2023

Jack Henry™ Task Force on Climate-Related Financial Disclosures Index

About This Index

Jack Henry and Associates, Inc.® (Jack Henry™) is committed to pursuing environmentally friendly practices in support of a low-carbon and sustainable future. We have prepared this index 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 index builds upon our first TCFD-aligned sustainability report, and we will continue to update it as new information becomes available.

Governance

As part of its responsibilities, our Board oversees the assessment of our high-priority 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 corporate governance (ESG) topics, including climate-related risks and opportunities.

Board Oversight

Our Board performs risk oversight primarily through the Board committees as outlined in our Corporate Governance Guidelines. The Board assesses high-priority risks facing Jack Henry and reviews options for their mitigation. The Audit and Human Capital & 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. Board charters are housed on our investor relations website.

Management's Role

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.

The Office of Corporate Sustainability partners with various departments such as Risk, Facilities, Travel, Finance, and other relevant internal stakeholders to assess and manage climate-related risks and opportunities. The head of corporate sustainability reports to Jack Henry's general counsel and secretary and provides periodic updates to the Board and its committees.

We seek to ensure oversight and corrective action across our operations by using grievance mechanisms, tracking incidents, and taking corrective action. We regularly conduct remedial action processes and enforce our Affirmative Action Plan. Jack Henry has an anonymous reporting tool available to all associates, contractors, vendors, and the public. 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). We also post other investor relations materials, including Securities and Exchange Commission (SEC) reports, financial statements, and news releases.

Finally, our response to extreme weather events and other natural disasters is coordinated by Jack Henry's Enterprise Resilience Office. 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 our people and our operations. Jack Henry's Enterprise Resilience Office is responsible for the implementation of these plans, as needed, during an event.

Strategy

Jack Henry understands the implications of climate change and how it can affect the financial technology industry. Jack Henry believes first and foremost in mitigating Greenhouse Gas (GHG) emissions to avert the worst long-term consequences of climate change. We strive to be a force for good to our associates, clients, and the communities that we serve. Jack Henry's Low Carbon Transition Plan includes strategies that may be leveraged to achieve GHG emissions reduction targets. Jack Henry identified several climate-related opportunities and risks, detailed below. The tables outline Jack Henry's climate-related risks and opportunities and the effects on the business over the short- (0-2 years), medium- (2-10 years), and long-term. TCFD identifies two types of risks: physical and transition risks. Physical risks are risks that result from extreme weather events or long-term shifts in climate. Transition risks are the potential consequences to businesses resulting from a transition to a low-carbon economy.

Physical Risks

In calendar year 2021, Jack Henry conducted a physical and transition risk assessment for our facilities and associates in coordination with a third-party consultant. Using our fiscal year 2020 real estate portfolio, Jack Henry screened 51 facility locations and geographic locations with significant clusters of associates working remotely, totaling 1,362 individuals.

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 our physical risk screening. The inherent designs of Jack Henry's facilities are resilient to extreme weather impacts, and our operations are prepared for both chronic and acute physical risks. We conducted the assessment to identify specific risk exposure across a variety of hazards. 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 and states containing offices that would be exposed to each risk[1]:

	Potential Risks	Locations Exposed	States Exposed
	Wildfires	0%	
	Drought/Water Stress	0%	
	Coastal Floods and Hurricanes	6%	New Jersey, Texas, Florida
	Cold Waves	6%	South Dakota, North Carolina, Florida
	Riverine and Inland Flooding	10%	California, Texas, Missouri
	Heat Waves	20%	Missouri, Kansas
	Tornadoes	51%	Illinois, Texas, Missouri, Oklahoma, Kentucky, Alabama, Tennessee, Indiana, Kansas, South Dakota, Nebraska, Iowa, Florida

1. Jack Henry's physical risk assessment uses our FY20 real estate portfolio. This analysis will be updated in future reporting.

The following table outlines physical risks to Jack Henry and the impact these risks can have on the business. 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 low carbon transition plan will be rooted in the need to mitigate transition risks and prioritize carbon reduction efforts.

Physical Risks			
Acute Physical Risk			
Description	Time Frame	Impact to Jack Henry (no mitigation)	Jack Henry's Plan for Mitigation
Extreme and severe weather events will impact Jack Henry's assets.	Short-term to medium-term	In the short term, 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. In the medium term, the expectation is that acute physical risk exposure at our facilities will intensify as climate change continues. 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. Acute physical climate risks that damage our infrastructure could lead to revenue loss as well as business recovery and reputational costs for our services.	Investments in facility resiliency and redundance to mitigate risks across our assets. Critical facility redundancy: If one facility's operations are disrupted, critical functions can be distributed to several other facilities. Our data center facilities in Texas and Missouri, which are in areas that are at risk for tornadoes, are: • Prepared with backup generation in case of loss of power, though are subject to other potential utility outages from weather events, including loss of internet access • Equipped with environmental controls that are tested annually by a third-party auditor 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 Resilience Office is responsible for the implementation and completion of these plans, as needed, during an event.

