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22

SUSTAINABILITY  
REPORT



**jack henry**  
& ASSOCIATES INC.®

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*This report reflects data from calendar year and fiscal year 2021 (July 1, 2020 – June 30, 2021).*

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# A MESSAGE FROM DAVID FOSS

01

## Chief Executive Officer and Board Chair

Jack Henry & Associates, Inc.® (Jack Henry) was founded on three guiding principles: do the right thing, do whatever it takes, and have fun. This approach comes alive in our commitment to corporate responsibility by:

- Enabling our associates to engage in meaningful work they love
- Providing innovative financial solutions to our clients to support responsible business decisions and keep their accountholders connected
- Delivering a strong return on investment to our stockholders while maintaining long-term sustainability for our business model
- Encouraging our communities to flourish by connecting people with technology
- Pursuing environmentally friendly practices to support a strong future for us all

In December 2020, Jack Henry published our inaugural [Sustainability Report](#), providing insight into our management practices, sustainability metrics, and commitment to corporate responsibility. It was our way of summarizing the standards and practices we've been dedicated to for more than 45 years. We're pleased to provide updates on how we've matured toward fulfilling our commitments through this report.

**45<sup>TH</sup>**  
**ANNIVERSARY**  
1976 - 2021



Our approach enables our associates, clients, and communities to succeed – not just for today, but for tomorrow. We recognize that corporate responsibility is a journey and that we'll never really "arrive." However, we are committed to progressing and being transparent with the progress we make. We exist in a world that is ever-evolving, and we adapt. Despite the changing times, one thing that remains constant is Jack Henry's commitment to championing corporate responsibility and ensuring that the actions we take today benefit the world tomorrow. I am confident that together, we can face any challenge before us. I look forward to advancing our sustainability efforts by empowering our associates, business, and communities to prosper while respecting the environment we work in and the Earth's resources we share.

After all, doing the right thing is a key component of our culture.

### DAVID FOSS

Chief Executive Officer and Board Chair

# ABOUT JACK HENRY

02

In 1976, Jack Henry & Associates, Inc.® (Jack Henry) was founded on the premise that strong relationships and sound technology go hand in hand. Today, with more than 8,000 clients and approximately 6,800 associates, we combine this idea with the pursuit of one common goal – excellence in financial services.

As a well-rounded financial technology company, Jack Henry provides innovative solutions to banks, credit unions, and diverse businesses outside the financial industry. With a heritage that has been dedicated to openness, partnership, and user-centricity, we are well-positioned as a driving market force in future-ready digital solutions and payment processing services. We empower our clients and consumers with human-centered, tech-forward solutions that are driven by insight.

## OUR GUIDING PRINCIPLES

DO THE RIGHT THING.

DO WHATEVER IT TAKES.

HAVE FUN.



Photo: Monett, Missouri campus.

36



OFFICES IN THE U.S.

~6,800



ASSOCIATES

2



PRIMARY DATA CENTERS

~\$1.76B



IN REVENUE IN FY21

8,000+



CLIENTS

# OUR APPROACH TO CORPORATE RESPONSIBILITY

A Message from Tara Brown, Director of Corporate Responsibility

03



At Jack Henry, corporate responsibility refers to the incorporation of accountability, stakeholder expectations, and ethical practices into planning our business strategy and running our organization. We believe that effective corporate responsibility leadership is a necessary factor in creating long-term value for our stockholders. Our *Integrity* core value is the backbone of our approach to ethics. It means *doing the right thing* publicly and through our internal operations.

In early 2020, we identified environmental and social topics most relevant to our business. We used standards from the Sustainability Accounting Standards Board (SASB) Technology and Communication sector, the Taskforce for Climate-related Financial Disclosures (TCFD), and the Global Reporting Initiative (GRI) to guide the

development of our materiality assessment. The detailed methodology and results can be found in our [2020 Sustainability Report](#). In fiscal year 2021, we sought to focus our efforts across four material Environmental, Social, and Governance (ESG) topics: diversity, equity, and inclusion (DEI); greenhouse gas (GHG) emissions; climate risk management and strategy development; and environmental compliance. Notable progress on our four fiscal year 2021 priorities includes:

- Growing the total membership year-over-year by 24% in diversity, equity, and inclusion-focused Business Innovation Groups (BIGs), which are instrumental in helping our organization reach its strategic goals
- Launching a sixth company-sponsored, associate-led Business Innovation Group (BIG), Go Green, whose mission is to accelerate Jack Henry's progress with environmental stewardship efforts
- Developing a series of briefs for our Board of Directors and executive leadership to aid them in environmental oversight matters deemed most relevant to our business through our materiality survey

## JACK HENRY'S MATERIAL ENVIRONMENTAL & SOCIAL TOPICS:

Core Values

Compensation and Benefits

Diversity, Equity, and Inclusion

Human Rights and Fair Labor Practices

Non-discrimination and Protection of Civil Rights

Talent Attraction and Retention

Data Center Environmental Considerations

Environmental Compliance

Environmental Risk Management and Strategy

Greenhouse Gas Emissions

- Reducing our fiscal year 2021 GHG Scope 1 and 2 emissions 13.55% below fiscal year 2020 levels, and approximately 16.66% below our baseline year of fiscal 2019
- Conducting a Scope 3 GHG emissions screening to identify indirect emissions with the most material impact on our operations
- Assessing our climate-related risks from acute and chronic physical risks (e.g., floods, wildfires, extreme heat) and transition risks (e.g., GHG pricing and regulation, changing client expectations)
- Publishing an [Environmental Policy](#), publicly signaling our commitment to sustainability and proper environmental management within the business
- Revising our [Vendor Code of Conduct](#) to strengthen our commitment to doing business with partners that have sound environmental, social, and governance (ESG) practices
- Completing voluntary, third-party-led environmental, health, and safety compliance audits at our headquarters in Monett, Missouri, and at our corporate airport hangar

This year, Jack Henry was recognized in two national rankings: *Inc.'s* "Best-Led Companies in America 2021" and *Newsweek's* "America's Most Responsible Companies 2022." Jack Henry ranked 84 in *Inc.'s* inaugural [Best-Led Companies](#) list that considered 10,000 companies with revenue between \$50 million and \$2 billion. The ranking is based on accomplishments in four areas: performance and value creation, market penetration and client engagement, talent, and leadership. For the first time, Jack Henry was ranked, and placed among the top 500 companies considered for the *Newsweek*® [Most Responsible Companies](#) list. Scores are based on company performance in the environmental, social, and corporate governance areas, along with an independent survey that asked U.S. citizens about their perception of company activities related to corporate social responsibility.

Ethics form the lens through which we view all our environmental, social, and governance initiatives. This year, we established clear and consistent guiding principles to set behavioral expectations for the

organization and to enable effective decision-making related to ESG. These principles are to prioritize people, manage risk, deliver strong financial results, support and align with corporate strategies, and address investor expectations.

We are committed to incorporating feedback from our stockholders and other stakeholders into our work and supplying clear, consistent communication about our priorities and progress. To support this commitment, we launched a new [corporate responsibility website](#), effectively consolidating relevant ESG content for easy access. There you can find our [ESG Statement](#), which outlines our corporate responsibility commitments, identifies material environmental and social topics, and provides updates in other areas of focus. We've also included a data disclosure summary as an appendix to this report. Our sustainability metrics are reported with consideration given to SASB, GRI, and TCFD reporting standards. Jack Henry engaged with a third-party consultant to qualitatively review and assess the accuracy of our sustainability disclosures.

Jack Henry made significant strides forward in calendar year 2021 and we recognize our work is not finished. We are focused on the future and keeping people at the heart of everything we do.

### TARA BROWN

*Director of Corporate Responsibility and Executive Sponsor of Go Green Business Innovation Group*



Jack Henry was honored to be publicly recognized for our commitment to doing the right thing on *Newsweek's* list of "America's Most Responsible Companies 2022."

# Commitment to PEOPLE

Enabling our associates to engage in meaningful work they love.

## Core Values

Our five core values – Passion for Customer Service, Relationships, Integrity, Drive for Results, and Excellence (otherwise known as PRIDE) – complement our company philosophy and mission, and represent what is inherent in our associates. In addition to “core values” being identified as a material social topic for Jack Henry, 89.4% of our associates indicated through our 2021 engagement survey that they fully support our core values (for reference, the average response for all other companies in their respective surveys was 78.6%).



**PASSION FOR CUSTOMER SERVICE**  
**RELATIONSHIPS • INTEGRITY**  
**DRIVE FOR RESULTS • EXCELLENCE**

Living out our organization’s core values is central to our strong culture. Our core values are used as “true north” when designing and implementing initiatives and programs for Jack Henry, and associates can embrace these values through the full talent life cycle. For example, we focus on our core value of “relationships” in the onboarding process by partnering new hires with “PRIDE Ambassadors.” PRIDE Ambassadors are charged with helping the new hire feel connected to the organization and aiding them in successfully navigating Jack Henry’s corporate culture.

Recognizing and celebrating associate actions aligned with our core values reinforces our strong culture. For example, in fiscal year 2021, associates used our real-



time “shout out” platform to recognize colleagues who exhibited our core values through their daily work. *Passion for Customer Service* is celebrated each month as support representatives are recognized for their outstanding performance scores. Associates also have the opportunity to nominate their peers for our Dedication to Excellence program, which recognizes associates who exemplify our *Excellence* core value by exceeding expectations.

## Ethics

Jack Henry seeks to foster a safe, ethical, and inclusive work environment where the first and last question asked is, “What’s the right thing to do?” In every interaction, we pursue our *Integrity* core value by incorporating ethical practices such as the public interest, associate needs, and environmental concerns into developing our business strategy and running the organization. Our business conduct is guided by the highest level of integrity, outlined in our [Code of Conduct](#), when dealing with our associates, clients, suppliers, and local communities. We expect associates not to engage in any questionable activity that could poorly reflect on Jack Henry. We trust associates will follow all applicable laws and regulations governing our operations anywhere we conduct business.

The first and last question asked is,



WHAT'S THE RIGHT THING TO DO?"

At Jack Henry, we believe that a highly ethical culture is an environment where people are comfortable reporting unethical behavior, a strong process for investigation is in place, and *all* associates are held accountable for their actions. We spent considerable time over the past year ensuring every associate knows how to anonymously report an ethics concern via our [third-party ethics reporting vendor](#). Jack Henry's external-facing website houses information on how to report an ethics concern so that all partners, including vendors, suppliers, clients, shareholders, and the public, have an avenue to report ethics concerns. Vendors are also expected to adhere to the [Vendor Code of Conduct](#).

Jack Henry enhanced its processes to better capture and appropriately respond to surfaced ethics concerns through *all* channels, including our third-party ethics reporting vendor, human resources investigations, and our virtual comment box. We introduced a cross-departmental Ethics Review Panel whose primary purpose is to review reported concerns that may or may not be ethics concerns and decide the best course of action. The panel regularly reviews concerns to inform future enhancements to our ethics approach.

Jack Henry formed a diverse Ethics Steering Committee with the goal of continuing to evolve and foster a highly ethical culture. With support from leadership, three working groups developed recommendations to enhance our communication efforts tied to ethics-related policies and procedures, educational efforts, and appropriately communicating to associates on how ethics concerns were reported and addressed. Their recommendations were presented to senior leadership for consideration and have since been implemented.

A key part of keeping ethics top of mind has been consistently delivering high-impact educational opportunities and communications focused on ethics. As an organization, we celebrated Global Ethics Day and launched a newly developed *Code of Conduct* training, which 99.67% of eligible associates completed. Jack Henry's most senior leaders – those at the director level and above – heard directly from the Corporate Leadership team on the topic of ethics during our inaugural Directors Summit. This session emphasized the expectation of all leaders to create an environment of accountability and highly ethical conduct. It connected people with avenues to raise ethical concerns and coached them to leverage an ethical decision-making framework using real, anonymized, examples. An internal-facing ethics resource site is available for ongoing ethics-related education, resources, and updates.

99.67%  
of eligible associates completed  
*Code of Conduct* training

## Human Rights and Fair Labor Practices

Jack Henry puts people first, which means that through the [Human Rights Commitment and Policy Statement](#), we fully commit to respecting and advocating for human rights, regardless of race, religion, creed, color, national origin, ancestry, physical disability, mental disability, genetic information, pregnancy, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, and military and veteran status, or any other status protected by local, state, or federal law. These standards are in the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.



## JACK HENRY'S DIVERSITY, EQUITY, AND INCLUSION STATEMENT:

At Jack Henry, you belong. Our founders believed that business is about people – a philosophy we still stand by today. When people are free to be their best selves, relationships thrive, and everyone wins. Come as you are, and together we'll do great things.

### Non-Discrimination and Protection of Civil Rights

To recognize and support human rights and fair labor practices, we are committed to a work environment free of discrimination, harassment, and retaliation, and where associates feel comfortable reporting inappropriate behavior. Consistency across practices and documentation is critical to ensure we fulfill our commitment to non-discrimination and protection of civil rights. In 2021, we reviewed our policies and related information for content, relevance, and conformity with applicable laws and Jack Henry's culture and philosophy. We also expect our vendors to act in accordance with the [Vendor Code of Conduct](#), [Vendor Safety](#), and [Human Rights](#) policies.

### Diversity, Equity, and Inclusion

Jack Henry believes that business is about people. We strive to integrate diversity, equity, and inclusion (DEI) throughout our associates' employment and our talent life-cycle practices to create sustainable, long-term outcomes and connections that foster a culture of belonging, well-being, and purpose.

