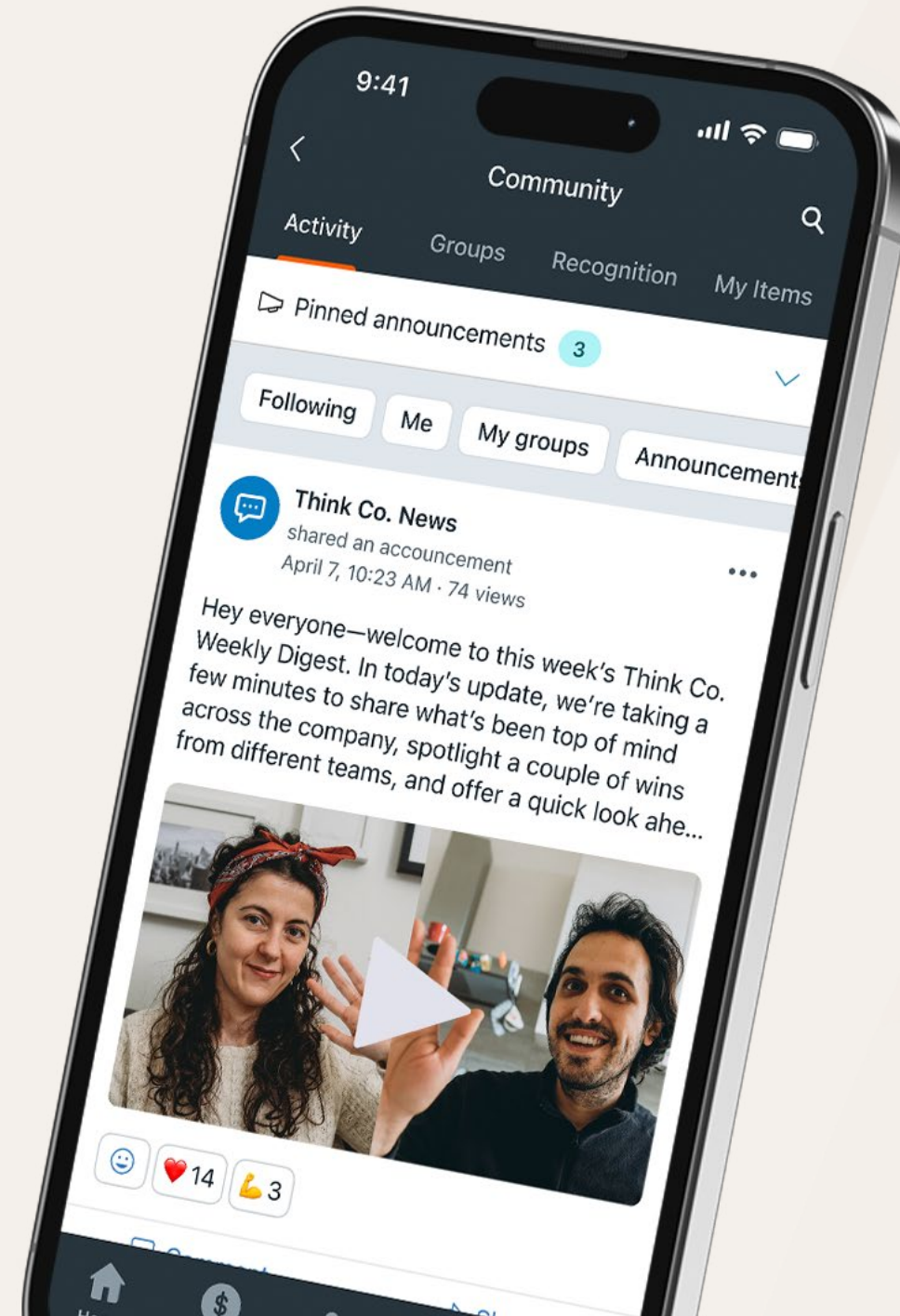
## Benefits

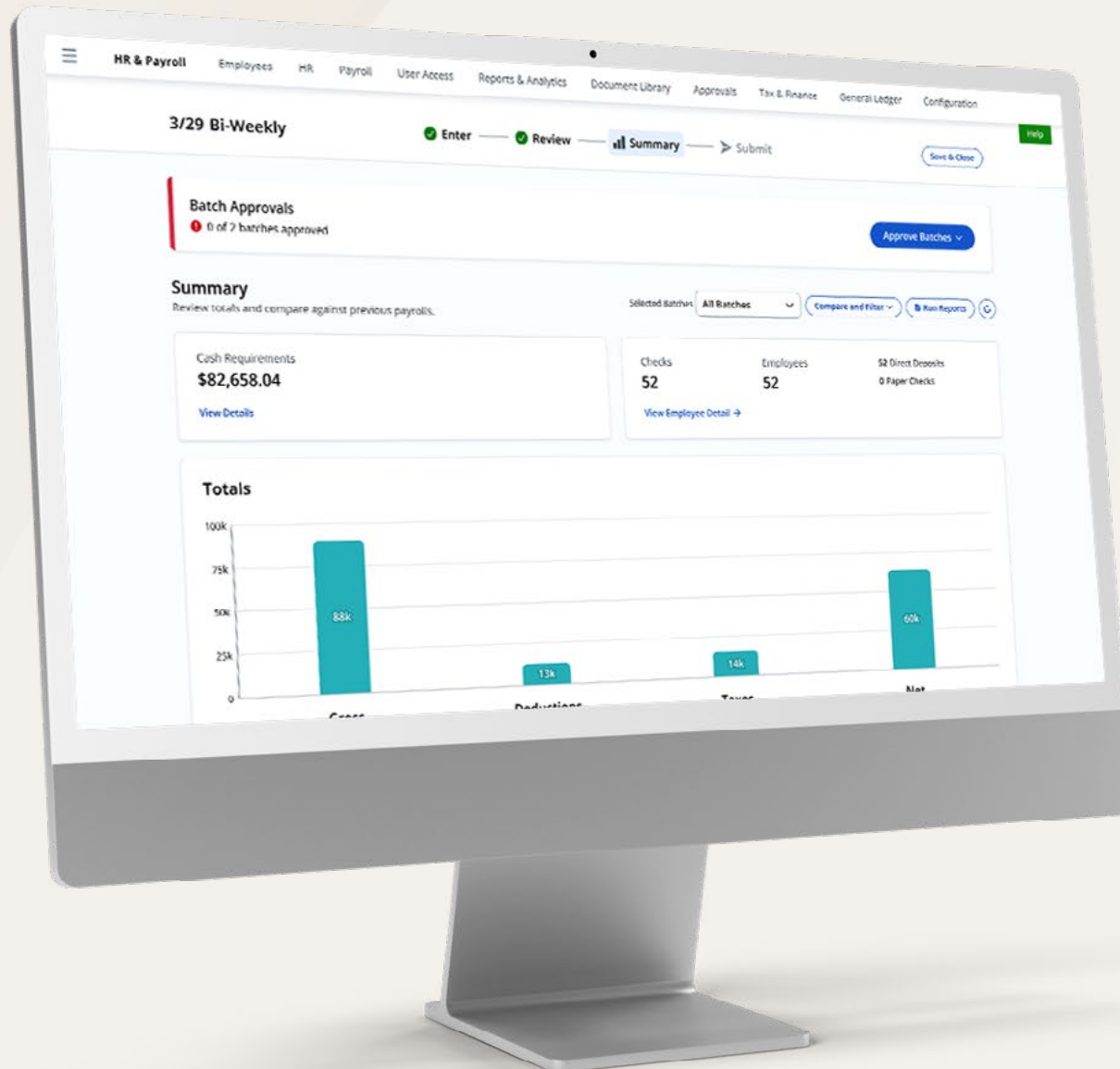
Reveals personalized recommendations based on employees' specific preferences and situations, helping ensure their benefits plans meet unique needs and support overall employee well-being.



