

PAYCOR HCM, INC.

DIVERSITY, EQUITY & INCLUSION POLICY

PAYCOR'S COMMITMENT TO DIVERSITY, EQUITY & INCLUSION

Diversity, Equity and Inclusion (“DE&I”) is a priority at Paycor and embedded into many of the corporate goals for our business. We work to create a culture that supports and embraces the rich mosaic of diversity in our associates, customers, and partners. We are passionate about encouraging individuality and authenticity that extends beyond our work and into the communities we serve. We prioritize building equitable systems and practices that are grounded in learning and awareness. We hold ourselves accountable to expanding opportunities and promoting equity so that Paycor is a place where voices are heard and uplifted. Our journey is one of creating a sense of belonging and inclusion in every associate. We are committed to challenging the status quo with empathy, compassion, and humanity because that’s how we Take Care of Each Other.

SCOPE

Paycor’s DE&I initiatives and values apply, but are not limited to, our practices and policies regarding talent acquisition, compensation and benefits, professional development and training, social and recreational programs, and community and charitable engagements.

PAYCOR'S DE&I STRATEGY

Our DE&I strategy is guided by four pillars that provide the foundation of our action steps as an organization. For us, that means committing to strategic education and awareness, transparency in our data, equity of pay, hiring and treatment of targeted populations, and purpose for the work, or “STEP.” Paycor aims to take the right steps towards inclusion and belonging for all.



We have a Head of DE&I who creates and executes our DE&I strategy. Periodically, we establish company-wide DE&I strategic goals based on internal data as well as external benchmark data that our head of DE&I uses for research-based outcomes. In developing our strategic goals, we conducted an internal needs assessment to identify our DE&I opportunities. We have an enterprise-wide commitment to promote the inclusion, belonging and representation of associates and leaders from underrepresented groups. We are also committed to a focus on continuous education and transparency for all stakeholders, embedding consistent DE&I practices into daily work routines in each area of the business, empowering our leaders, and recruiting, retaining, and promoting diverse leadership and perspectives across the Company. In doing so, we aim to support marginalized groups and model equitable practices. We plan to sustain past developments and evolve new DE&I strategic goals over time to build and strengthen the multiple dimensions of diversity across our organization's leadership pipelines.

ASSOCIATE RESPONSIBILITIES

DE&I at Paycor is a company-wide responsibility. We expect all associates to know and follow our six guiding principles in their daily work and the guidelines for DE&I responsibility:

→ Paycor's Six Guiding Principles

- Take Care of Each Other
- Take Care of Customers First
- Do the Right Thing
- Think Big, Dream Big
- Compete to Win
- Have Fun Along the Way

→ DE&I Responsibilities for all Associates:

- Acceptance and respectful language and behavior for the diversity of all people
- Creating a culture where emotional intelligence is a priority for growing psychological safety and empathy so that all people feel comfortable to be their honest and true selves
- Investing in the education of potential gaps in DE&I awareness and information
- Strict prohibition of the use of offensive background imagery or language while on any virtual or in-person encounter with any stakeholder
- Alignment with all anti-discrimination and anti-retaliation policies as a part of our Code of Ethics
- Commitment to the creation of DE&I strategic goals company-wide and communication of those goals to teams and associates

ENTERPRISE DIVERSITY, EQUITY & INCLUSION

Learning and Development

We have incorporated our DE&I strategy and learning into associate onboarding and leader training, as our associates and leaders play a key role in fostering a culture of inclusion. The onboarding process begins with a digital overview to define common language as well as communicate our purpose and commitment to DE&I as a company dedicated to inclusion and belonging.

We continue with an in-depth live training with our DE&I team to further integrate important concepts, the Paycor DE&I story, rationale, and action steps that can be taken aligned with the current fiscal year strategic plan. Content and design of these onboarding experiences are regularly reviewed and updated in collaboration with our learning and development content and design teams.

Total Rewards

The DE&I team helps work towards equitable and expansive benefits and compensation. We regularly review our workforce's compensation with an external third-party audit firm to help ensure everyone is paid equally for equal work. We aim to correct any parity issues that may be raised within the fiscal year. We also provide opportunities for our associate population to purchase (or be awarded) equity in the company, which extends to all position levels for those individuals eligible to participate.