### DATA ANALYTICS

We seek to increase the diversity of qualified talent at every level of the company and aspire to mirror the diversity of the qualified labor market. As of June 30, 2021, 46.3% of associates identify their gender as female and 53.7% identify their gender as male. Jack Henry is committed to inclusive practices and we have a project underway to introduce a non-binary gender identification option to associates. 19.2% of associates identify as non-white and 79.9% identify as white, while 0.9% elected not to disclose their ethnic identity. Jack Henry proactively manages our affirmative action plans, and equity is a top priority throughout our talent life cycle processes like recruiting, performance management, and leadership development.

Data analysis is applied in the recruiting pipeline process based on the evidence that sourcing qualified, diverse talent leads to a more diverse workforce over time. We have broadened our sourcing strategy to target locations with higher populations of under-represented candidates which typically results in more diverse slates of candidates for hiring managers to review. We provided

resources to hiring managers to improve self-recognition of biased behaviors and to assist with more objective decision-making. We also engaged our associates in diversity networking events that are sponsored by universities with which we partner, helping to increase the diversity of our internship class. We credit these efforts for the positive trending we are experiencing in the diversity of our new hires.

### GENDER OVERALL PERCENTAGES

Gender	Percentage
Female	46.3%
Male	53.7%

### ETHNICITY OVERALL PERCENTAGES

Ethnicity	Percentage
Non-White	19.2%
White	79.9%
Not Disclosed	0.9%

### INCLUSIVE PRACTICES

At Jack Henry, we believe in the power of inclusion and the right of all associates to be respected at work. A key part of our inclusion strategy is prioritizing associates' sense of belonging by using empowering and equitable language in the workplace. We updated our *Associate Handbook* to include new and revised policies and gender-neutral language. In 2020, associates started the grassroots "inclusive and equitable language movement" with the goal of raising awareness about inclusive and equitable language and ensuring Jack Henry

communication uses inclusive practices. An Inclusive and Equitable Language Steering Committee has helped advance this meaningful endeavor by sharing educational resources and providing educational forums for colleagues.

This year, we changed our policy recognizing holidays with paid time off to include a “floating holiday.” Offering a floating holiday strengthens our commitment to inclusion by allowing associates the choice to use the day however they prefer. Associates shared a variety of intentions for how they plan to use their floating holiday, including their birthday, Lunar New Year, wedding anniversary, St. Patrick’s Day, and Juneteenth.

We stood in solidarity with members of the Asian American and Pacific Islander (AAPI) community during the spike in violent and discriminatory acts against AAPI citizens as a misguided and unjust response to the pandemic. We provided information aids to managers to reach out to their associates to offer support, offered a platform for associates to have a discussion, and customized and promoted an educational podcast for our associates. We continue to stand with this community of people.

### BUSINESS INNOVATION GROUPS (BIGs)

A significant avenue for associate connection and growth is through our BIGs, which are company-sponsored and associate-led groups that create a platform for associates to work collaboratively to address business needs. Executive sponsors provide guidance and mentorship to the BIGs’ leaders and champion the BIGs’ initiatives with their peers and across the business. BIGs foster a sense of belonging among members and provide avenues to address relevant topics that associates are invested in.

These groups create peer learning opportunities across roles, experience, and characteristics. Our BIGs regularly offer DEI-related development opportunities to associates. For example, PRISM, our LGBTQIA+ BIG, invited both PFLAG and San Diego Pride to share their experiences and teach us how to be better allies for their communities. During fiscal year 2021, BIG conversation sessions were viewed over 3,500 times by live and streaming participants.



While I’m the President of PRISM, my title is just that. A title. I am a believer in letting the work speak for itself. From the stories of our members on how this group has shaped their lives for the better, to making individuals feel seen for the first time, and working in partnership with the various departments to affect change, PRISM has helped provide visibility to the ongoing meaningful work that is being done. More importantly, we provide visibility to the causes that affect the LGBTQIA+ community at large.”

#### ANDY HUYNH

*Applications Support Analyst and  
President of PRISM Business Innovation Group*

The five BIGs featured on [page 11](#) have a specific focus on DEI-related topics. As of June 30, 2021, our DEI-focused BIGs have a total membership of nearly 2,400 and year-over-year membership has grown by 24%.

In 2021, Jack Henry launched a sixth BIG, Go Green, whose mission is to accelerate Jack Henry’s progress with environmental stewardship efforts. While not traditionally thought of as a DEI-focused BIG, the

## Diversity, Equity, and Inclusion-Focused BUSINESS INNOVATION GROUPS (BIGs)

	JHAnywhere	Mosaic of People	PRISM	Veterans	Women at Jack Henry
<b>Members as of close of Fiscal Year 2021</b>	~8% of the workforce (562 members)	~10% of the workforce (706 members)	~4% of the workforce (271 members)	~3% of the workforce (182 members)	~10% of the workforce (669 members)
<b>Mission</b>	To create a community for remote associates, foster engagement, and provide development opportunities to members	To cultivate a diverse corporate environment where all input is valued, the power of difference is embraced, and diverse ideas drive market growth through innovation	To promote a culture of inclusion and innovation through ongoing education and a connection platform for LGBTQIA+ community members, allies, and friends	To foster the relationship between veteran and civilian associates to drive innovative thought, leadership, and business strategies to support the Jack Henry veteran community	To encourage a corporate culture where all women are empowered to reach their fullest potential and their authentic contributions drive the business to new heights
<b>Strategic Project</b>	Increase engagement and community outreach	Enhance the diversity of the next generation of leaders and increase awareness of black, indigenous, and people of color (BIPOC) concerns	Expand allyship and action to drive greater workplace inclusion	Increase the number of veterans in the workplace	Create connection points to advance women
<b>2021 Highlights</b>	<ul style="list-style-type: none"> <li>Continued support to Jack Henry and its remote associates during the shift to virtual work due to the COVID-19 pandemic</li> <li>Through ongoing engagement and dedicated workshops, built a sense of community and emphasized the importance of self-care and mental health</li> </ul>	<ul style="list-style-type: none"> <li>Sponsored educational forums that impact the BIPOC community to enhance a workplace of belonging</li> <li>Hosted a panel discussion on social diversity to raise awareness of diversity issues in corporate America and impact of diversity on a company's performance</li> </ul>	<ul style="list-style-type: none"> <li>Led inclusive and equitable language movement to enhance inclusivity in the workplace</li> <li>Certified associates to facilitate educational sessions on LGBTQIA+ topics</li> </ul>	<ul style="list-style-type: none"> <li>Launched an education series and resources regarding hiring and retaining veterans</li> <li>Fundraised donations for two veteran-owned philanthropic organizations</li> </ul>	<ul style="list-style-type: none"> <li>Offered a personal branding workshop to help women improve their career potential</li> <li>Promoted male allyship by creating an Allyship Officer role charged with leading more active male members</li> </ul>

Go Green BIG still has a significant role to play in advancing our DEI efforts. Go Green focuses on issues tied to environmental justice – the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or any other protected category, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. Read more about Go Green’s impact on [page 33](#) of the report.

## PERSONAL AND PROFESSIONAL DEVELOPMENT

Throughout their careers, Jack Henry encourages associates to embrace a growth mindset through a posture of continuous learning and invests in growing associates’ cultural competency through ongoing DEI learning opportunities. In 2020, David Foss, our CEO and Board Chair, signed the CEO Action for Diversity & Inclusion™ pledge. Nearly 2,300 associates also signed the I ACT ON pledge – a commitment to checking bias, raising issues, and learning about the experience and perspective of others. As part of the commitment, we offered an opportunity for all associates to take part in unconscious bias training, resulting in more than 4,200 associates completing the course. Additionally, all associates take part in *Preventing Sexual Harassment* and *Valuing Diversity* training, and managers undergo more in-depth training on these topics.

4,200

associates completed  
unconscious bias training

Jack Henry hosted a company-wide discussion focused on the power, purpose, and practice of mindfulness as a “brain changer” and recognized mental health as a frontier in diversity, equity, and inclusion. In the fall, we offered a workshop, *Embracing Cultural Confidence: A Balance of Authentic Self-Care and Intersecting Mental Health & DEI*, facilitated by a licensed therapist who is a self-care and wellness expert.

This year we hosted over 100 female leaders in the *Women Who Rise* Virtual Leader Lab (VLL) – a four-week leadership development experience preparing attendees for future leadership roles and equipping them with tools to advance their careers. This program recognizes women and diversity as a priority for our leadership goals and helps women build critical leadership skills and mindsets.



Members from the Executive Leadership Support Team host the Executive Administrative Officer from Alpine Bank for a development session on building a cross-functional collaborative cohort.

## SUPPLIER DIVERSITY

Our leaders are faced with decisions on which suppliers to do business with, and Jack Henry’s investment in fostering a safe, ethical, and inclusive work environment extends beyond our associates and includes our suppliers. Jack Henry launched a supplier diversity program designed to proactively identify, build mutually beneficial relationships with, and purchase goods and services from small businesses owned by minorities, women, veterans, members of the LGBTQIA+ community, and people with disabilities. The Enterprise Procurement department curates diverse suppliers in the sourcing and procurement process who align with our strategic business model and demonstrate the ability to add value, provide high-quality goods and services that are competitively priced and are reliable. We believe intentionally opening procurement opportunities to

suppliers from a variety of backgrounds, viewpoints, and experiences will yield stronger business outcomes for Jack Henry and economically empower the diverse communities in which we operate.

## Talent Attraction and Retention

### TALENT ACQUISITION

Like most organizations, Jack Henry is engaged in critical competition for talent and seeks to recruit qualified, diverse talent who will enhance our strong corporate culture and deliver results. To attract a broad, qualified, and diverse pool of talent, we have introduced several enhancements to our hiring practices that we credit for our success in meeting Jack Henry's hiring needs in a tightened labor market and for boosting our applicant volume significantly from fiscal year 2020 to fiscal year 2021.

#### Notable Enhancements to Our Talent Acquisition Approach:

- **Implemented a new applicant tracking system (ATS)** designed to deliver a world-class hiring experience for applicants, hiring managers, vendors, and recruiters. The ATS has transformed our ability to communicate timely updates to applicants and has automated many administrative tasks so that our recruiters can spend more time strategically partnering with the business to deliver a meaningful hiring experience.
- **Enhanced job postings** by intentionally using inclusive and equitable language, focusing on required skills, and highlighting our purpose-driven culture.
- **Broadened potential candidate pool** by offering additional remote employment opportunities, allowing us to recruit in new geographic markets.
- **Leveraged national diverse job boards** such as Diversity Jobs, National Black MBA Association®, RecruitMilitary®, and Disability Inclusion Network events to reach new prospects.
- **Partnered with Glassdoor®, Stack Overflow®, Indeed®, and LinkedIn®** to respond to employee feedback and reviews and highlight our employment brand.
- **Implemented a more user-friendly referral portal** that provides associates with the ability to track the status of their referral to each applied job. Referrals receive real-time communication upon their information being submitted, allowing us to capture their interest quickly.
- **Introduced a vendor staffing portal** that provides our vendor partners with increased candidate status visibility and feedback, supporting vendors' ability to source more qualified candidates, faster.
- **Improved our support of applicants** in need of reasonable accommodation by publishing a specific point of contact on our career portal.
- **Embedded hiring resources in the recruitment workflow** to support hiring managers in mitigating bias and creating a positive candidate experience.
- **Developed an interview framework toolkit** for hiring managers and interviewers that includes on-demand training, interview best practices, and an inclusive hiring guide.
- **Launched an electronic onboarding platform** resulting in significant automation, tracking, and insights of the onboarding process for new hires and the talent acquisition operations team.
- **Added a "preferred name" choice for new hires** to support inclusive gender identity practices.
- **Piloted a new onboarding process** to quickly acclimate new executive leaders into the organization, with an emphasis on Jack Henry culture.

**BEN AWUAH, JR.***Xperience™ Project Manager*

The internship program was a valuable experience that allowed me to apply what I had learned in the classroom into a real, corporate setting. Even though most of us are separated by distance with the pandemic and working remotely, the people at Jack Henry make me feel connected and are always there to support and help me. I never feel afraid to ask a question or to voice my opinion because I know that everyone truly cares.”

## INTERNSHIP PROGRAM

Jack Henry’s 10-week summer internship program is designed to recruit next-generation talent while supporting talent needs across corporate priorities. Our fiscal year 2021 intern program generated interest from over 3,000 applicants, representing a diverse compilation of colleges and universities. We recruited 19 college interns to work across several key areas of the business in various roles – including user experience design; finance; diversity, equity, and inclusion; sustainability; software engineering; and corporate strategy. Interns participate in our Executive Roundtable event which facilitates connections with executive leadership. They conclude their internship with a retrospective on their accomplishments while at Jack Henry. These retrospectives are made available to all associates, allowing other areas of the business to see the impact the program and students have on Jack Henry. Since the pilot year

program, many interns that have met performance needs have been offered extended employment either through a part time internship while continuing their education, or a full time position with Jack Henry.

## TALENT RETENTION

In 2021, for the fourth consecutive year, Jack Henry was honored to be recognized on *Forbes* magazine’s *America’s Best Large Employers* list and *American Banker’s Best Places to Work in FinTech* list. We also achieved a ranking on several “best place to work for” lists in Atlanta, Dallas, Louisville, and San Diego.