# Community

Boosts employees' sense of belonging and connection by bringing a workforce together on a single social collaboration and communication platform.





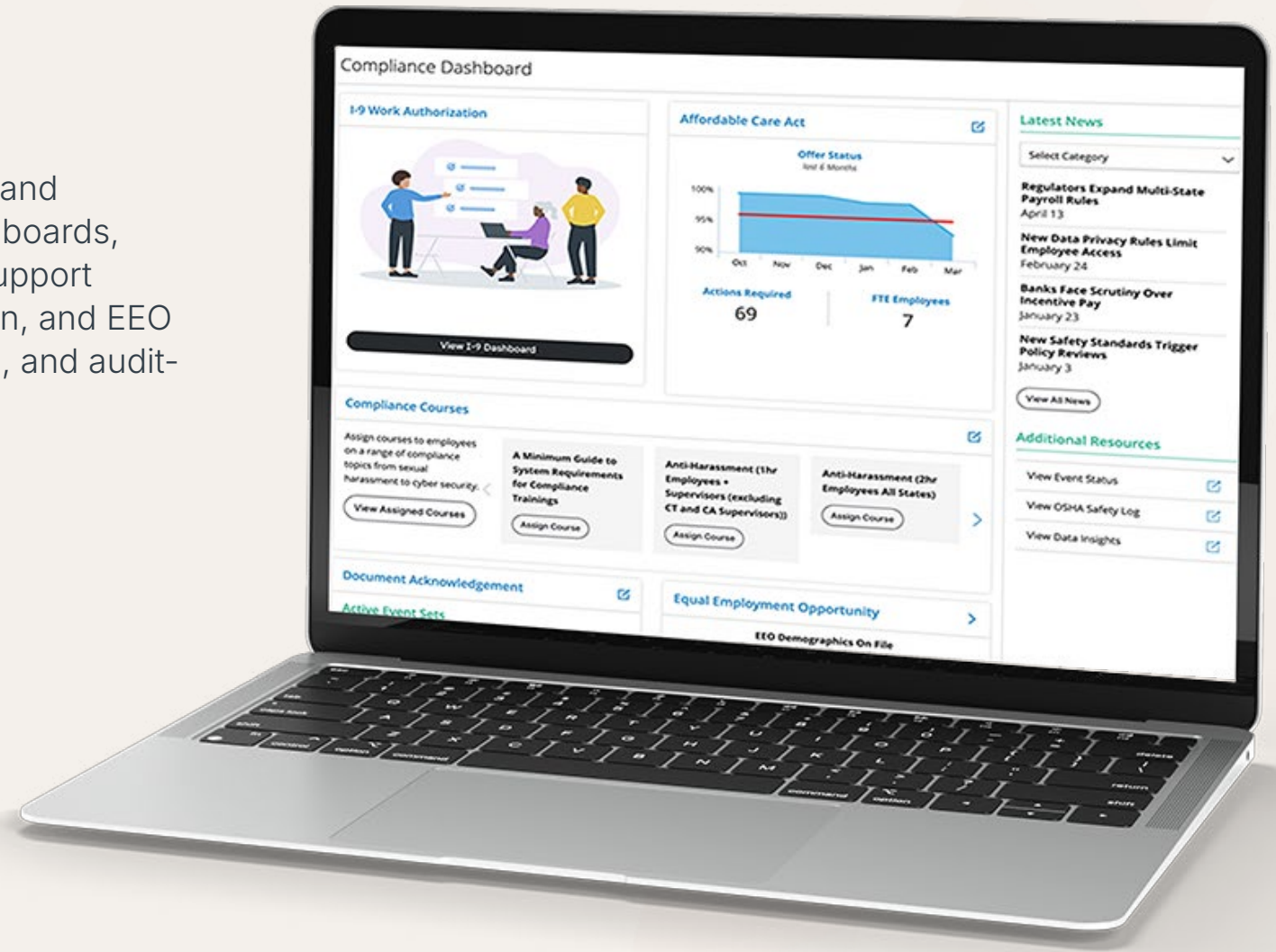
## Compensation

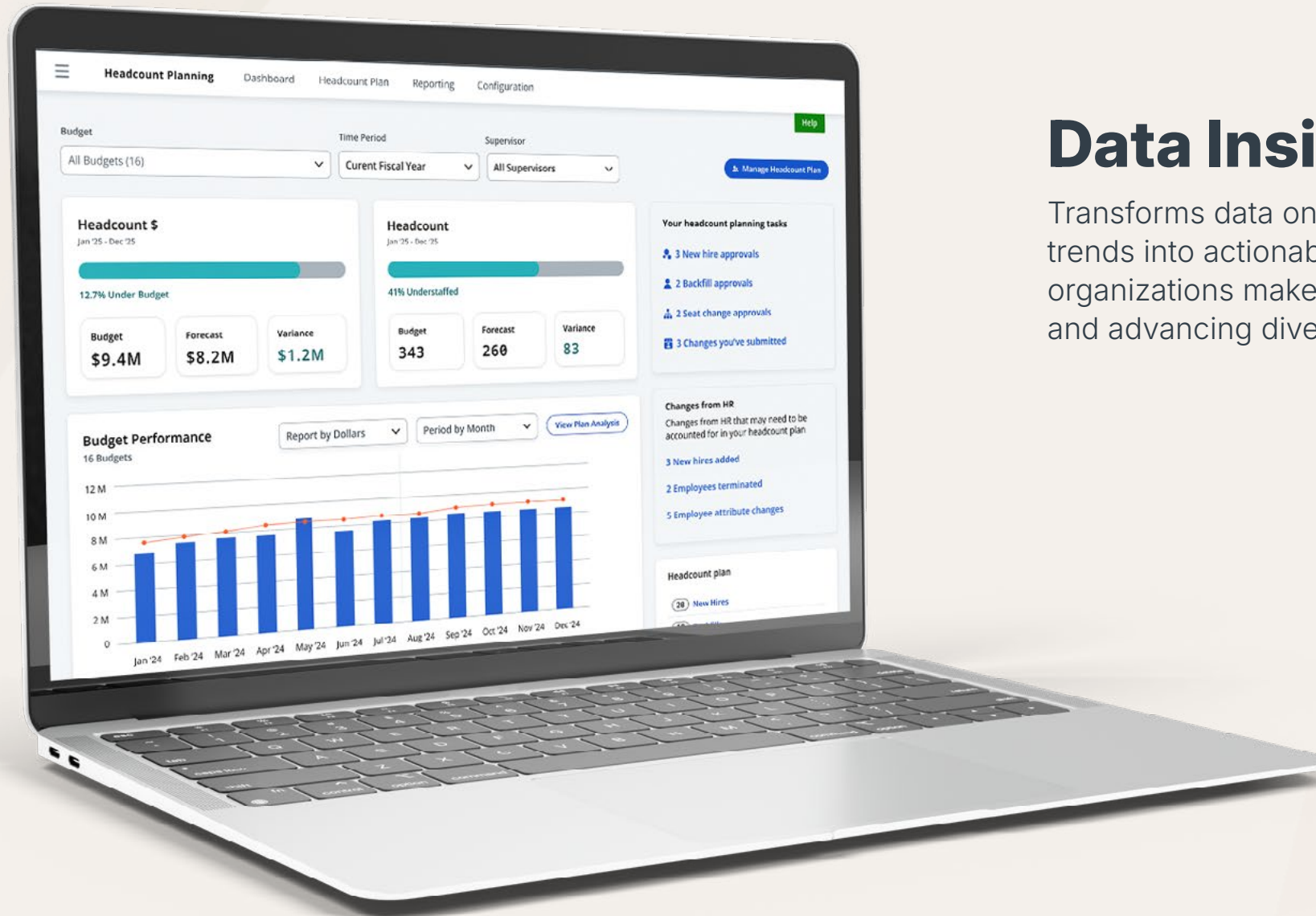
Leverages real-time market pay insights to help employers ensure wages are fair, competitive, and aligned with pay equity goals. The tool provides visibility into salary, merit increases, and bonus data across employee data sets to support more transparent and equitable decision-making.