We review our benefits offerings with regular surveys to our associates to obtain feedback on the desirable solutions for the associate population each year. We have used this process, for example, to expand benefits to domestic partnerships, add company holidays and recognize important moments in history, such as Juneteenth. It is our policy to prioritize inclusion and equity for all.

Talent Acquisition

The DE&I team works with the entire talent acquisition team to target diverse representation, specifically for marginalized populations that are less visible at senior levels of leadership. Paycor has a strategic plan to increase people of color throughout our organization and women in leadership in order to expand equitable opportunities for those who historically have not had the ability to reach those levels. We focus on anti-bias practices and engage in specific training with the goal of maintaining best practices in talent acquisition from recruiting to hiring. We also partner with organizations and businesses to expand our reach for targeted sourcing of diverse talent.

Employee Resource Groups

Our support and inclusion of groups that desire connection to one another and connection to the business is also a part of our commitment to DE&I. We have numerous thriving Employee Resource Groups ("ERGs"), which include Colorful Connections, PRISM (Pride, Raising Awareness, Involvement, Support and Mentoring Alliance), VALOR (Veterans & Loved Ones Resource), Women's Inspiration Network (WIN), and Young Professionals. Each of our ERGs are led by associates and coupled with a senior leader or executive C-suite member. They are formally structured, monitored by the business, and focused on promoting ideas and progress for

DE&I inside of the enterprise. We believe our ERGs create a community of inclusion and belonging and create safe spaces for learning and dialogue around the celebrations and challenges that diverse communities face.

Community Giving and Service

Paycor's dedication to the communities in which we work is critical to our success and the success of the people around us. We have two internal organizations that focus on community giving and community service: Paycor Community Impact Fund (PCIF), which is in partnership with the Greater Cincinnati Foundation, provides the opportunity for associates to donate to an internal fund and nominate non-profit organizations to receive grant funding from PCIF semi-annually. As a part of this initiative, at least 25% of all funding is donated to organizations that are either owned/operated by a person from a marginalized population or whose mission is focused on those specific groups. Community Partners strives to create opportunities for associates to create passion projects for a non-profit of their choice and either donate time or money to help their cause.

Virtual First

Paycor provides flexibility for associates with a virtual first philosophy that allows most of our associates to work from home. Our commitment to this style of work is designed to increase equitable opportunities for specific populations to access work, be engaged in work and work more effectively. Those that do not work from home either do so by choice or are a part of our distribution or field sales teams.

Supplier Diversity

As stated in Paycor's Supplier Conduct Guidelines, Paycor is committed to the development and growth of a strong and diverse supplier network. Paycor promotes and expects suppliers to be active in the inclusion of goods and services provided by minority, women, small disadvantaged, HUBZone (Historically Underutilized Business Zones) and service-disabled veteran owned businesses in its procurement processes. Paycor encourages suppliers to share Paycor's core value of diversity by establishing and supporting their own diversity initiatives. We also work towards growing our commitment to partnering with and hiring suppliers that are diverse to grow the diversity of our spending across the enterprise.

DEFINITIONS

- Diversity – the varied ways in which people are different or unique from one another.
- Equity – the removal of any barriers and allocation of resources and opportunities needed for diverse groups of people to reach equal outcomes.
- Inclusion – the act of creating a psychologically safe environment where acceptance of diversity is the norm.
- Belonging – the act of extending inclusion into a feeling of security, safety and likeness of identity of others that share similar diverse characteristics.

OVERSIGHT AND RESPONSIBILITY

The Nominating and Governance Committee of our Board of Directors (the “Committee”) is responsible for reviewing and overseeing the implementation of this DE&I Policy. The Committee will receive periodic reports on progress against the Company’s DE&I strategic goals and may request revisions to this DE&I Policy from time to time as deemed appropriate, such as to address changes in regulations or feedback from the Company’s shareholders or other interested parties. As appropriate, the Committee may seek input from other resources, including our Head of DE&I, as well as senior and executive leaders of our Human Resources and Legal functions. Additionally, the Committee may request that audits or reviews of the impacts of the DE&I policy be performed internally or by third parties, including to measure Paycor’s progress against its DE&I strategic goals.

Our Head of DE&I, under the direction of our Chief Human Resources Officer, is responsible for application of this DE&I Policy across our operations, and our Nominating and Governance Committee also oversees this DE&I Policy.