## COMMUNICATION

Jack Henry actively engages with all associates through our continuous listening strategy, which includes various touchpoints that are aimed at empowering associates to do meaningful work they love, while achieving desired business outcomes. Our intranet offers functionality for associates to raise and share ideas for improvement across Jack Henry. Senior leaders hold targeted conversations with associates at various levels to identify best practices and enhancement opportunities. Surveys are a critical aspect of our strategy:

- In February 2021, we used a third party to conduct an all-associate *Culture and Engagement Survey*. Our response rate was over 60% and we are proud to share that our average engagement index score is 83% (for reference, benchmark is 77%). Leadership developed an action plan with more than 15 resources designed to support associates seeking to increase their mental well-being, build relationships with colleagues, recognize others for valued contributions, and continue their own personal growth and development.
- Shifting away from a point-in-time approach for the full organization, in July 2021, Jack Henry introduced an employee experience monitor that corresponds with each associate’s anniversary date. This shift allows for quarterly analysis and better positions Jack Henry for “just-in-time” action planning.

- *New Hire* and *Exit* surveys performed by a third party are used to inform our talent attraction and retention strategy.
- We use topical pulse surveys, as needed. For example, we issued a survey focused on issues that were affected by the pandemic, including work/life balance and team dynamics with a remote workforce.

Jack Henry leadership strives to deliver valuable information to associates through a variety of mediums.

## JACK HENRY LEADERSHIP COMMUNICATION CHANNELS:



David Foss, Board Chair and Chief Executive Officer, shares a quarterly video update with all associates to provide an overview of our company performance along with additional information on current topics.



Semi-annual, all-associate Town Hall events provide an open forum for associates to learn about upcoming initiatives as well as engage in Q&A with senior leaders.



Senior leaders across the organization share quarterly updates with their lines of business through our All-Hands meetings.



Well-attended monthly manager forums share relevant and upcoming topics with Jack Henry's people leaders.



Jack Henry's People & Culture team shares a quarterly email update with all associates on topics in a "must know," "should know," and "nice to know" format.



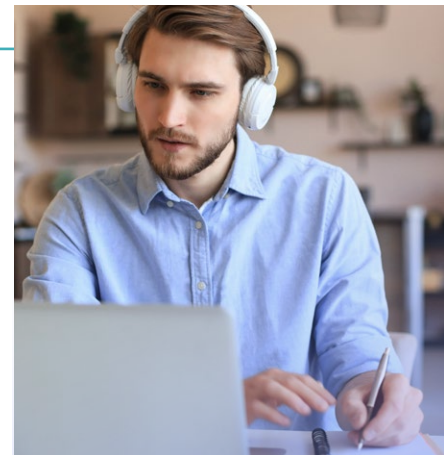
Jack Henry's Human Resource business partners provide monthly updates for people leaders within their business on topics to help leaders proactively manage upcoming dates and activities and understand specific development opportunities for themselves and their teams.

## PROFESSIONAL DEVELOPMENT

Jack Henry continued to invest in the long-term success of associates by offering educational opportunities to prepare for market changes, emerging client needs, and technology trends. In fiscal year 2021, we repositioned a historically on-site training program into a fully virtual learning experience to support associate safety during COVID-19, decrease travel-related expenses, and reduce our carbon footprint. Nearly 25% of associates attended at least one of the 36 sessions offered across three tracks focused on business, people, and technical topics. The live courses were recorded and are now available on demand for all associates.

In partnership with the Human Resources team, our Chief Information Officer, Rob Zelinka, conducted a targeted workforce planning initiative which resulted in learning plans for technical skills that support strategic innovations. Jack Henry invested in licensed learning (online libraries) to broaden the offerings available to employees so that associates can engage in the right training at the right time to build needed skills.

OVER  
**65% OF  
ASSOCIATES**  
PARTICIPATED IN  
COMPANY SPONSORED,  
VOLUNTARY TRAINING  
IN FISCAL YEAR 2021.



To set them off to a great start with their leadership journey, all new Jack Henry leaders are enrolled in *Foundations for New People Leaders*. This curriculum highlights the resources designed to increase inclusion, enhance team engagement, and improve team performance. People leaders are invited to attend *Garage Talks*, which offer a forum for people to "talk shop" about leadership and other topics that

affect the business. Notable topics include agile leadership, project prioritization, and virtual leadership.



“It was a great experience to be part of our 2021 Directors Summit as a presenter and a participant! I enjoyed learning more about our company’s vision and key initiatives, but most of all, I truly appreciate learning from my fellow leaders via their presentations and from our small breakout sessions. Loved hearing their stories and experiences as we navigate through the pandemic and gaining insights on how they’re managing through it.”

#### MARIA COLVIN

Senior Director, Finance

During the third quarter of fiscal year 2021, we hosted a virtual Directors Summit for our associates at the director level and above. This event provided the

opportunity for senior leaders to interact with Jack Henry’s executive leadership, learn from internal and external subject matter experts, and network with other leaders in small group virtual settings. In addition to exploring business and product-specific topics, sessions included *Cultural Intelligence*, *Building Diverse & Inclusive Teams*, *Inclusive Language*, and *Diversifying Succession Plans*.

#### PERFORMANCE MANAGEMENT

We recognize that regular performance feedback is crucial to associate engagement and growth. Jack Henry’s performance management approach is designed to:

- Increase associate engagement and productivity in their current positions
- Prepare associates for future roles
- Reward associates who differentiate themselves as leading through both their contributions to the organization and the way they achieved those contributions
- Deliver clear and consistent performance expectations and feedback across the organization

Performance management at Jack Henry is viewed as a continuous process with an established cadence of goal setting, performance check-ins, and an annual documented performance assessment with a professional development component. Jack Henry

champions a growth mindset, supports continuous learning, and encourages associates to invest time in personal development to help them grow within Jack Henry and as individuals.

99.2%

of eligible associates participated in the performance assessment process

#### INTERNAL MOBILITY

Jack Henry champions internal mobility for the growth and engagement of our associates and continuity of our workforce. We regularly assess our internal mobility practices to ensure we are fostering a workplace where associates can envision their careers in the long term and experience equitable hiring processes. Based on associate feedback, we addressed a perceived barrier to internal mobility by reducing our length of service requirement for associates to explore new opportunities. Our career portal allows associates to apply for new positions, network internally, and capture experiences, skills, certifications, projects, and career highlights. Associates have access to our Internal Mobility Marketplace, which provides resources and tools to be successful in their career journey at Jack Henry. One notable resource is our career conversation guides, which supply a framework for leaders



and associates to discuss aspirations and development opportunities. Other resources include a personal career development “playlist” of relevant content, resumé templates, interview question examples, and job-shadowing guidelines.

Jack Henry’s succession planning approach is designed to build a robust, qualified, and diverse leadership pipeline. Our process is built to ensure we have a strong pool of candidates reflecting both gender and ethnic diversity who are ready to step into new leadership roles. A part of this process includes intentional development of potential successors through ongoing training, mentoring, and stretch project assignments.

## Benefits and Compensation

We offer a competitive total rewards package to associates to help them build and support well-being within and outside the workplace.

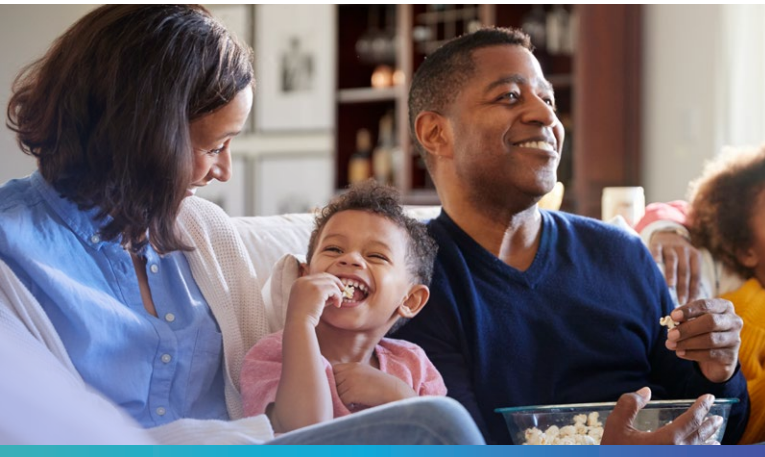
### BENEFITS

We recognize the value of our associates and believe much of our company’s strength and success depends on their well-being. Because of this, we offer comprehensive benefits that extend beyond health and welfare. The Total Rewards visual supplies a high-level overview of benefits offered to associates. Review Jack Henry’s [Employee Benefits Summary](#) for a full listing of our benefits.

## TOTAL REWARDS



Our full-time associates enjoy the same eligibility in our benefit plans regardless of location and in compliance with relevant state regulations. Part-time associates (less than 30 hours/week) enjoy access to many of the same benefits our full-time associates have, including paid time off, educational assistance, the employee stock purchase plan, 401(k) retirement plan, military leave, employee assistance program, business travel accident insurance, financial resources and educational programs, and a fitness program.



Regardless of gender identification, all full-time associates are eligible for paid parental leave. In fiscal year 2021, more associates who identify as male took advantage of paid parental leave than associates who identify as female. We view this trend as a positive indicator of inclusion and work/life balance. A point of distinction for Jack Henry is our inclusion of both children by birth and through adoption. We also support our associates' needs for caregiving support through an established partnership with a caregiver support service.

Jack Henry supports associates who seek financial freedom for their future. In support of this endeavor, and to reinforce our commitment to environmental, social, and governance (ESG) best practices, Jack Henry's Health Savings Accounts include ESG-friendly investment options, and starting in 2022, so will our 401(k).

## COMPENSATION

Jack Henry offers market-competitive base pay based on professionally sourced salary data for the roles and locations in which we have associates. We conduct

an annual review of our pay structures prior to annual pay increase cycles to ensure we are still competitive and reward our associates at the proper levels for their contributions based on the duties required for their positions. We offer an incentive program to every associate who has completed 90 days of service and has met individual performance targets, provided Jack Henry has met the minimum operating income thresholds set at the beginning of the performance period for all associates, including top executives.

## COVID-19 INITIATIVES

Associates' health, safety, and well-being are of paramount importance to Jack Henry. Enhancements to our health care plan through the end of the emergency period include:

- Waiving cost share for COVID-19 testing by a healthcare provider and test related visits as a result of a diagnostic need
- Waiving cost share for COVID-19 treatment
- Waiving cost share for Telecare for all COVID-19 related diagnoses

## JACK HENRY SUPPORTED ASSOCIATES BY:



15

on-site COVID-19 vaccination clinics hosted



917

doses of the Pfizer COVID-19 vaccination administered to interested associates and their family members

We continue to extend support to associates through the COVID-19 pandemic by offering the option to work remotely and leverage flexible work schedules, where possible. In addition to providing timely COVID-19 information and resources, our Chief Risk Officer, Charlie Wright, regularly informs the organization of emerging developments.

# Commitment to CLIENTS

Providing innovative financial solutions to our clients to support responsible business decisions and keep their own clients connected

## Customer Experience Program

We recognize that clients want to do business with organizations that align with their values and deliver a world-class client experience. By focusing on understanding the needs of our clients, Jack Henry's customer experience program seeks to fulfill our brand promise of openness, transparency, and collaboration by prioritizing the voice of the customer. To support the program, we embrace Jack Henry's four tenets for leadership and operational excellence: transparency, consistency, collaboration, and communication.

Using these four tenets of excellence, our customer experience program has matured significantly. Growing our associates' product and industry knowledge, technical expertise, and interpersonal skills supports our aim to deliver "exceptional customer experiences" and a "customer-first" mindset.



Understanding our clients' requirements throughout the full client life cycle is the bedrock of our Customer Listening Framework. Our Customer Listening Framework seeks to first understand the customer's goals and then partner with them to develop a plan to achieve those goals. Journey mapping and identifying key metrics for each phase ensures we can mitigate potential challenges and measure success.

## THE FOUR TENETS OF EXCELLENCE





At Jack Henry, we consistently focus on leading our teams and delivering upon our commitments by emphasizing 4 key tenets: Transparency, Consistency, Collaboration and Communication. The development of transparent, consistent roadmaps every six months is one way we drive intentional communication with our clients while holding our teams accountable and striving to exceed their expectations.”

### GREG ADELSON

*President and Chief Operating Officer*

Jack Henry’s customer-centric approach fosters long-term relationships through regular engagement. We frequently connect with clients through a variety of communication channels including national advisory boards, regional user groups, client meetings, annual conferences, product groups, and client surveys. Consistent client connections support Jack Henry’s proactive approach to addressing regulatory risks and security concerns. Client input often leads to realizing operational efficiency and cost reduction opportunities by establishing standards, identifying best practices, and streamlining internal processes. Strong client relationships open avenues to explore innovative technologies, business models, and programs, and deepen our understanding of client needs.

Delivering an exceptional customer experience program requires investment and accountability throughout the organization. The program is structured accordingly to include involvement from executives, business and

technology leaders, and individual contributors across functional areas, services, and products. We strive to deliver on-time, quality results aligned with our clients’ business requirements through services that make doing business together easier.