# Compliance

Helps organizations manage regulatory requirements and navigate evolving labor laws through centralized dashboards, automated workflows, and real-time updates. Tools support areas such as tax compliance, employment verification, and EEO reporting, while providing alerts, reporting capabilities, and audit-ready documentation.





## Data Insights

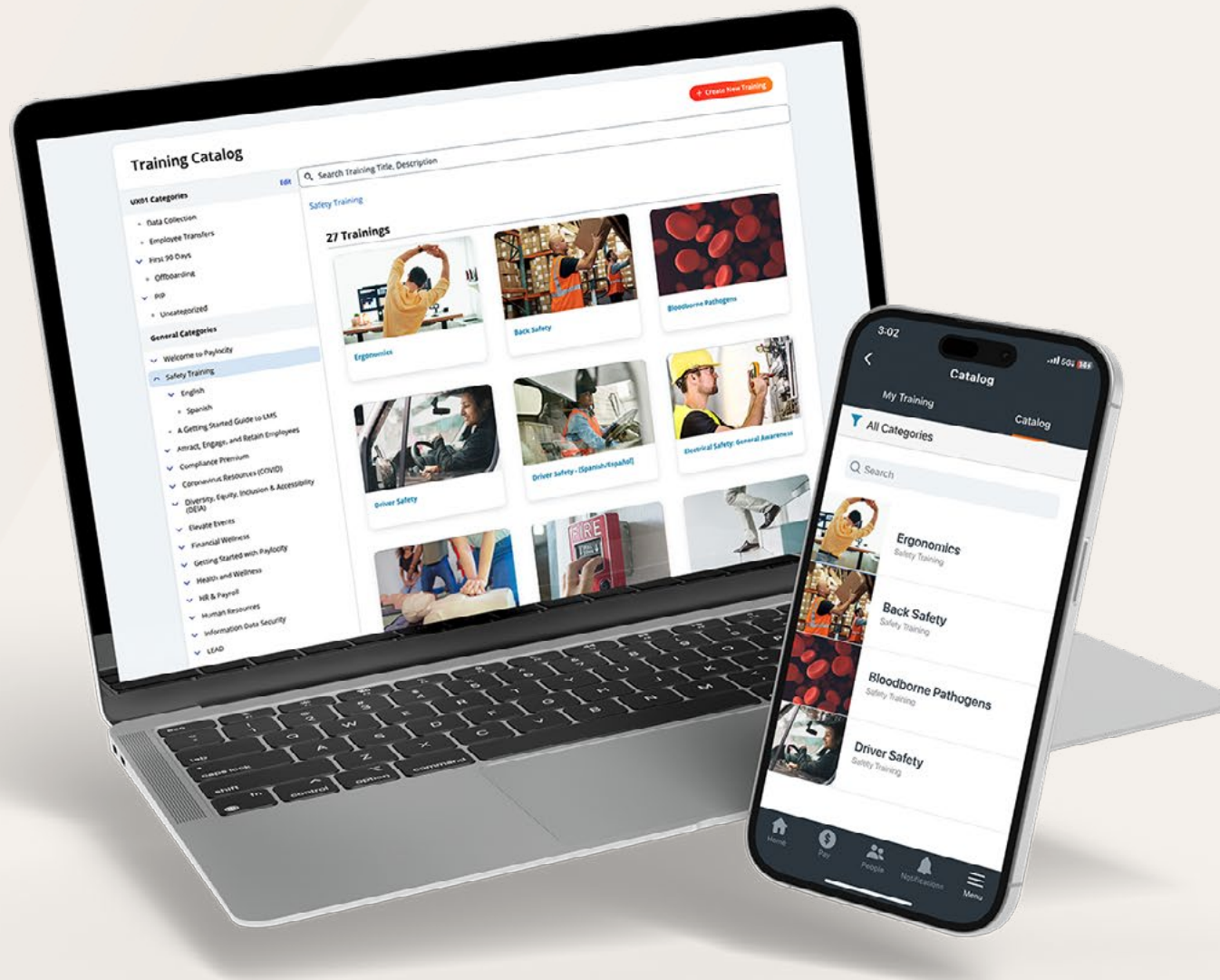
Transforms data on hiring, turnover, and headcount trends into actionable intelligence. These insights help organizations make informed decisions, including tracking and advancing diversity, equity, and inclusion outcomes.



