



pathward[®]



2023
SUSTAINABILITY REPORT
Financial Inclusion for All[™]



Message from Brett Pharr, CEO

In 2023, we marked the first anniversary of our rebranding as Pathward, reaffirming our commitment to programs and services that help individuals and businesses navigate the path forward on their financial journey.



Our greatest strengths lie not only in what we do, but in how we do it—with integrity, empathy, and a relentless pursuit of excellence."

When I think about the last year at Pathward, I cannot help but reflect on our collective achievements with immense pride and gratitude. We had a remarkable year, and our employees were the force behind our success.

As an organization, we dared to be great, and we have a lot to celebrate, some of which is highlighted in this, Pathward's 2023 Sustainability Report. Our Commercial Finance and Banking as a Service teams established new partnerships, grew existing relationships, and pursued opportunities to further support our company's purpose. We found new ways to connect with one another through volunteerism and employee engagement events, which made us a stronger community. Our annual employee engagement survey boasted impressive scores, and, for the first time, Pathward earned a Great Place to Work™ certification. Our greatest strengths lie not only in what we do, but in how we do it—with integrity, empathy, and a relentless pursuit of excellence.

Our rigorous risk and compliance practices, including our third-party oversight framework,

reflect our commitment to our customers and partners. We believe we are responsible for the customer, irrespective of which of our partners directly serves them. To protect the integrity of the financial system, we are intentional about fostering the right culture, hiring the right talent, and establishing the right systems to drive sustainable growth.

Through our remote-enabled workforce and our employees' commitment to continuous improvement, we have grown and increased our adaptability as we live out our core values: Lead by Example, Help Others Succeed, Find a Better Way, and Dare to be Great. I am excited about the journey ahead as Pathward continues to build upon the foundation we have established.

Sincerely,

BRETT PHARR
CHIEF EXECUTIVE OFFICER



Message from Anthony Sharett, President

With our new brand, we established fresh company values, and implemented a new operating model in fiscal year 2023.



The impressive belonging score of 87% in our employee engagement survey further highlights the success of our efforts in creating an environment where employees feel valued and supported.”

Activating these plans demanded the collective effort of our entire enterprise and enabled us to confidently step into this new chapter in our company's journey.

In the spirit of fostering success for others, our social initiatives have resulted in a notable increase in volunteerism and Employee Resource Group (ERG) participation. This underscores our continued commitment to nurturing employee connections and making a positive impact on the communities we serve. The impressive belonging score of 87% in our employee engagement survey further highlights the success of our efforts in creating an environment where employees feel valued and supported.

We continually pursue better ways to capture, analyze, and communicate Environmental, Social and Governance (ESG) data and enhance our disclosures. Some of our recent initiatives include: recognizing key employee demographic metrics, tracking Diversity, Equity, and Inclusion (DEI) training rates, adding Scope 3 emissions to our greenhouse gas (GHG) emissions tracking, and initiating the measurement of the impact of our products and services at the partner and end-user levels. By leveraging our ESG data and streamlining our processes across the enterprise, we aim to

create positive, lasting impacts on our employees, external partners, and the environment.

Responsible governance has long been a cornerstone for Pathward. We continue to collaborate closely with regulatory bodies as we uphold high ethical standards to protect our employees, customers and partners, and streamline our risk controls to enhance operational efficiency. We are proud to have cultivated a culture that prioritizes good governance.

Our north star remains powering financial inclusion, a purpose we believe motivates our employees to be great, powers financial profitability, and strengthens the communities we serve across the country. We are bolstered by our recent successes while recognizing there is still much good work to be done. We remain dedicated to continuous improvement and innovation as we navigate the path ahead, and we feel honored to be in a position to do so.

Sincerely,

ANTHONY SHARETT
PRESIDENT



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About Us

Pathward Financial, Inc. (Pathward Financial) is the U.S.-based financial holding company for Pathward, N.A., a national bank and a financial empowerment company.

At Pathward we think differently. We build tailored products, services, and solutions that help power financial access for everyone, including those who are underserved, low-to-moderate income individuals, and those in rural areas.

With our national bank charter, proven industry expertise, and deep understanding of risk mitigation and compliance, Pathward disrupts traditional banking norms to deliver financial inclusion for more. We serve markets through our BaaS and Commercial Finance offerings.



BANKING AS A SERVICE (BAAS)



Payment Solutions

We provide the banking infrastructure needed to develop creative banking programs and solutions, enabling consumers and businesses to expand their financial access through the following solutions: money movement (ACH, wire, and push to debit), merchant acquiring sponsorship, and ATM sponsorship.