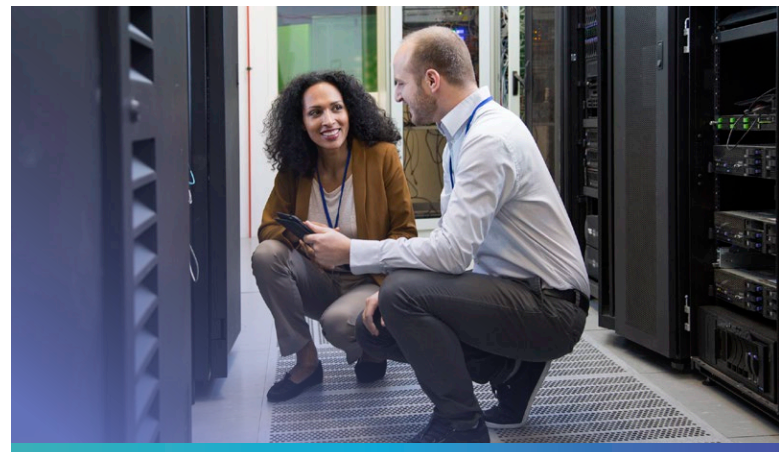
### Innovation

As the pace of technology and change has accelerated, so have the ways that we approached innovation. In the early days of the business, direct work with clients resulted in features and enhancements for the software being identified and developed rapidly to address a broad range of needs. Today, we still maintain close relationships with our clients and work carefully with them to identify needs. Building upon this strong foundation, we use a modern innovation platform to ideate and refine the best ideas on a much greater scale.

Our development teams employ agile development techniques to provide continuous delivery of value to our clients. We use modern digital platforms, employ cloud infrastructure, and embrace a philosophy of “openness” as the foundation for future product innovations. We invest in technologies that support continuous process improvement including process mining and robotic process automation. These investments enhance our ability to collaborate with clients and create an avenue for associates to surface innovative ideas.

### Data Privacy and Cybersecurity

In our increasingly interconnected environment, information is inherently exposed to a growing number of risks, threats, and vulnerabilities. As a provider of



## Information and Cybersecurity Program Main Components

- A multi-layer, **defense-in-depth approach** to security
- A systematic, **strategic process** to secure system design and development
- Comprehensive cybersecurity threat and vulnerability **analysis and management**
- **Continuous cybersecurity monitoring** with well-defined and rehearsed incident response policies and playbooks
- **Information security governance and oversight** designed to support the reduction of security risk and cost, satisfy security/privacy and legal/regulatory requirements, and increase efficiency of resources
- A robust **annual security awareness and training campaign** program for all associates, including supplemental, in-depth training for associates who are more likely to be targeted in cyberattacks

products and services to financial institutions, Jack Henry takes extreme caution and due care in processing and storing sensitive, personally identifiable information securely. We prioritize protecting our associates, clients, and their private data from the ever-evolving threat environment.

Jack Henry has an established information and cybersecurity program maintained by a team of diverse, highly skilled cybersecurity professionals. The program incorporates industry-standard frameworks, policies, and practices designed to protect the confidentiality and privacy of Jack Henry's and our clients' information.

In support of the program, Jack Henry systems and services undergo regular reviews performed by the same regulatory agencies that review financial institutions: Consumer Financial Protection Bureau (CFPB), Federal Reserve Board (FRB), Federal Deposit Insurance Corporation (FDIC), National Credit Union Association (NCUA), and the Office of the Comptroller of the Currency (OCC), among others.

**99.7%**  
of eligible associates completed Jack Henry's annual data privacy and cybersecurity training in 2021.



**WHEN OUR CUSTOMERS ARE SUCCESSFUL, WE ARE SUCCESSFUL."**

**JONATHON ROBERT**

*Director,  
Customer Experience*

Reviews such as those by the Federal Banking agencies (a regulatory group comprised of the FDIC, the Fed, and the OCC) aptly assess and identify security gaps or flaws in controls and monitor the effectiveness of our security program. Critical services provided to our clients are subject to annual System and Organizational Controls (SOC) reviews by independent auditors. SOC reports are made available to clients via the client communications portal. Information and Cybersecurity leadership reports to the Risk and Compliance Board committee monthly, and the full Board of Directors quarterly, on information security matters. Additionally, Jack Henry holds an active insurance policy that includes cybersecurity coverage.

## Commitment to **STOCKHOLDERS**

Delivering a strong return on investment to our stockholders while maintaining long-term sustainability for our business model

### **Corporate Governance**

The Board of Directors (the Board) is led by our Chief Executive Officer and Board Chair, David Foss. Because the Board Chair is a member of management, the independent members of the Board have selected Matthew Flannigan to serve as Lead Director and Vice Chair to complement the Board Chair's duties, as required under our Corporate Governance Guidelines. All our directors, other than Mr. Foss, qualify as "independent" under the requirements of Nasdaq, as well as all members of each of our Board committees. The independent directors meet regularly in executive sessions without Mr. Foss being present.

The members of the Board, as well as the executive officers and all other employees, contractors, vendors, and business partners of Jack Henry are subject to – and responsible for – compliance with Jack Henry's [Code of Conduct](#). The *Code of Conduct* contains policies and practices for the ethical and lawful conduct of our business, as well as procedures for confidential investigation of complaints and discipline of wrongdoers.

### **Board Members**

Under the company's *Corporate Governance Guidelines*, the Governance Committee is responsible for determining the appropriate skills and characteristics required of Board members. The committee must also consider such factors as experience, strength of character, maturity of judgment, technical skills, diversity, and age in assessing the needs of the Board. While the term "diversity" is not specifically defined in



the Corporate Governance Guidelines and there is no formal policy regarding application of the term, it has been the practice of the Governance Committee to apply the term broadly, resulting in Board composition over the years that has reflected diversity in race, gender, and age, as well as diversity in business experience and in representation of the markets served by the company.

### **ESG Oversight**

#### **RECOGNIZED FOR GENDER DIVERSITY ON OUR BOARD**

Jack Henry was honored for the second consecutive year to be recognized for gender diversity on our Board by 50/50 Women on Boards, a global education and advocacy campaign driving movement toward gender balance and diversity on corporate boards.

The Board has established a quarterly cadence to discuss environmental, social, and governance (ESG) matters and ensure proper oversight. The Board performs risk oversight, including ESG risk oversight, primarily through the Risk and Compliance, Audit, and Compensation committees as outlined in our Corporate Governance Guidelines. The Board assesses major risks facing Jack Henry and reviews mitigation options. The Audit and Compensation committees provide periodic reports to the Risk and Compliance Committee. The Risk and Compliance Committee presents consolidated reports and risk assessments to the entire Board.

Our Board of Directors takes ESG oversight very seriously and is committed to staying informed about current and emerging ESG-related matters. To support this effort, Jack Henry has supplied the Board and executive leadership with information on relevant environmental topics in one consolidated location.

Through our *Environmental and Social Topics Materiality Survey*, Jack Henry identified “environmental risk management strategy” as a material ESG topic. This year, Jack Henry furthered its progress in understanding our climate-related risks and opportunities by aligning with the Task Force on Climate-related Financial Disclosures’ recommendations. We partnered with a third party having expertise in this area to conduct an in-depth assessment. Read more about this work in the *Commitment to Environment* section.

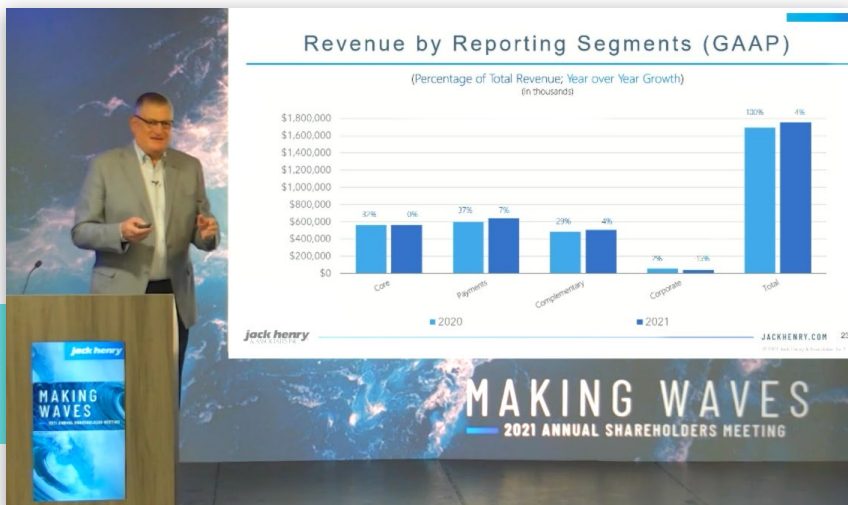


Jack Henry Board of Directors

The Board believes that significant stock ownership by Board members and members of senior management helps to align their interests with the interests of the company’s stockholders. Accordingly, the Board has established stock ownership guidelines that require Board members and senior management to hold Jack Henry shares of stock with a market value equal to a specified multiple of the individual’s salary in the case of management or of the annual base retainer in the case of Board members. The guidelines allow a five-year period for each individual to achieve the ownership level after being first appointed to their position. Other than our newly appointed Director, who is still within the grace period, all individuals covered by this policy meet the ownership guidelines.

## Aligning Interests

## Investor Engagement

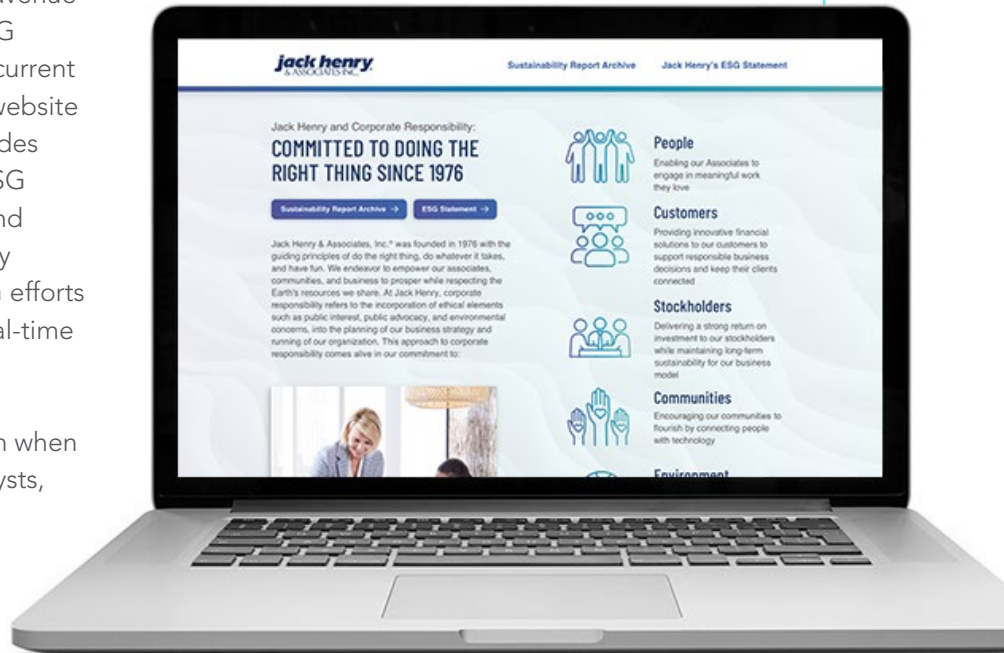


Kevin Williams, Chief Financial Officer and Treasurer, presents information to stockholders at the 2021 Annual Shareholders Meeting.

The [corporate responsibility website](#) is an avenue created to increase our transparency on ESG matters and enhance our interactions with current and prospective investors. Housed on the website is Jack Henry's [ESG Statement](#), which provides an overview of how we are incorporating ESG considerations into our business strategy and practices. Additionally, we have intentionally included updates on our progress with ESG efforts in our quarterly earnings calls, providing real-time feedback for analysts to consider.

We continue to use an open-door approach when communicating with our investors and analysts,

➤ [Visit the Corporate Responsibility Site](#)



while also observing communication restrictions during quiet periods and compliance with disclosure regulations such as Regulation Fair Disclosure. This year, Jack Henry participated in multiple investor conferences, providing insights into the way we run the organization. Our virtual 2021 Analyst Day was well-attended and provided an in-depth exploration into Jack Henry operations through presentations delivered by executive leadership.

### Additional Governance Materials

Jack Henry has posted several of our significant corporate governance documents on our [website](#). There you will find copies of the current *Corporate Governance Guidelines*, the *Code of Conduct*, the *Compensation Committee Charter*, the *Governance Committee Charter (with attached Nomination Policy)*, *Audit Committee Charter*, and the *Risk and Compliance Committee Charter*, as well as Jack Henry's *Certificate of Incorporation and Bylaws*. Other investor relations materials are also posted, including Securities and Exchange Commission (SEC) reports, financial statements, and news releases.



## Commitment to **COMMUNITIES**

Encouraging our communities to flourish by connecting people with technology

### **Business as a Force for Good**

In our inaugural [Sustainability Report](#), we shared examples of how Jack Henry's products and services can be a "force for good" in society. This belief is aligned with the "Statement on the Purpose of the Corporation," developed in August 2019 at the Business Roundtable, and signed by 181 CEOs who are committed to leading their companies to the benefit of all stakeholders.

In 2020, Jack Henry established a partnership with the American Bankers Association (ABA) to support the "unbanked" accountholder and equip banks nationwide with Bank On-certified accounts. This year, Jack Henry delivered on its commitment by providing banks with detailed guidance on meeting Bank On requirements, as well as documentation, eLearning opportunities, and consulting services. Bank On was created by the Cities for Financial Empowerment Fund (CFE Fund), which works to ensure that everyone has access to a safe, affordable transactional banking account. Bank On accounts are designed to serve the unbanked and underbanked population with modern banking services, including robust transaction capabilities – such as debit or prepaid cards and bill pay – all at a low cost and without overdraft fees. According to the Federal Deposit Insurance Corporation (FDIC) *National Survey of Unbanked and Underbanked Households*, millions of Americans still operate their everyday lives and businesses on the sidelines of the financial mainstream. The Bank On movement aims to extend access and improve financial stability for Americans across the country.