# Employee Voice

Collects employee feedback to measure engagement and retention at scale. Leaders and admins can easily share insights and create action plans that drive meaningful workplace improvements.





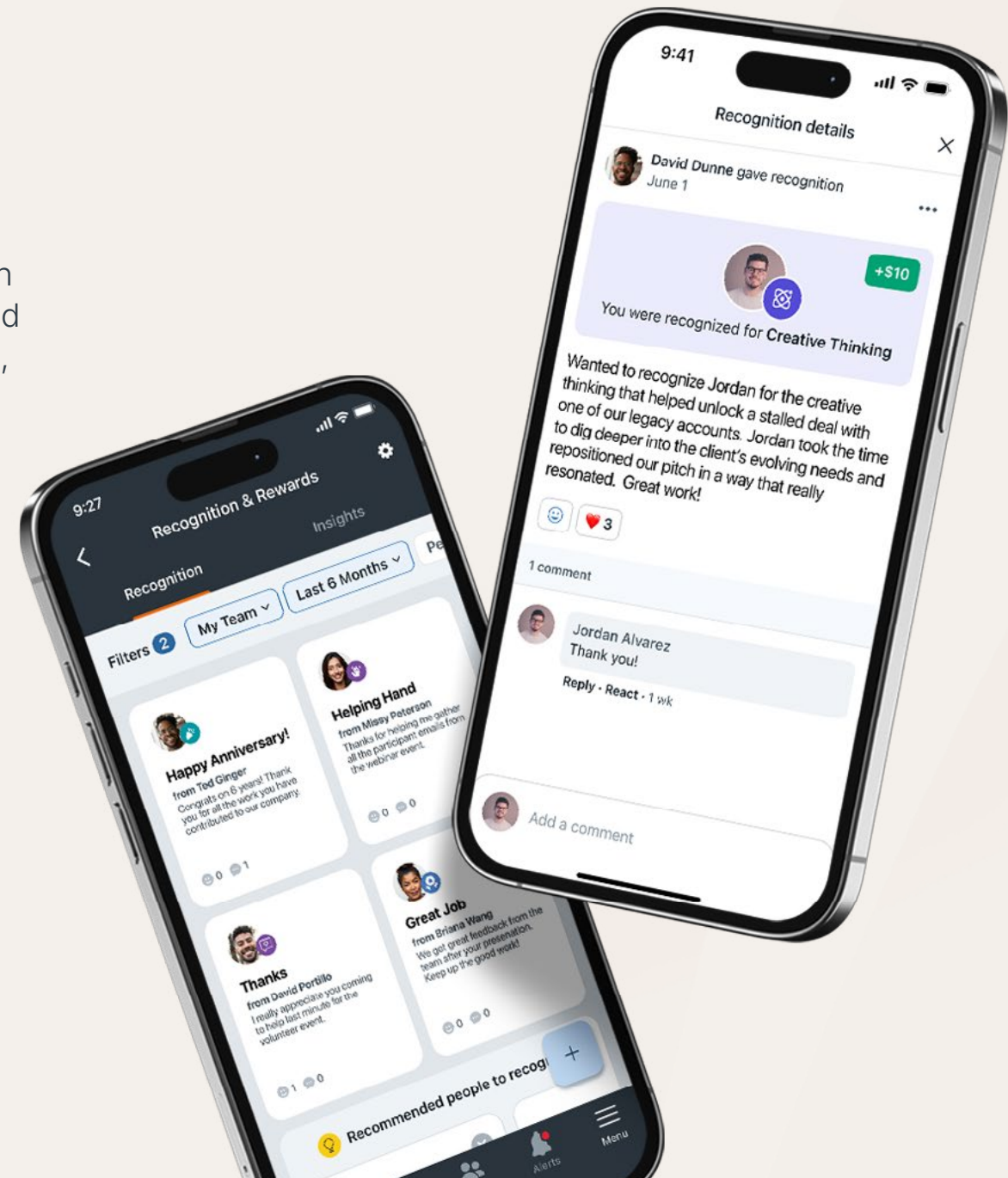