Issuing Solutions

We help program managers, fintechs, and agent banks deliver complex and innovative consumer and commercial debit programs and prepaid card solutions.

Credit Solutions

We deliver consumer lending program structures for partners as the lender of record, whether it's self-branded, co-branded, or Pathward-branded.

Tax Solutions

We support 36,000+ independent U.S. tax preparers with essential tools for market competitiveness, including tax refund transfer services, advance programs, prepaid cards, merchant services, credit card processing, and business loans.

COMMERCIAL FINANCE



Working Capital

We provide ready cash for liquidity needs to new or growing companies, or those in cyclical or seasonal industries.

Equipment Finance

We provide companies with access to the best equipment for their needs without sacrificing their cash flow for costly up-front payments.

Structured Finance

We assist small-business and rural borrowers fund their growth, expansion, and restructuring.

Insurance Premium Finance

We enable businesses to use their working capital more effectively through the financing of insurance premiums.



Fiscal Year 2023 Highlights



▶ DILUTED EARNINGS PER SHARE

\$5.99



▶ GREAT PLACE TO WORK CERTIFICATION

78%

of employees said Pathward is a great place to work—21 points higher than the average U.S. company.



▶ CHARITABLE GIVING

\$1 Million+

direct investments made to nonprofit community partners.



▶ NET INCOME

\$163.6 Million



▶ ERG PARTICIPATION

31%

of employees participated in an ERG, a 12% increase from fiscal year 2022.



▶ CEO ACTION PLEDGE

Brett Pharr joined more than **2,400** CEOs in signing a commitment to advance DEI in the workplace.



▶ RENEWABLE ENERGY

\$520.6 Million

financed in renewable solar energy initiatives. This represents a 27% YoY increase.



▶ TOTAL REVENUE

\$704.5 Million



▶ SECOND ANNUAL VOLUNTEER WEEK

250

Pathward employees participated in volunteer events across 16 cities.



▶ CRA LOANS/INVESTMENTS

\$7 Million

(includes \$2.9M in prior period) invested in community development in Assessment Area, including custom mortgage-backed securities and Community Capital Management bond fund.



Became Certified™ by Great Place to Work® for the first time in March 2023. Great Place to Work considers itself to be the global authority on workplace culture, employee experience, and the leadership behaviors proven to deliver market leading revenue, employee retention, and increased innovation.

Ranked by *Newsweek* among:

- ▶ America's Greatest Workplaces 2023
- ▶ America's Greatest Workplaces for Diversity 2023
- ▶ America's Greatest Workplaces for Parents and Families 2023
- ▶ America's Greatest Workplaces for Women 2023



Message from Catherine McGlown, SVP, ESG, Communications and Brand

At Pathward, our collective commitment to being an ESG leader is rooted in powering financial inclusion

At Pathward, we aim to weave sustainability into the fabric of our business and our success in doing so is contingent upon effective communication with our stakeholders—partners, clients, investors, and our valued employees.

Our employees are the driving force behind bringing our strategy to life. The team never ceases to amaze me with its resolve to advance increasingly responsible business practices.

Our dedication to fostering an inclusive financial system is further demonstrated through sustained efforts in community outreach, volunteering, and targeted charitable investments in the locations in which we operate. Notable initiatives include our semi-annual volunteer week spanning 16 cities across the U.S. and the establishment of nonprofit partnerships that help provide wraparound services to fuel economic mobility, specifically in the areas of financial inclusion, personal and family empowerment, disaster relief and educational support.

We continue to prioritize environmental stewardship and expanded our measurement efforts to include certain Scope 3 GHG emissions (in addition to Scopes 1 and 2) over the past year. In subsequent environmental assessments, we aspire to refine our approach with a particular emphasis on understanding

our environmental footprint in the context of our evolving remote-work culture. Within our commercial finance division, ongoing support for innovative projects spans the renewable energy spectrum, including battery storage, biodigesters, solar, and wind. Working closely with our partners to capture data will help us fully understand the positive impacts of these initiatives in the years to come.

Our stakeholders emphasized the importance of responsible governance in our most recent materiality assessment, which is outlined later in this report. To that end, we are actively simplifying operations, streamlining programs, and incorporating improved technology across our enterprise to better meet the needs of customers and partners and enhance overall business performance.

The past year stands as a testament to our collective progress and purpose, and we look forward to even greater impacts in the year ahead.