We are proud to support our clients with innovative, reliable technology that allows them to serve their



customers and members both in day-to-day life and in times of trial. Commonwealth Credit Union leveraged our Episys® core technology to serve its members impacted by the storms and tornadoes that caused an enormous amount of destruction in Kentucky in December 2021. Jack Henry's Episys allowed Commonwealth Credit Union to administer personal loans for disaster relief and the flexibility to adjust loan terms for those in need with Episys Skip Payments™ functionality.

Jack Henry is proud to have joined several other organizations to cover the cost for minority depository institutions (MDIs) to join the Real-Time Payment (RTP®) network. The RTP network allows MDIs access to flexible, faster payments options that can help prevent missed payments and avoid late fees and penalties, among other things. MDIs often fund small businesses, and access to the RTP network allows those small businesses to offer payment on the same day to workers, as well as the option to purchase inventory or supplies on the same day. We believe that reducing the barriers to join the RTP network will enable more institutions to provide access to immediate payments for their customers and reduce the need for customers to use

alternative banking services like check cashing or short-term borrowing.

In 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law as an economic stimulus package with provisions for tax, health care, cash payments, and other economic relief designed to help businesses and their employees due to the COVID-19 pandemic. In response, our associates took an all-hands-on-deck approach, believing that this was our opportunity to help community-based financial institutions help save “Main Street” America. Under the Paycheck Protection Program (PPP), financial institutions have used Jack Henry’s technology to process 26,136 lending transactions totaling \$1.487 billion in funding.

# \$1.487B

in funding from 26,136  
lending transactions under the  
Paycheck Protection Program

Peapack-Gladstone Bank adopted Jack Henry Lending’s digital PPP solution to streamline and automate the process. With the digital solution, the bank processed approximately 1,500 applications in just a few days during round two of the PPP. Peapack-Gladstone Bank has been able to gain more than 800 new small business banking relationships throughout the pandemic, surpassing the previous three years combined. The bank has leveraged automations and efficiencies from Jack Henry to offer new services that help businesses recover and grow. The bank has added new features to support its business clients’ digital services, including the JHA Agiletics Escrow System™. Now, business customers can open, maintain, and close their own escrow subaccounts for multiple lines of business, such as property owner, tenant, attorney, real estate, and government relationships. The parameter-controlled system enables the bank to grant access and control directly to its customers, allowing them to manage unlimited types of escrow relationships. It simplifies operations while increasing accuracy, productivity, and compliance requirements.



Many of our peers had to shut down all new business development to manage forgiveness and PPP loans, but our automated efficiencies allowed us to focus on customer service and onboard new business clients. Along the way, our team learned a lot about the operational and administrative disadvantages of small businesses that not only hinder them on a day-to-day basis, but also hinder their ability to thrive and grow in the long term. We are constantly working to help businesses improve these processes.”

#### GREG SMITH

Senior Executive Vice President and President of  
Commercial Banking at Peapack-Gladstone Bank

As the COVID-19 pandemic continues to impact our day-to-day lives, access to user-centric and secure financial services remains a challenge for banks, credit unions, their customers, and their members. It is critical for financial institutions to ensure access to financial services and resources for all people. Jack Henry’s Banno Conversations™ minimizes the need for branch visits. This solution makes it easy for financial institutions to provide human-centered service regardless of where the accountholder or employee is located.



“Our key values for our digital culture are speed, openness, and autonomy. Jack Henry’s Banno Digital Platform has allowed us to improve processes, productivity, and customer experience, delivering direct value to our company and customers.”

#### KATHY STRASSER

COO/CIO of IncredibleBank

## Corporate Citizenship

Jack Henry seeks to strengthen connections between people and their financial institutions through technology and services that reduce barriers to financial health. One way that we do this is by giving back through industry organizations. In fiscal year 2021, our associates reported volunteering nearly 6,500 hours to industry and professional organizations including Electronic Payments Core of Knowledge (EPCOR), International Association of Financial Crimes Investigators (IAFCI), and the Association for Financial Technology (AFT). Our associates also volunteer with organizations specific to their professions including the Project Management Institute, the Society for Human Resource Management, and the Association of Certified Anti-Money Laundering Specialists.



I see volunteering as a way to forge new relationships, broaden my knowledge in the corresponding areas, and gain early insight into new trends and upcoming regulations.”

**LINDEN BALLARD**  
Internal Auditor

Our associates’ generosity with their time extends to many local and national organizations in the communities in which Jack Henry operates. In fiscal year 2021, over 500 associates reported donating upward of 70,500 hours of their personal time. According to the [Value of Volunteer Time Methodology](#), the economic impact of our volunteer time equates to approximately \$2 million.



Associates decorated mini-holiday trees and donated them to a local assisted living facility.



Community stewardship initiative (CSI) teams are established at 15 of our largest office locations. These teams of volunteers organize events and donation opportunities to create avenues for associates to give back to their communities. Our CSI teams across the country have raised money in support of organizations geared to provide aid to those experiencing homelessness, food to children who experience food instability, and families in crisis.

With so much of our workforce working remotely due to COVID-19, our CSI teams got creative. For example, they offered virtual valentine and shamrock “grams,” raising money for food-insecure neighbors. Another CSI team mailed packets of seeds to associates with a charge to “go green” by planting vegetation. The San Diego CSI team stayed active giving back to the surrounding community, while adhering to COVID-19 protocols. Associates have a tradition of decorating mini-holiday trees and donating them to a local assisted

living facility with the hopes of bringing some cheer to residents. The Springfield, Missouri CSI team partnered with Human Resources to curate a giving opportunity for local philanthropic organizations through a leadership event for directors.

Several of our Business Innovation Groups have led fundraising campaigns in support of organizations aligned with their mission. For example, the Go Green BIG led a fundraising campaign for the National Forest Foundation (NFF) in August. The NFF's mission is to bring people together to restore and enhance our national forests and grasslands. Today, the NFF provides Americans with 193 million acres of wildlands (about twice the area of California), which are crucial to removing carbon from the atmosphere. In partnership with our Veterans Business Innovation Group, the Springfield CSI team honored fallen soldiers by laying wreaths on their headstones at the Springfield National Cemetery in Springfield, Missouri. Associates across the company collectively helped raise more than \$4,600 for the Wreaths for Fallen Heroes project. Jack Henry and the Cook Family Foundation also made donations, which helped purchase over 1,000 wreaths to lay on the headstones. Additionally, the Mosaic BIG supported the Equal Justice Foundation, and the PRISM BIG donated to PFLAG.



*Jack Henry associates volunteered to pack 2,000 meals that were donated to Feeding America by attendees of the Jack Henry Annual Conference.*

Jack Henry has continued the tradition of offering annual conference participants the opportunity to donate to a worthy cause. This year, participants supported the American Red Cross by donating money and providing comfort kits. They also donated 2,000 meals through Feeding America. Jack Henry has continued to make its corporate aircraft available to "mercy passengers," passengers who are traveling for medical treatment, and to the Corporate Angel Network, supporting passengers who are traveling for cancer treatment.

As part of our community engagement with the next generation of talent, we have continued our involvement with the Missouri-based GO CAPS student program in Monett, Missouri. These Centers for Advanced Professional Studies programs are nationally recognized, innovative high school programs. Our associates work with these students to help them gain hands-on experience and explore careers in technology.

We also hosted a business boot camp by working with a group of students who were presented with a business problem for which they had to make recommendations. As part of this boot camp, Jack Henry associates mentored these students and offered suggestions and feedback on their business case. In April 2021, we participated in virtual mock interviews with the GO CAPS students, providing them with an opportunity to participate in a professional interview, gain insight, and receive feedback on how to improve. Involvement with the GO CAPS program has led to a steady stream of call center hires.

Jack Henry and our associates contribute monetary donations to several local and national philanthropic organizations. In accordance with our *Code of Conduct*, we choose to direct corporate donations to accredited 501(c)(3) organizations and have not directed donations toward political purposes.

# Commitment to the ENVIRONMENT

Pursuing environmentally friendly practices to support a strong future for us all

At Jack Henry, *doing the right thing* is embedded in our culture and it includes our responsibility to protect the environment. Since the publication of our inaugural [Sustainability Report](#), we have advanced our management of material environmental matters significantly.

## Environmental Risk Management Strategy

Through our *Environmental and Social Topics Materiality Survey*, Jack Henry identified environmental risk management strategy as a material Environmental, Social, Governance (ESG) topic. As we have matured our ESG practices, we have chosen to focus on climate risk management strategy and environmental compliance.

### CLIMATE RISK MANAGEMENT STRATEGY

We recognize that business risk resulting from climate change constitutes a key component of our risk management strategy due to increasing severe weather events along with market and regulatory changes that may prove disruptive to our business. Jack Henry engaged a third party to assess climate-related risks, including acute and chronic physical risks (e.g., floods, wildfires, extreme heat) and transition risks (e.g., greenhouse gas pricing and regulation, changing client expectations). This effort also seeks to identify and capitalize on climate-related opportunities like energy efficiency, operational cost savings, and business diversification activities.



08

## CLIMATE RISK ASSESSMENT AND MANAGEMENT PROCESS:

Conducting climate risk screening for physical and transition risks

Evaluating the relative sensitivity of climate-related risks for critical suppliers

Developing a materiality matrix to visualize climate-vulnerable hotspots

Completing a high-level financial screening for climate-related risks and opportunities

Preparing for future disclosure in alignment with the Task Force on Climate-related Financial Disclosures' guidance

We administered a survey to leadership with the goal of identifying and assessing our vulnerability to material climate-related risks. The survey deepened our understanding of how executive leadership perceives climate-related threats relative to other business risks and uncovered data to inform sensitivity screenings for our operations and supply chain. The risks associated with extreme weather events will likely influence the financial institutions we support as well.

Historically, Jack Henry has managed climate-related risks, including disaster recovery, in our risk hierarchy with regular reports provided to management, executive leadership, and the Board. This year, Jack Henry established a quarterly discussion of ESG matters with the Board, and functional managers also monitor and plan for climate-related risks through quarterly risk reviews. Our long-term strategy is to make decisions that build resiliency into our business operations so that we adapt and succeed when confronted with direct and indirect effects of climate change. Through this journey, we will take steps to refine our climate risk-management strategy and further align with leading frameworks, such as the Taskforce for Climate-related Financial Disclosure (TCFD). Review the Data Disclosure summary included in the [appendix](#) for more information on Jack Henry's climate-related risk management strategy.

## ENVIRONMENTAL COMPLIANCE

Jack Henry is committed to promoting a clean environment, and we understand that compliance in this area is the cornerstone of environmental sustainability. Building upon efforts completed in 2020, we engaged a third-party to assess our headquarters and our airport hangar in Monett, Missouri, for environmental, health, and safety compliance obligations. As a result, Jack Henry is working to:

- Address environmental compliance best practice opportunities
- Create legal registers for each location to help bolster our understanding of applicable environmental, health, and safety obligations
- Document applicable local, state, and federal environmental, health, and safety regulatory requirements
- Determine required actions and the required frequency of completing these actions

We used these assessments as learning opportunities to broadcast to our other facilities. Proactively reviewing our environmental, health, and safety compliance is best practice and demonstrates our commitment to ensuring that we are continuing to do the right thing.

At Jack Henry, we believe that our associates, vendors, and contractors all have a role to play in supporting the company's

sustainability efforts. In 2021, we published our [Environmental Policy](#) which outlines our commitment to environmental compliance and stewardship. We updated our [Vendor Code of Conduct](#) to include our expectations that vendors comply with our environmental policy and establish a management system that prioritizes health and safety and, ultimately, reduces risk.

## GHG Emissions Inventory

### SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS

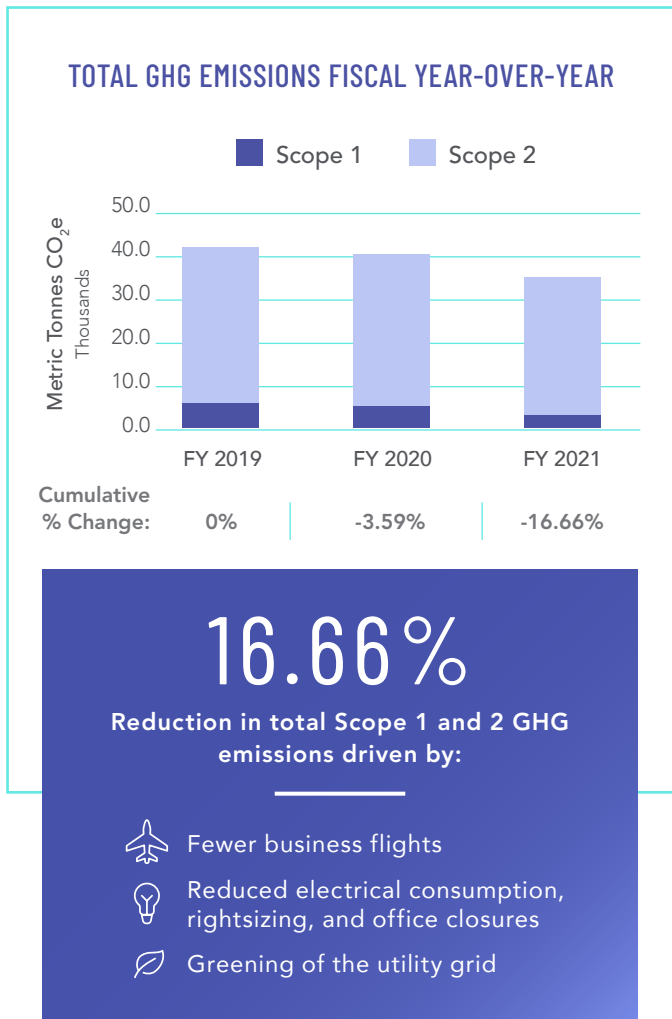
Jack Henry conducted a Scope 1 and 2 greenhouse gas (GHG) inventory for fiscal year 2021. The project was completed by a third-party consultant in accordance with the World Resources Institute's Greenhouse Gas Protocol. Jack Henry used our established GHG inventory management plan to ensure consistency in how we calculate GHG emissions from our operations. We prioritize data integrity and voluntarily completed an internal audit of our data used to calculate GHG emissions. This is considered best practice, and the audit resulted in minor adjustments to this data, which is reflected in the calculations disclosed in this report. Jack Henry seeks to monitor and assess our environmental impacts and has taken action to develop a low-carbon transition plan to strategically reduce our emissions.