Transition Risks

In our [2022 Sustainability Report](), Jack Henry identified transition risks that we are exposed to at our facilities. The table below provides a summary of identified risks and how Jack Henry has planned to mitigate those risks.

Transition Risks			
Policy, Legal, and Market Risks			
Description	**Time Frame**	**Impact to Jack Henry (no mitigation)**	**Jack Henry's Plan for Mitigation**
Current and new climate policies	Short-term to medium-term	Regulations such as the Securities and Exchange Commission's (SEC's) Proposed Rule to Enhance and Standardize Climate-Related Disclosures, state or local carbon pricing regulations, increasing fuel costs, and evolving energy policy will affect Jack Henry. Our Scope 1 emissions are primarily from our corporate aircraft, so increased regulatory requirements on fossil fuel producers could make purchasing aviation fuel more expensive. Policies surrounding the development of sustainable aviation fuel (SAF) have emerged; however, SAF remains scarce and high in cost. Changes in policies surrounding SAF will shift the supply and demand for SAF. Jack Henry anticipates increased administrative costs associated with the disclosures that may be required as part of the SEC's Proposed Climate Disclosure.	Jack Henry continues to monitor and proactively prepare for emerging policies and regulations related to climate change. Jack Henry continues to optimize the use of the company's aircraft, and flight operation is actively monitored. Jack Henry also monitors the regulations supporting SAF and will pursue opportunities when SAF becomes readily available. Jack Henry has developed an SEC Climate Disclosure preparedness task force internally to analyze gaps and opportunities for Jack Henry to be ready for the disclosure requirements if and when they become final. Jack Henry acknowledges that current and new regulations as well as non-regulatory market factors impact how climate change will affect businesses. Jack Henry is committed to mitigating emissions and transitioning to a low-carbon future. Jack Henry has submitted a commitment letter to the Science Based Targets initiative (SBTi) and is pursuing validation for near-term GHG emissions reduction targets. See the *Metrics and Targets* section for more information. To reduce our emissions, Jack Henry is analyzing opportunities such as procuring renewable energy and carbon offsets to reduce risks from potential future carbon pricing initiatives. Jack Henry is also evaluating converting our vehicle fleet to electric vehicles.

Transition Risks			
Reputational Risks			
Description	**Time Frame**	**Impact to Jack Henry (no mitigation)**	**Jack Henry's Plan for Mitigation**
Perception of the company's actions toward climate change from stakeholders	Short-term	If clients perceive Jack Henry as not being environmentally responsible, this could cause clients to switch to competitors.	Jack Henry intends to adopt practices to mitigate the impacts of climate change on business operations, including setting emissions targets. Jack Henry supports associates who wish to participate in sustainability-related practices. Jack Henry currently has a Business Innovation Group, Go Green, whose mission it is to accelerate Jack Henry's environmental stewardship initiatives. Go Green has sponsored fundraisers supporting the National Forest Foundation and continues to explore other climate partnerships.

Climate-Related Opportunities

In early 2020, we identified environmental and social topics most relevant to our business through a materiality assessment. (The detailed methodology and results can be found in our *2020 Sustainability Report*.) Building on that foundation, we've deepened our understanding of the environmental and social priorities that are most important to our corporate sustainability efforts. Our environmental priorities include:

1. low carbon transition
2. climate-related risk
3. environmental stewardship

Jack Henry believes that our physical risks mitigation efforts represent a significant climate-related opportunity. As extreme weather events increase and chronic physical risks make it harder to conduct business, Jack Henry will continue to place a strong focus on business resiliency and continuity of service. Given our strong record of maintaining operational continuity, Jack Henry is a vendor of choice in the financial services technology field.

Other climate-related opportunities for Jack Henry include resource efficiency, energy sourcing, and resilience, which are further discussed in the table below.

Climate-Related Opportunities	
Resource Efficiency, Energy Sourcing, and Resilience	
Time Frame	**Jack Henry's Plan**
Short- to medium-term	Jack Henry will continue to pursue resource efficiency measures such as recycling and transitioning to more efficient buildings and transportation. In some cases, these efforts may result in reduced operating costs, higher value on our real-estate with energy-efficient buildings, and benefits to the workforce. Jack Henry's facilities team continues to work with vendors to procure biodegradable cups, paper straws, and other eco-friendly utensils for the cafeteria and break room areas. At our corporate headquarters, Jack Henry has also set up recycling stations in the cafeteria area and established a program to donate leftover food to a local shelter, reducing food waste while benefiting the local community. Jack Henry's travel team is exploring introducing electric vehicles into the corporate fleet. Jack Henry expects that an increase in renewable energy accessibility will play a significant role in allowing companies to reduce their GHG emissions. As mitigation strategy in our low carbon transition plan, using renewable energy is critical to achieving a Scope 1 and 2 emissions reduction target. This will likely reduce costs, hedge against future fossil fuel price increases, and may provide a strong return on investment. Jack Henry is assessing renewable energy options at our headquarters in Monett, Missouri.