Sincerely,

CATHERINE MCGLOWN
SVP, ESG, COMMUNICATIONS AND BRAND



Our dedication to fostering an inclusive financial system is demonstrated through sustained efforts in community outreach, volunteering, and targeted charitable investments in the locations in which we operate.”

Our Approach

Pathward's Commitment to Financial Inclusion

OUR PURPOSE

Powering *Financial Inclusion for All™*

At Pathward, our ESG efforts begin with financial inclusion. We support those who are unbanked and underbanked, and work to expand equitable access to useful, affordable products and services that will meet their needs. Our purpose of powering financial inclusion guides our policies, practices, commitments, and goals pursued for the benefit of our shareholders, customers, employees, communities, and the environment. We believe our efforts help pave the way toward financial stability and mobility for underserved groups, such as, but not limited to: microbusinesses, low-income individuals, individuals in rural or remote areas, women, and young people. Pathward's ESG initiatives are bolstered and overseen by our executive management team and our board of directors.

Our ESG strategy centers on envisioning a world in which:

- ▶ We enable and promote a digital and inclusive financial system for everyone.
- ▶ We cultivate an engaged, diverse, equitable, and inclusive workforce.
- ▶ We invest in environmental sustainability.
- ▶ We build trust with our stakeholders through good governance.

We perform regular assessments to verify that our priorities align with the expectations of our stakeholders, and that they are rooted in our values and purpose.

OUR SUSTAINABILITY STRATEGY

Enable an Inclusive Financial System

Empower customers on their journey to financial prosperity, forge community bonds, and inspire a culture of impactful giving.

Engage our Workforce

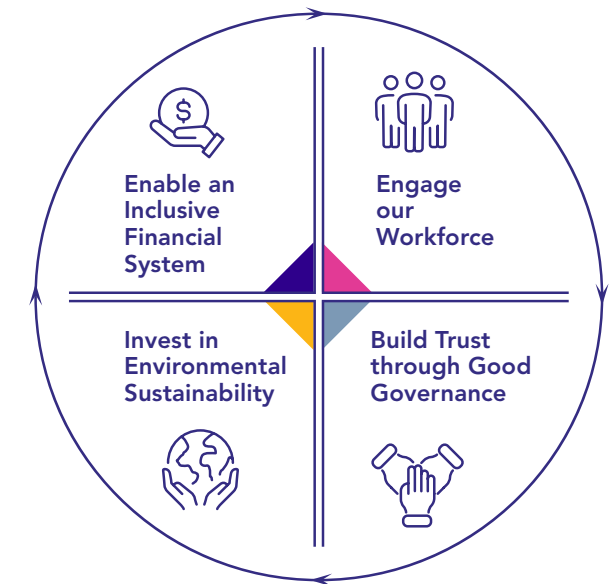
Support an employee-first workplace by offering physical and mental well-being programs and career development opportunities, and prioritizing feedback through transparent communication channels.

Invest in Environmental Sustainability

Promote environmental stewardship by minimizing carbon emissions and contributing to community development by financing renewable energy.

Build Trust through Good Governance

Run our business with the highest level of ethics, compliance, and risk standards in the industry and communicate our policies and strategy clearly to our stakeholders.