Consistent with previous fiscal years, we gathered fiscal year 2021 data from our offices, data

centers, and our tracked business travel. Emissions were estimated from facilities that are part of lease agreements where Jack Henry does not pay invoices and are reported as metric tons of carbon dioxide (MTCO<sub>2</sub>e). The boundary of our inventory includes:

**Scope 1:** Direct GHG emissions that Jack Henry generates from fuel combustion at facilities and from company-owned aircraft and vehicles

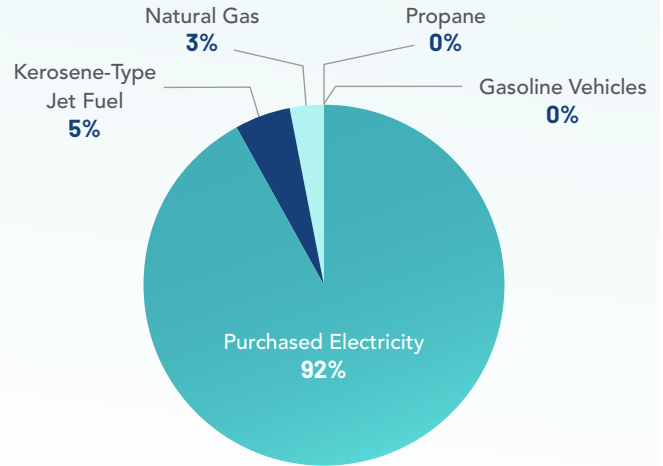
**Scope 2:** Indirect GHG emissions created by purchased electricity, heat, and steam



In fiscal year 2021, Jack Henry’s total Scope 1 and 2 GHG emissions were reduced by 13.55% below our fiscal year 2020 levels and 16.66% below fiscal year 2019 levels.

Purchased electricity continues to account for most of our Scope 1 and 2 GHG emissions at 92%. Data centers contribute approximately 53% of Jack Henry’s

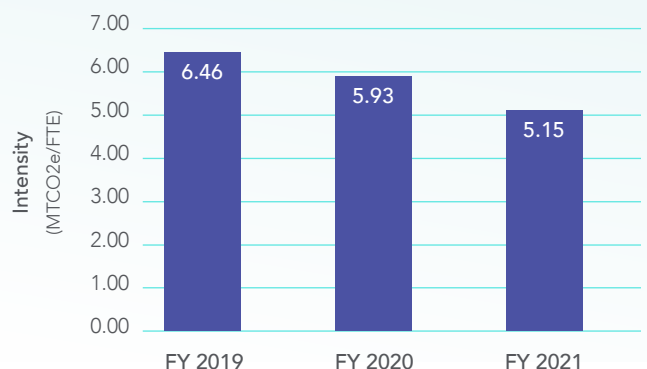
### TOTAL SCOPE 1 & 2 GHG EMISSIONS BY METRIC SUBCATEGORY



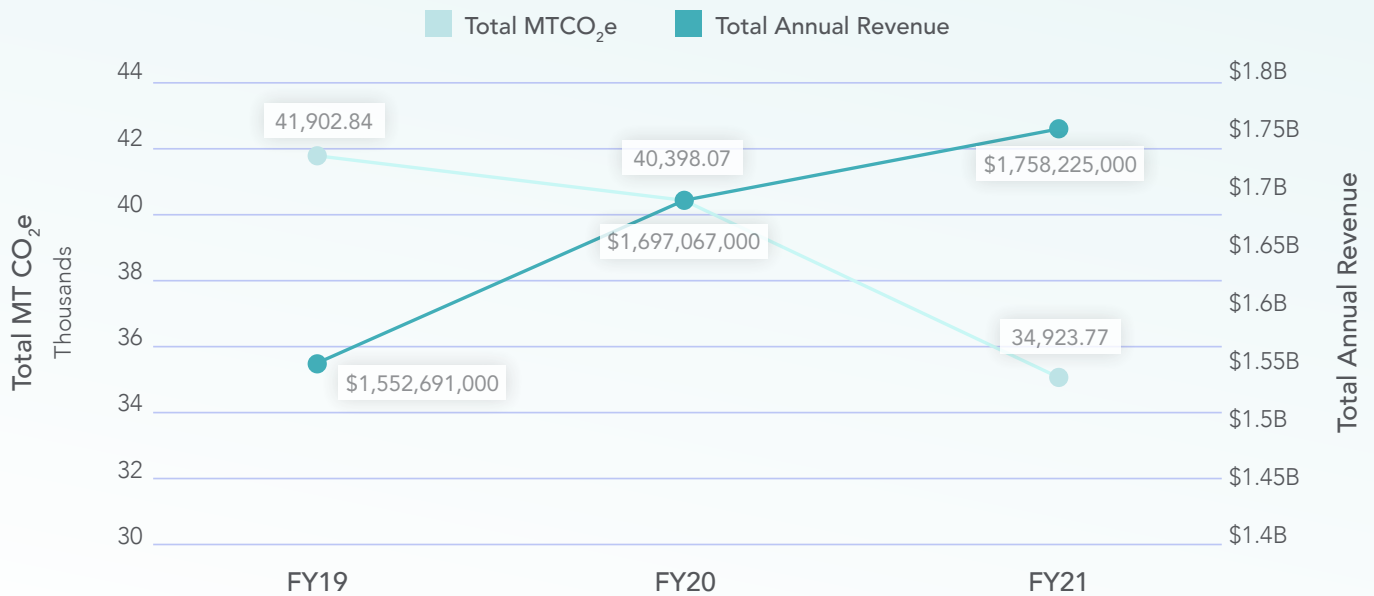
total emissions and all data centers have experienced emissions reductions due to grid greening. We anticipate further emissions reduction in data centers as the decarbonization of electricity grids continues.

An analysis of GHG emissions per full-time associate shows a steady emissions intensity reduction per associate from fiscal year 2019 to fiscal year 2021, while headcount growth has remained relatively flat. Over 95% of associates continue to work virtually due to COVID-19 and we have seized the opportunity to assess business needs and associates work environment preferences during this season. As a result of this analysis, we anticipate “right-sizing” our amount of office space and shrinking our Scope 1 and 2 GHG emissions further over time.

### TOTAL EMISSIONS PER FULL-TIME EMPLOYEE



## TOTAL SCOPE 1 &amp; 2 GHG EMISSIONS VS. TOTAL ANNUAL REVENUE



We are pleased to share that our revenue continues to increase while our GHG emissions steadily decrease.

### SCOPE 3 GHG EMISSIONS

We recognize that the impact of our operations is not limited to only Scope 1 and 2 GHG emissions. In fiscal year 2021, Jack Henry took a significant step forward in our environmental stewardship journey by voluntarily completing a Scope 3 GHG emissions screening. The Scope 3 screening allowed us to analyze where the largest amounts of GHG emissions occur within our supply chain, improve energy efficiency, identify potential cost reductions, and engage with suppliers on climate change issues. Furthermore, the Scope 3 screening results will be used to form our efforts to set an appropriate carbon reduction target and establish a low carbon transition plan.

Our screening revealed that purchased goods and services account for approximately 75% of our Scope 3 emissions. We signaled to vendors our ambition to reduce our supply chain carbon footprint by introducing environmental performance expectations, including GHG emissions transparency, to our [Vendor Code of Conduct](#).

### Data Center Environmental Considerations

Environmental considerations are a key component of our strategic and operational planning for our data centers. In our [2020 Sustainability Report](#), we discussed how our two primary data centers were designed with environmental sustainability and operational efficiency in mind. Operational efficiency is considered during every equipment upgrade, with the goal of improving our power usage effectiveness (PUE). Power draw and capacity density are key considerations for determining the strategic direction for storage and computer hardware. Increasing density allows business demands to be met with fewer physical pieces of hardware. Reducing power draw has a direct impact on the amount of equipment we can effectively run within a data center. The combination of these two factors allows us to provide more capacity and performance with the same, or less, power draw.



## Environmental Sustainability Initiatives

### GO GREEN BUSINESS INNOVATION GROUP (BIG)

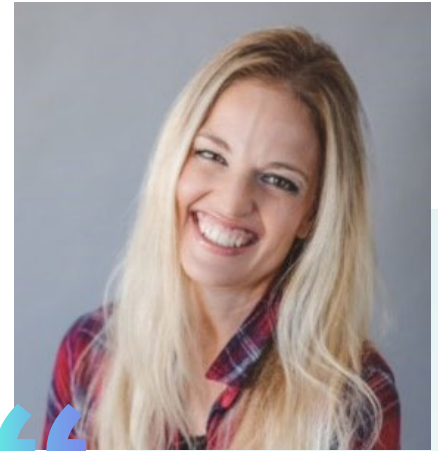
Our BIGs are company-sponsored, associate-led groups that provide a collaborative platform to exchange ideas and thoughts that help address business challenges. In 2021, Jack Henry launched our sixth BIG, Go Green, whose mission is to accelerate Jack Henry's progress with environmental stewardship efforts. Go Green seeks to identify environmentally friendly practices that honor Jack Henry's commitments to clients and associates, while taking a leading role in stewarding the natural resources we share with those in our communities.

An initial interest meeting for Go Green was held in January 2021. As the Go Green leadership team prepared for launch, they anchored to the idea of "dream big, start small, scale fast." In just over three months, on Earth Day, Go Green officially launched with over 200 founding members and a maple tree was planted to commemorate the milestone at the Monett, Missouri, campus. Membership has since grown by 50% and Go Green

boasts a highly active membership base. Go Green has adopted Maya Angelou's mantra to "do the best you can until you know better, then when you know better, do better," with a firm commitment to meet associates exactly where they are on their eco-journey without judgment.

The work of Go Green benefits both Jack Henry and the planet, and positively affects associates on a personal level as the boundary continues to blur between home and office. While corporate "environmental clubs" are worthwhile, Jack Henry's Go Green BIG has taken a leading posture in the corporate ESG sphere because this group is as tied to business innovation as it is to environmental stewardship. Go Green is closely aligned with Jack Henry's strategic environmental goals and creates a mechanism for associates to surface ideas and get involved.

Go Green hosted a well-attended, three-part educational series focused on "reduce," "reuse," and "recycle." Go Green and JHAnyWhere BIG members organized and implemented a community cleanup week challenge in September. Several other "challenges" took place throughout the year including a car-free day and low-lights lunch. Go Green developed an electricity reduction resource that highlights how associates can reduce their electricity usage at their workstations and in their home offices. To complement the resource, Go Green started a one-year project of inviting associates



The launch of Go Green Business Innovation Group has been an exciting portal into the ingenuity and collaboration woven into our associates. We have used our internal networks and contacts to start some powerful education and tangible changes for our colleagues. The support from corporate leadership has been immediate and abundant. We are looking forward to our next full year as an eco-innovation force."

#### KARI SOWERS

Senior Corporate Counsel and President of Go Green BIG



Do the best you can until you know better, then when you know better, do better."

MAYA ANGELOU



On Earth Day 2021, a maple tree was planted at our headquarters in Monett, Missouri, to commemorate the launch of our Go Green Business Innovation Group.

## GO GREEN'S STRATEGIC PROJECTS:

- > **Light Bulb Moment:** Corporate and personal reduction of electricity usage and "cleaner" energy use
- > **There and Back Again:** Corporate and personal transit upgrades
- > **Please Try This at Home:** Making the home environment greener and eco-friendlier
- > **Desk-onomics:** Optimizing space with the environment in mind
- > **Get the Word Out:** Evangelizing Go Green opportunities
- > **Green Beret:** Short-term environmental projects

to report electricity usage at home to measure the impact of reduction efforts over time. These opportunities are low effort and intended to inspire associates to adopt more eco-friendly habits.

### ENVIRONMENTAL STEWARDSHIP

Jack Henry selected an e-waste management vendor that follows the Responsible Recycling/Recycling Industry Operating Standards (R2/RIOS™), which represent the highest industry standards for worker health and safety, environmental protection, and data security. Consistent with our expectations that vendors keep sustainability at the forefront of their operations, our e-waste management vendor provides us with regular reporting on relevant sustainability metrics specific to our partnership.

We have continued progress on the environmental stewardship initiatives highlighted in our [2020 Sustainability Report](#) including LED light replacements, swapping end-of-life equipment for more energy-efficient upgrades, reducing single-use plastics, and recycling. This year, we added a "Go Green" section to our company store where associates can easily purchase environmentally friendly Jack Henry gear.