# Learning

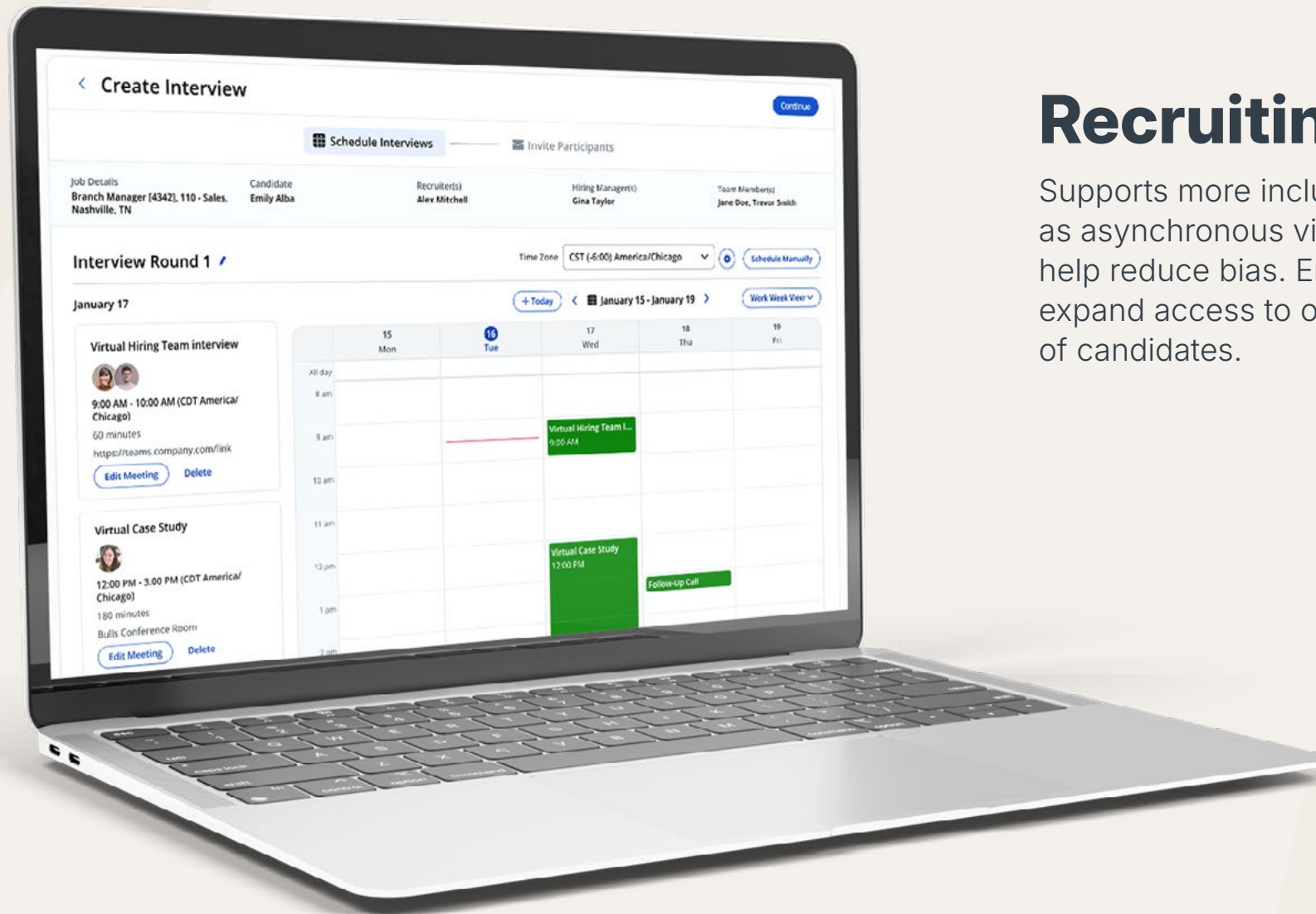
Empowers employees to build skills for success through a wide range of courses, from workplace safety to career development, supporting continuous growth and equitable access to learning opportunities.