REPORTING

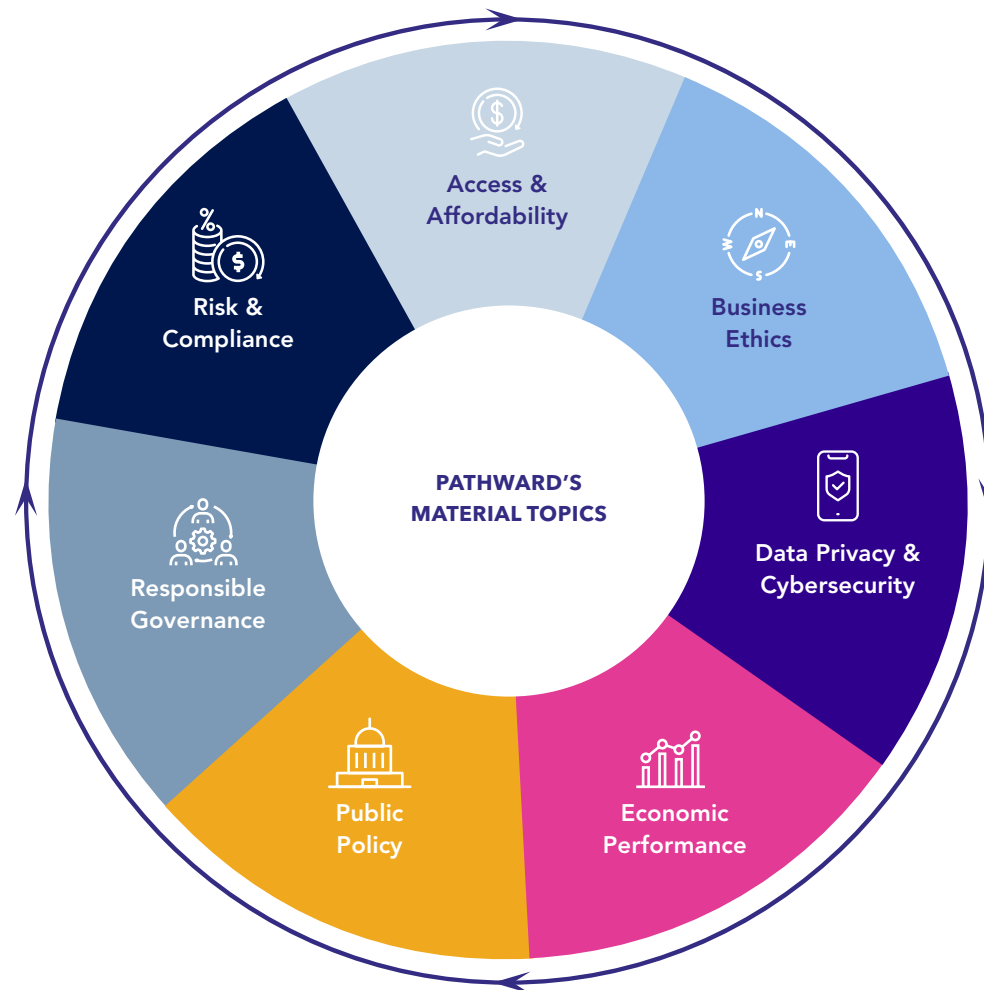
Disclosures in this report align with the Sustainability Accounting Standards Board (SASB) Commercial Banks standard. The Global Reporting Initiative (GRI) and the U.N. Sustainable Development Goals (UNSDGs) help inform the content, narrative, and data included in this report.



Materiality

In 2023, we undertook our second formal materiality assessment to bring focus to topics that impact long-term value creation and confirm that our sustainability initiatives and reporting remain aligned with both internal and external stakeholder priorities. We engaged an external consulting firm to help guide the process of identifying, prioritizing, and validating our material topics which were then approved by our senior management team. Focused engagement with key stakeholders within and outside the business was key to successfully identifying our ESG material topics. We conducted interviews with a cross-section of Pathward leaders and administered surveys to employees at all levels as well as external partners, customers, industry associations, and nonprofits. Stakeholder input was analyzed in consultation with global ESG standards and frameworks, including those of GRI, SASB, and the UNSDGs.

Rising to the top of the material topics list is **Access & Affordability**, a topic that was identified as most material during our assessment in 2020 and is foundational to our business. Based on the results of the 2023 assessment, we have concluded our ESG strategy continues to reflect our stakeholders' priorities and will be used to inform our efforts moving forward. We plan to continue the best practice of reassessing our material topics on a two-to three-year cadence.



*In this report, we use the term "material" and "materiality" with respect to ESG and not as defined by the Securities and Exchange Commission, or by securities laws including, without limitation, as applicable to Pathward Financial, Inc. Unless otherwise noted, the boundary for the topics is enterprise wide.

ENVIRONMENTAL RESPONSIBILITY


Stewards of Sustainability


- ▶ [Financing the Renewable Economy](#)
- ▶ [Customer Spotlights](#)
- ▶ [Pathward's Sustainability Journey](#)




Financing the Renewable Economy




More than \$520 Million
 financed in renewable solar energy initiatives


Two biogas projects in operation generate enough renewable energy in the form of electricity (kWh) to power 2,192 households for a year


Two biogas projects in operation generate enough renewable energy in the form of gas (MMBtu) to power 7,012 gasoline-powered passenger vehicles driven for one year

According to data from fiscal year 2023 loan source documents.

In fiscal year 2021, Pathward was the leading national lender for rural development projects. With more than \$386 million in obligations that year, the Commercial Finance team surpassed the next lender by \$55 million, as reported by the USDA. Secretary of Agriculture Tom Vilsack commended Pathward's contributions, highlighting key projects financed, including four solar energy initiatives in Maine with Renewable Properties.