Climate Scenarios

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) 1.9:** In this scenario, countries and organizations deliver on ambitious emissions reduction commitments to keep global warming to below 1.5 degrees Celsius. Our low carbon transition plan is consistent with this scenario. 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 effects 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 global warming will likely result in catastrophic sea level rise, a decrease in agricultural productivity and 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-Related Risks

Our Risk and Compliance Committee oversees all enterprise risks associated with laws and regulations. The Office of Corporate Sustainability works with various groups to manage climate-related risks and provides periodic updates to the committees.

Our *2022 Sustainability Report* provides details on our climate risk assessment, our approach to physical risks, and our multi-year strategy.

Metrics and Targets

We developed a robust low carbon transition plan with the guidance of our sustainability consultants to strategically minimize our emissions and assess environmental impacts. After extensive analysis, we have committed to set climate targets aligned with the Paris Agreement's goal of limiting global warming to a 1.5-degree Celsius pathway by the end of the century. In calendar year 2022, we submitted a commitment letter to the Science Based Targets initiative (SBTi) and are pursuing validation for GHG emissions reduction targets. In our submittal to SBTi, we committed to set near-term GHG emissions reduction targets. As we pursue validation, we intend to set targets addressing an absolute reduction in Scope 1 and 2 GHG emissions and our largest source of Scope 3 emissions with the support and resources provided by SBTi.

Key Environmental Data					
GHG Emissions by Source					
Metric	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Total Scope 1 GHG Emissions[1]	**$MTCO_2e$**	**5,275.82**	**5,180.20**	**3,565.93**	**5,231.85**
Natural Gas	$MTCO_2e$	809.29	1,210.30	1,638.14	1,532.34
Propane	$MTCO_2e$	49.03	56.84	41.33	37.18
Kerosene-Type Jet Fuel	$MTCO_2e$	4,159.98	3,761.69	1,785.62	3,510.10
Gasoline Vehicles	$MTCO_2e$	257.51	151.37	100.83	152.23
Total Scope 2 GHG Emissions[2, 3]	**$MTCO_2e$**	**29,947.59**	**27,179.56**	**26,573.36**	**26,091.49**
Total GHG Emissions[4]	**$MTCO_2e$**	**35,223.41**	**32,359.76**	**30,139.29**	**31,323.34**
GHG Emissions by Pollutant					
Total GHG Emissions	**$MTCO_2e$**	**35,223.41**	**32,359.76**	**30,139.29**	**31,323.34**
CO_2	$MTCO_2e$	35,000.96	32,161.79	29,955.18	31,121.71
CH_4	$MTCO_2e$	79.99	71.49	71.75	72.59
N_2O	$MTCO_2e$	142.46	126.48	112.36	129.05
Energy					
Total Energy Usage	**Kwh**	**61,619,766**	**60,581,021**	**57,431,240**	**54,357,119**

1. U.S. EPA Climate Leaders, Emissions Factors for Greenhouse Gas Inventories (April 2022).
2. U.S. EPA, Emissions & Generation Resource Integrated (eGrid) (January 2022).
3. All Scope 2 GHG emissions are attributed to purchased electricity.
4. Total GHG emissions have changed due to better data availability for our baseline year and 2020. Our latest fiscal year corresponds to the latest emission factors given by the EPA.

See the *2023 Sustainability Report* for more information.

Methodologies and Disclaimers

This report reflects the 2022 calendar year. Unless otherwise noted, key performance indicators reflect Jack Henry's fiscal year 2022 (July 1, 2021 – June 30, 2022).

Environmental metrics presented within this report are representative of all of Jack Henry's operational facilities in the United States. Where utilities are paid for as part of the lease and primary data was not available, Jack Henry has estimated emissions for facilities based on building type and size, combined with EPA-estimated emissions factors.

Jack Henry's short-term exposure to physical risks was determined using the FEMA National Risk Index for Natural Hazards based on a high/very high rating.

Figures presented within this report may have been approximated or rounded, as applicable.

Jack Henry engaged with a third-party consultant to qualitatively review and assess the accuracy of our sustainability disclosures. We have obtained limited external assurance of our Scope 1 and 2 GHG emissions calculations from our baseline of fiscal year 2019 through fiscal year 2022. Jack Henry's internal audit team performed an advisory review focused on the completeness, accuracy, and reliability of the quantitative data included in this disclosure.

Disclaimer

This report includes ESG data that is non-financial, non-GAAP, and non-audited. The Company does not make any express or implied representations or warranties and shall not assume any liability for providing guidance or for any errors, mistakes, or omissions in this report. Any use of the concept of materiality in this report is not intended to correspond to the concept of materiality associated with disclosures required by the Securities and Exchange Commission. This report covers the Company's owned and operated businesses and does not address the performance or operations of any suppliers, contractors, customers, or partners unless otherwise noted.

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.