# Recognition & Rewards

Builds culture and drives retention with customized recognition programs. The user-friendly interface empowers top-down and bottom-up recognition, while helping admins manage rewards, budgets, and program effectiveness.





## Recruiting

Supports more inclusive hiring practices through tools such as asynchronous video interviews and candidate masking to help reduce bias. Employers can also showcase culture and expand access to opportunities for a broader range of candidates.



# SASB Index

We continually strive to provide greater visibility into the progress we’ve made in our CSR initiatives. Here are additional disclosures as defined by the Sustainability Accounting Standards Board (SASB) Software and IT Services Standard.

| Topic                                                     | Accounting Metric                                                                                                               | SASB Code    | Disclosure                                                                                                                                                                          |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental Footprint of Hardware Infrastructure        | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable                                            | TC-SI-130a.1 | 11,361 MWh for offices and data center locations<br>(2) 96% (3) 0%.                                                                                                                 |
| Data Privacy and Freedom of Expression                    | Description of policies and practices relating to behavioral advertising and user privacy                                       | TC-SI-220a.1 | Please refer to the Data Privacy section of this report.                                                                                                                            |
|                                                           | Total amount of monetary losses as a result of legal proceedings associated with user privacy                                   | TC-SI-220a.3 | Any material losses would be disclosed in our Fiscal 2026 Annual Report on Form 10-K.                                                                                               |
| Data Security                                             | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected   | TC-SI-230a.1 | We did not experience any material data breaches.                                                                                                                                   |
|                                                           | 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 Security section of this report.                                                                                                                           |
| Intellectual Property Protection and Competitive Behavior | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations           | TC-SI-520a.1 | We had no material losses related to anticompetitive behavior regulations during Fiscal 2026.                                                                                       |
| Managing Systemic Risks from Technology Disruptions       | Number of (1) performance issues and (2) service disruptions; (3) total customer downtime                                       | TC-SI-550a.1 | We may experience outages due to unforeseen events. Our teams will respond quickly to mitigate any impact to our clients. Please refer to the Data Security section of this report. |
|                                                           | Description of business continuity risks related to disruptions of operations                                                   | TC-SI-550a.2 | Please refer to Item 1A. Risk Factors in our Fiscal 2026 Annual Report on Form 10-K.                                                                                                |



[www.paylocity.com](http://www.paylocity.com)