In addition to the opportunity to participate in strategic projects, Go Green members are invited to attend membership meetings. Membership meeting agendas are designed to support members in understanding Jack Henry's history and future trajectory for environmental efforts. For example, our Vice President of Travel, Brian Hunter, shared information about how his team identified a fuel conservation method involving single engine taxiing that has since been adopted by the aircraft manufacturer, who made this available to all operators as a standard operating procedure.

Our travel team has intentionally engaged our Go Green BIG to increase collaboration with – and apply ideas from – our associates who are invested in improving our environmentally friendly travel practices. We talked extensively about the environmentally friendly practices our travel team employs in our [2020 Sustainability Report](#).

Jack Henry is monitoring developments around sustainable aviation fuel (SAF) for future use in our corporate aircraft. SAF is widely viewed as a critical resource to reducing GHG emissions but there is not currently enough SAF produced for general availability. At the 2021 National Business Aviation Association Sustainability Conference, the National Air Transportation Association's President and CEO,

*Jack Henry associate and pilot, Joshua Owen.*

Timothy Obitts, noted efforts to expand annual United States production of SAF from less than two million gallons currently, to three billion gallons by 2030, and then to meet 100% of business aviation's turbine fuel needs by 2050. As the marketplace for SAF becomes more competitively mature, we plan to seize opportunities to transition to using SAF to further drive down our emissions intensity for our aircraft.



## SUSTAINABLE AIRCRAFT AND OPERATIONS PRACTICES INCLUDE:

### > FUEL-EFFICIENCY

Our owned aircraft are extremely fuel-efficient jets, burning up to 19% less fuel per flight hour than their closest competitors, while also providing the largest cabin in their category with room for up to nine passengers.

### > CONSTRUCTION

The aircraft make use of lightweight composites in their construction and advanced avionics that allow for greater payload carrying capacity, increased range, and improved runway performance. This allows the aircraft to fly at higher altitudes, providing more efficient and safe routing, and greater access to remote locations not served by commercial travel.

### > TRAINING

Crew members are trained from day one to prioritize fuel management and fuel optimization. As a result, Jack Henry consistently experiences lower fuel burns than manufacturer performance specifications.

### > OPERATIONAL TECHNIQUES

Our pilots exercise operational techniques such as single-engine taxiing and use of electric power when on the ground. Where possible, we perform noise abatement procedures to not only reduce noise exposure to airport tenants and surrounding communities, but also to reduce fuel use and CO<sub>2</sub> output.

### > FLIGHT PROFILES

We developed unique climb and descent profiles that maximize the performance capabilities of the aircraft and reduce overall time spent in lower- and mid-altitudes where fuel burns are highest.

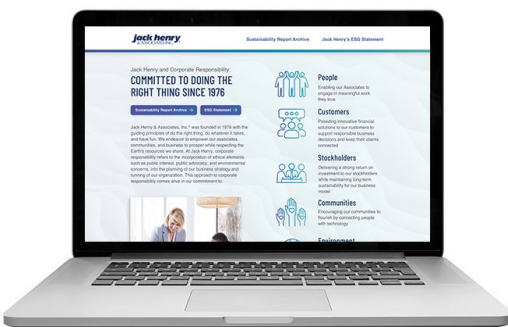
### > PLANNING

Jack Henry pilots spend considerable time carefully planning flight routing and fuel strategies that limit the overall duration of trips and optimize the flight schedule to the benefit of travelers and the company.

## CLOSING REMARKS

Through our collective corporate responsibility efforts, we seek to maximize shareholder value while pursuing positive social and environmental outcomes, and good governance practices. With the business case for environmental, social, and governance (ESG) matters firmly established and our first [Sustainability Report](#) published, Jack Henry is well-positioned to mature our ESG efforts. We seek to appropriately address the growing expectations from our stakeholders for increased transparency and demonstrated progress.

For more information, please visit us at [jackhenry.com](http://jackhenry.com). If you have questions or comments, please [contact us](#).



### CORPORATE RESPONSIBILITY WEBSITE

Visit Jack Henry's corporate responsibility website to view our *ESG Statement*, related policies, and sustainability reports.

➤ [discover.jackhenry.com/corporate-responsibility](http://discover.jackhenry.com/corporate-responsibility)

JACK HENRY'S CONTINUED FOCUS ON CORPORATE RESPONSIBILITY IS CRUCIAL TO OUR ABILITY TO DELIVER LONG-TERM VALUE TO OUR SHAREHOLDERS."

**CRAIG MORGAN**

*General Counsel and Secretary*

## APPENDIX

## Sustainability Accounting Standards Board (SASB) Disclosures

## ENVIRONMENTAL FOOTPRINT OF HARDWARE INFRASTRUCTURE

Accounting Metric	SASB Code	Response
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-SI-130a.1.	(1) 251,665.81 GJ (2) 82% (3) While all our electricity is purchased from the grid, we are in the process of evaluating locations for renewable power purchase agreements and green power products.
(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	TC-SI-130a.2.	(1) Total water withdrawn data is not available. (2) Consumption data not available; however, since we do not produce products, we expect this to be minimal. Based on the World Resources Institute's Water Risk Atlas Tool, Aqueduct, we understand that 13.7% of our sites are in regions experiencing high or extremely high baseline water stress.
Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-SI-130a.3.	Environmental considerations are a vital component of our strategic and operational planning for our data centers. In 2020, we voluntarily engaged an external consultant to assess our primary data centers in Allen, Texas, and Branson, Missouri, for environmental compliance. Operational efficiency is considered during every equipment upgrade, with the goal of improving our Power Usage Effectiveness (PUE). As part of our commitment to improve performance and efficiency of our operations, we initiated a multi-year data consolidation plan. Since initiating this plan, we have shut down eight computer rooms located in office buildings, which has reduced our energy consumption and operating expenses at those locations.

## DATA PRIVACY &amp; FREEDOM OF EXPRESSION

Accounting Metric	SASB Code	Response
Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1.	Jack Henry complies with statutory and regulatory obligations for information requests and public disclosures of data privacy and security. Our internal data regarding privacy and security is confidential. See the <a href="#">Commitment to Clients</a> section for more information on how we handle privacy and security.
Number of users whose information is used for secondary purposes	TC-SI-220a.2.	Jack Henry complies with statutory and regulatory obligations for information requests and public disclosures of data privacy and security. Our internal data regarding privacy and security is confidential. See the <a href="#">Commitment to Clients</a> section for more information on how we handle privacy and security.
Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3.	Jack Henry complies with statutory and regulatory obligations for information requests and public disclosures of data privacy and security. Our internal data regarding privacy and security is confidential. See statement on data security for more information on how we handle privacy and security.
(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	TC-SI-220a.4.	Jack Henry complies with statutory and regulatory obligations for information requests and public disclosures of data privacy and security. Our internal data regarding privacy and security is confidential. See statement on data security for more information on how we handle privacy and security.
List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	TC-SI-220a.5.	Jack Henry solutions and services are developed for and deployed in the United States of America. Most of these solutions and services face the end user financial institution through a dedicated virtual private network, and as such, would not be subject to any monitoring, blocking, content filtering, or censoring. Regarding those solutions which are directed toward and are visible to customers and members of financial institutions, the information collected and displayed is not of a nature that is generally subject to monitoring, blocking, content filtering, or censoring, regardless of where they may be viewed or accessed.

## DATA SECURITY

Accounting Metric	SASB Code	Response
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	TC-SI-230a.1.	<p>Jack Henry complies with statutory and regulatory obligations for information requests and public disclosures of data privacy and security. Our internal data regarding privacy and security is confidential. See the <a href="#">Commitment to Clients</a> section for more information on how we handle privacy and security.</p>
Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2.	<p>Jack Henry has an established information and cybersecurity program that incorporates industry standard frameworks and policies, procedures, and practices designed to protect the confidentiality and privacy of Jack Henry and client information. The main components of this program include:</p> <ul style="list-style-type: none"> <li>• A multi-layer, defense-in-depth approach to security</li> <li>• A systematic, strategic approach to secure system design and development</li> <li>• Comprehensive cybersecurity threat and vulnerability analysis and management</li> <li>• Cybersecurity monitoring with well-defined and rehearsed incident response policies</li> <li>• Information security governance and oversight designed to support the reduction of security risk and cost, satisfy security and privacy legal and regulatory requirements, and increase resource efficiency</li> <li>• A robust annual security awareness and training program for all associates</li> <li>• Additional in-depth training offered to “high-risk” associates and executives who are more likely to be targeted in cyberattacks</li> </ul> <p>In support of this information and cybersecurity program, Jack Henry systems and services undergo regular reviews performed by the same regulatory agencies that review financial institutions, including:</p> <ul style="list-style-type: none"> <li>• Consumer Financial Protection Bureau</li> <li>• Federal Reserve Board</li> <li>• Federal Deposit Insurance Corporation</li> <li>• National Credit Union Association</li> <li>• Office of the Comptroller of the Currency</li> </ul> <p>Additional external reviews assess and identify security gaps or flaws in controls and monitor the effectiveness of our security program. Critical services provided to our clients are subject to annual reviews by independent auditors for System and Organization Controls 2 (SOC2) for Service Organizations. These SOC2 reports are made available via the <i>For Clients</i> portal for all clients.</p> <p>We hold an information security risk insurance policy.</p> <p>Leadership briefs the Risk and Compliance Board committee monthly, and the full Board quarterly on information security matters.</p>

## RECRUITING & MANAGING A GLOBAL, DIVERSE & SKILLED WORKFORCE

Accounting Metric	SASB Code	Response
Percentage of employees that are (1) foreign nationals and (2) located offshore	TC-SI-330a.1.	(1) 2% of Jack Henry associates are foreign nationals. (2) .04% of Jack Henry associates are located offshore.
Employee engagement as a percentage	TC-SI-330a.2.	Our 2021 average engagement index score calculation was 83% and was provided by our third-party administrator. Jack Henry's average engagement score is above the benchmark of <i>like organizations</i> as defined by the third party. Effective July 1, 2021, Jack Henry initiated a continuous listening strategy with a new third party. This method uses continuous employee surveys versus a singular point-in-time survey to measure engagement.
Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-SI-330a.3.	46.3% of Jack Henry associates identify their gender as female and 53.7% identify their gender as male. 19.2% of Jack Henry associates identify as non-white and 79.9% identify as white. 0.9% elected not to disclose their ethnic identity. Three Jack Henry Board members identify as female and two identify as a member of an underrepresented racial or ethnic group. We are working toward achieving consistency in how role types are defined for further breakout of this data. Jack Henry will continue to monitor guidance from the SEC to understand their reporting expectations and make progress in aligning with those expectations moving forward.

## INTELLECTUAL PROPERTY PROTECTION & COMPETITIVE BEHAVIOR

Accounting Metric	SASB Code	Response
Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TC-SI-520a.1.	Jack Henry is committed to ensuring that our values align with the highest level of ethical business practices. Our associates have all received enhanced training regarding appropriate business conduct and anticompetitive behavior. Jack Henry complies with regulatory obligations of public disclosure of certain legal proceedings. We decline to disclose further information on legal proceedings outside of these required disclosures.



## MANAGING SYSTEMIC RISKS FROM TECHNOLOGY DISRUPTIONS

Accounting Metric	SASB Code	Response
Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	TC-SI-550a.1.	Jack Henry understands that any failure to deliver reliable, effective, and secure services to our clients and partners exposes us to significant business risks including additional development and remediation costs, potential loss of clients, negative publicity, and potential liability claims. Given the sensitive nature of the data we handle on behalf of our clients, Jack Henry cannot disclose the details of our business continuity and disaster recovery plans.
Description of business continuity risks related to disruptions of operations	TC-SI-550a.2.	<p>Jack Henry maintains a corporate commitment to deliver reliable services to our clients. We understand our financial institutions expect continuous availability for critical applications. We focus on identifying and mitigating the technological and environmental risks that may interfere with our ability to deliver services to our clients. The Enterprise Continuity Program, which includes business continuity and disaster recovery planning, provides well-defined policies and procedures to facilitate business and disaster recovery. Incident response and crisis management plans have been designed to prepare for, detect, respond to, and recover from cyber and physical threats at Jack Henry in a timely and coordinated fashion.</p> <p>For more information, please see our <a href="#">10-K and proxy statement</a>.</p>

Activity Metric	Response
(1) Number of licenses or subscriptions, (2) percentage cloud-based	Jack Henry understands that any failure to deliver reliable, effective, and secure services to our clients and partners exposes us to significant business risks including additional development and remediation costs, potential loss of clients, negative publicity, and potential liability claims. Given the sensitive nature of the data we handle on behalf of our clients, Jack Henry contractually cannot disclose the number of licenses, subscriptions, or our hosting arrangements for data we control and maintain.
(1) Data processing capacity, (2) percentage outsourced	Jack Henry understands that any failure to deliver reliable, effective, and secure services to our clients and partners exposes us to significant business risks including additional development and remediation costs, potential loss of clients, negative publicity, and potential liability claims. Given the sensitive nature of the data we handle on behalf of our clients, Jack Henry cannot contractually disclose the processing capacity and any outsourcing arrangement data we are contracted to control and/or maintain.
(1) Amount of data storage, (2) percentage outsourced	Jack Henry understands that any failure to deliver reliable, effective, and secure services to our clients and partners exposes us to significant business risks including additional development and remediation costs, potential loss of clients, negative publicity, and potential liability claims. Given the sensitive nature of the data we handle on behalf of our clients, Jack Henry cannot contractually disclose our server capacity and any outsourcing arrangement for data we control and/or maintain.

## Task Force on Climate-related Financial Disclosures (TCFD)

Jack Henry and Associates, Inc. (Jack Henry) is committed to pursuing environmentally friendly practices for a low-carbon and sustainable future. We have prepared this report to disclose our actions around climate governance, strategy, risk management, and metrics and targets in-line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This is our first TCFD-aligned report, and we plan to update it in the future as new information becomes available.

### GOVERNANCE

**Disclose the organization's governance around climate-related risks and opportunities.**

**a) Describe the Board's oversight of climate-related risks and opportunities.**

As part of its responsibilities, our Board oversees the assessment of our major business risks and opportunities and the measures we take to mitigate and address such risks and opportunities. The Board has oversight of all Environmental, Social, and Governance (ESG) topics, including climate-related risks and opportunities.

**b) Describe management's role in assessing and managing climate-related risks and opportunities.**

The members of the Board, as well as the executive officers and all other employees, contractors, vendors, and business partners of Jack Henry are subject to and responsible for compliance with the Jack Henry [Code of Conduct](#). The *Code of Conduct* contains policies and practices for the ethical and lawful conduct of our business, as well as procedures for confidential investigation of complaints and discipline of wrongdoers. It is Jack Henry's policy to comply with all applicable laws, including – without limitation – employment, discrimination, health, safety, securities, and environmental laws.

We seek to ensure oversight and correction of our operations by using grievance mechanisms, tracking incidents and corrective action, carrying out remedial action processes regularly, and enforcing our Affirmative Action Plan. Jack Henry has posted several of our significant corporate governance documents on our website (e.g., [Corporate Governance Guidelines](#), the [Code of Conduct](#), the [Governance Committee Charter](#), and the [Risk and Compliance Committee Charter](#)). Other investor relations materials are also posted, including SEC reports, financial statements, and news releases.

Finally, response to extreme weather events and other natural disasters falls on Jack Henry's Enterprise Risk Management and Business Resiliency teams. Jack Henry's response to extreme weather events and other natural disasters is guided by an Incident Response Plan that has been designed to minimize the impact of these events on operations. Jack Henry's Enterprise Risk Management and Incident Management team is responsible for the implementation and execution of these plans, as needed, during an event.

### STRATEGY

**Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.**

**a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.**

Our Board performs risk oversight primarily through the Risk and Compliance, Audit, and Compensation committees as outlined in our Corporate Governance Guidelines. The Board assesses major risks facing Jack Henry and reviews options for their mitigation. The Audit and Compensation committees deliver periodic reports regarding their risk assessments to the Risk and Compliance committee, and the Risk and Compliance committee reports the consolidated risk assessments to the Board.








In 2021, Jack Henry and Associates conducted a physical and transition risk assessment for our facilities and employees in coordination with a third-party consultant. Jack Henry screened 51 facility locations and geographic locations with significant clusters of associates working remotely totaling 1,362 individuals.

Jack Henry has identified several climate-related opportunities, detailed below. Further, Jack Henry's Low Carbon Transition Plan will chart an achievable course for GHG reduction efforts.

Risk Type	Risk Mitigation Achievements
Physical	<ul style="list-style-type: none"> <li>• Critical facility redundancy: If one facility's operations are disrupted, critical functions can be distributed to several other facilities.</li> <li>• Backup power generation at all critical facilities.</li> <li>• Facilities in areas at risk to tornadoes fortified to withstand F5 tornado impacts.</li> </ul>
Transition	<ul style="list-style-type: none"> <li>• Low carbon transition plan underway to identify goals and targets for GHG reduction.</li> <li>• No exposure to carbon-related credit risk.</li> </ul>

Given that our operations are entirely located within the United States, Jack Henry relied on the [FEMA National Risk Index for Natural Hazards](#) to conduct the physical risk screening. For transition risks, Jack Henry identified states or cities with local net-zero Greenhouse Gas (GHG) commitments or 100% renewable energy commitments.

Jack Henry's facilities are resilient, and our operations prepared for both chronic and acute physical risks. A summary of Jack Henry's short-term exposure to physical risks is below, expressed in terms of the percentage of locations exposed to each risk:

Potential Risks	Locations Exposed
 Wildfires	0%
 Drought/Water Stress	0%
 Coastal Floods and Hurricanes	6%
 Cold Waves	6%
 Riverine and Inland Flooding	9%
 Heat Waves	20%
 Tornadoes	50%

In the short term (0-2 years), Jack Henry found that our most substantial climate-related business risks are acute physical risks, including tornadoes, heat waves, riverine and inland floods, and hurricanes. These acute physical risks, if left unmitigated, have the potential to take Jack Henry facilities and data centers offline. However, as described in the "managing climate risks" section, Jack Henry has made significant investments in facility resiliency and redundancy to mitigate these risks across our assets.

In the medium term (2-10 years), the expectation is that acute physical risk exposure at our facilities will intensify as climate change occurs. Jack Henry will need to develop specific mitigation measures for our most critical facilities so that we are prepared for these events. Our facilities are not as exposed to chronic physical risks given their locations primarily away from coasts, and we believe that we have sufficient geographic distribution of critical employees and functions to mitigate chronic physical risk exposure in the medium term.

In the long term (more than 10 years), Jack Henry may be exposed to increasing transition risks that come along with aggressive and rapid decarbonization efforts. We are conducting an analysis of our GHG data to determine appropriate carbon reduction targets and develop a plan to achieve those targets.

Like every business, Jack Henry will face increasing challenges from climate-related risks in the coming years and decades. However, we have made consistent and significant investments in resiliency to ensure continuity of operations. Further, our greenhouse gas strategy will be rooted in the need to mitigate transition risks and lead on carbon reduction efforts.

**b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.**

As part of Jack Henry's ESG approach, we previously identified four material ESG topics related to the environment through a materiality survey: 1) GHG emissions; 2) environmental risk management/strategy development; 3) environmental compliance and occupational health and safety; 4) data center environmental considerations. In 2021, we initiated a third-party led climate-related risk and opportunity assessment that will be used to inform future strategy and financial planning.

Jack Henry believes that our strength in mitigating physical risks to our operations and customer experience represents a significant climate-related opportunity and will make us the vendor of choice in the financial services technology field given our strong track record of maintaining operational continuity. As extreme weather events increase and chronic physical risks render it harder to conduct business, Jack Henry will continue to place strong focus on facility resiliency and continuity of service.

Jack Henry has identified climate-related physical and transition risks that could lead to impacts on our business if left unmitigated. We have taken significant action to mitigate climate-related risks because we understand the potential impacts. For example, acute physical climate risks that damage our infrastructure could lead to revenue loss as well as business recovery and reputational costs for our services. Should extreme weather events like hurricanes damage our data centers, our operations in exposed regions could be disrupted and forced to temporarily shut down, leading to impairment in services to clients. If we were to experience frequent service disruptions, clients might elect to choose other service providers, which impacts our long-time reputation, client relationships, and revenue. We are confident that our ongoing investments in physical risk reduction and characterization of greenhouse gas emissions will be successful in mitigating most of these impacts in the short and medium term, and we will continue to invest in facility resiliency and greenhouse gas reduction to mitigate long-term risk. Transition risks related to climate regulations could result in additional compliance costs for our business.

In addition to the geographic risk screening, Jack Henry conducted a qualitative assessment of three climate scenarios:

1. Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 2.6: in this scenario, countries and organizations deliver on ambitious emissions reduction commitments to keep global warming well below 2 degrees Celsius by 2100. Jack Henry is preparing for this scenario as we complete a Low Carbon Transition Plan that will link to robust goals for emissions reductions. However, the physical risks that Jack Henry faces today will continue to increase even under the most ambitious IPCC scenario.
2. IPCC RCP 4.5: in this scenario, a transition to a lower-carbon economy is delayed and global warming is limited to between 2 and 3 degrees Celsius by 2100. Jack Henry's Low Carbon Transition Plan and resulting emissions reduction goals will still be necessary to align with this scenario. In this scenario, physical risks significantly increase over time,

with the severity and frequency of impacts increasing. Jack Henry may be well positioned given our past investments in resiliency.

3. IPCC RCP 8.5: in this scenario, a “hot house world” is realized as countries and organizations continue the status quo; emission reduction targets are not realized, and global warming reaches 4-5 degrees Celsius by 2100. This level of warming will have catastrophic consequences for sea level rise, agricultural productivity, water availability, wildfires, and flooding. In this scenario, it is possible that Jack Henry may need to divest the riskiest assets that sustain repeated damage. Any emissions reduction efforts may result in higher costs for the business without the risk reduction benefits realized from collective action. In this scenario, the physical risk consequences may play out well beyond Jack Henry’s long-term business planning horizon.

## MANAGING CLIMATE CHANGE RISK

***Disclose how the organization identifies, assesses, and manages climate-related risks.***

### **a) Describe the organization’s processes for identifying and assessing climate-related risks.**

Our Risk and Compliance Committee oversees all other enterprise risks attendant to business operations, including but not limited to, risks associated with laws and regulations, disaster recovery, and data security.

Jack Henry initiated a comprehensive assessment of climate-related risks and opportunities in 2021, as described in the sections above. The geographic screening effort was coupled with an assessment of facility criticality and past damages to understand which risks will require active management in the future. Through this process, Jack Henry leadership identified important risks for active management, which include tornadoes, heat waves, riverine and inland floods, and hurricanes.

### **b) Describe the organization’s processes for managing climate-related risks.**

Jack Henry has taken a proactive, comprehensive approach to managing acute physical risks to avoid client interruptions. All our critical facilities have built-in system redundancy so that if one facility is impacted, we do not lose the ability to serve our clients. Further, all our critical systems are served by backup power generation systems, and we have incorporated multiple layers of flood, earthquake, and tornado protection into our most critical facilities. Our most critical data centers have been designed to withstand an F5 tornado impact. For transition risks, our Low Carbon Transition Plan will help us develop financial and facility-specific plans to meet organizational GHG reduction goals.

Jack Henry is implementing a multi-year strategy to further manage climate-related risks. The strategy includes:

- Annual inventories of Scope 1 and 2 emissions and periodic Scope 3 emissions screenings
- Development of GHG targets after the completion of our Low Carbon Transition Plan
- Periodic screening of physical climate risks for all our facilities
- Implementing resiliency measures across all our facilities, such as:
  - » Making critical facilities more resilient and ensuring adequate backup power generation
  - » Ensuring redundancy so that interruptions at one facility do not impact the ability to serve our clients

### **c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.**

In the long term, Jack Henry is incorporating resiliency into our business operations so that we adapt and succeed when confronted with the direct and indirect effects of climate change. This includes managing costs associated with transition risks. It also includes accounting for physical and infrastructure risks associated with climate change and addressing these in facility and company-wide emergency response plans.

## METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

### a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Jack Henry collects and reports the following metrics for Jack Henry Offices and Data Centers:

Indicator	2021 KPI
GHG Emissions	Scope 1 and 2 emissions
Transition + Physical Risks	Characterized in Strategy section
Climate-Related Opportunities/Risk Mitigation Activities	<ul style="list-style-type: none"> <li>• Best in class facility resiliency and redundancy measures</li> <li>• Investments in Renewable Energy</li> <li>• Energy efficiency opportunities</li> </ul>

### b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

As part of our journey to lessen the environmental impact of our operations, our next step is to evaluate where operational and business travel efficiencies can be prioritized and implemented. While we do not have all the answers, we will set realistic and achievable GHG reduction goals aligned with our business strategy.

Metric	FY2019	FY2020	FY2021
Scope 1 GHG Emissions (MTCO <sub>2</sub> e)	5,803.57	4,836.37	2,941.21
Scope 2 GHG Emissions (MTCO <sub>2</sub> e)	36,099.27	35,561.70	31,982.56
<b>TOTAL</b>	<b>41,902.84</b>	<b>40,084.59</b>	<b>34,923.77</b>
Natural Gas (%)	2.0%	2.0%	2.6%
Propane (%)	0.1%	0.1%	0.1%
Gasoline (%)	0.6%	0.4%	0.3%
Aviation Fuel (%)	11.0%	9.4%	5.4%
Purchased Electricity (%)	86.1%	88.0%	91.6%

#### FY2019 Scope 3 Emissions: 159,906 MTCO<sub>2</sub>e

Note: Scope 3 emissions were estimated by using the Scope 3 Evaluator tool developed by WRI and Quantis.

### c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Jack Henry is in the process of setting appropriate carbon reduction targets and developing a low carbon transition plan.



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## FORWARD-LOOKING STATEMENTS

Certain statements made in this report, other than purely historical information, including estimates, projections, statements relating to our business plans, ESG initiatives and ESG metrics as a result of such initiatives, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements." Forward-looking statements generally are identified by the words "believe," "project," "expect," "seek," "anticipate," "estimate," "future," "intend," "plan," "strategy," "predict," "likely," "should," "will," "would," "could," "can," "may," and similar expressions. Forward-looking statements are based only on management's current beliefs, expectations, and assumptions regarding the future of the Company, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, those discussed in our most recent Annual Report on Form 10-K and Quarter Report on Form 10-Q, and those discussed in other documents we file with the Securities and Exchange Commission. Any forward-looking statement made in this report speaks only as of the date of the report, and the Company expressly disclaims any obligation to publicly update or revise any forward-looking statement, whether because of new information, future events, or otherwise.

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