Since then, we have diversified our portfolio, leveraging the structured finance lending platform and new tax credit benefits available to renewable natural gas (RNG) investors under the Inflation Reduction Act. At the core of RNG projects is anaerobic digestion technology, extracting energy from various waste streams, including agricultural manure and food waste, to produce a low-carbon renewable energy source.



We have worked hard to build a seasoned team that we are leveraging to be a market leader in the renewable energy space with lots of exciting projects in the pipeline.”

JON ELLIS
VP, RENEWABLE ENERGY



CUSTOMER SPOTLIGHT

FOOD WASTE TO FUEL ENERGY FINANCING

In 2023, Pathward, alongside other banks, financed a food waste-to-renewable natural gas (RNG) project led by Viridi and American Organic Energy. The project will divert food waste from landfills up to 300 miles away and transform it into RNG, via anaerobic digestion, and into other renewable products, such as fertilizer.

According to Viridi, this project is expected to generate emissions reduction equivalent to nearly 100,000 tons of CO₂ per year and is expected to produce renewable fuels equivalent to 10 million gallons of gasoline annually.

"Pathward's Commercial Finance team expertly advises on and structures funding for complex biogas and RNG projects. Our partnership with Pathward is helping us deliver a landmark food waste-to-energy project that is expected to reduce GHG emissions, help address the country's food waste crisis, and create other renewable byproducts that we hope will have lasting impact on the greater New York City community and beyond," says Bill Keller, Executive Vice President of Viridi Energy.

This venture not only positions Viridi as a key player in the RNG sector but also emphasizes our goal of driving financial support toward transformative and environmentally impactful initiatives.



FOOD WASTE TO RNG PROJECT

Expected to generate emissions reduction equivalent to nearly

100,000 tons of CO₂ per year

and is expected to produce renewable fuels equal to

10 Million

gallons of gasoline annually

*according to Viridi



CUSTOMER SPOTLIGHT

STORING THE SUN IN BEXAR COUNTY

Goshe Energy Storage, an innovative battery energy storage venture, is leading the charge toward a reliable energy landscape in Texas. The company is dedicated to building utility-scale storage projects to effectively manage supply-demand fluctuations.

As explained by Goshe's leadership team, standalone battery storage systems are a critical component to integrating more renewable energy, like solar and wind, into the grid. As electrical load continues to grow in Texas, intermittent renewable energy may not always satisfy periods of peak demand, such as late afternoons when people return home from school and work. Instead of relying on conventional natural gas peaker plants, Goshe's projects will store energy during low-demand periods and deploy it during peak demand, helping to stabilize the grid.

To achieve this, Goshe obtained financing from Pathward for three 25 MW battery energy storage

solutions, bringing this development to Bexar County, enhancing grid stability in San Antonio and the surrounding areas.

When asked about the partnership, CEO Bailey McCallum pointed to Pathward's extensive experience in the renewable sector and their longstanding relationship with the USDA. "We selected a partner that delivers results - simple as that. We're appreciative of Pathward's support and are excited to expand the relationship on future storage projects."

Goshe's mission and long-term goals align with Pathward's sustainability focus—emphasizing equity to achieve sustainable access to cost-effective electricity and the increasing use of zero-emissions technologies for a cleaner future.



Pathward's Sustainability Journey

Climate change, the increasing risk of natural disasters, and the vulnerability of communities and ecosystems are things that we take seriously at Pathward. We are committed to understanding our own environmental impact and taking actions to mitigate the effects of climate change.

Pathward is proud to partner with Disaster Relief at Work (DRAW) to support their mission of helping people with disaster recovery and preparedness. DRAW is a Michigan-based nonprofit that responds to natural disasters by aiding communities around the U.S. with on-the-ground relief and supplies.



ENVIRONMENTAL ASSESSMENT

In fiscal year 2023, we continued our efforts to track energy usage and GHG emission factors, targeting previous areas of estimation and adding certain material Scope 3 emissions to our assessment.

▶ TOTAL ENERGY USED

6,061,188
(kWh)

▶ TOTAL ELECTRICAL POWER USED

4,171,942
(kWh)

▶ ELECTRONIC RECYCLING

6,141
(lbs)

▶ GHG EMISSIONS (SCOPE 1)

343
(mt CO₂e)

▶ GHG EMISSIONS (SCOPE 2)

1,806
(mt CO₂e)

▶ GHG EMISSIONS (SCOPE 3)

1,590
(mt CO₂e)



▶ TALENT ANYWHERE

While more than **70%** of our workforce is remote, we maintain physical presence in **11** locations.

As of fiscal year 2023

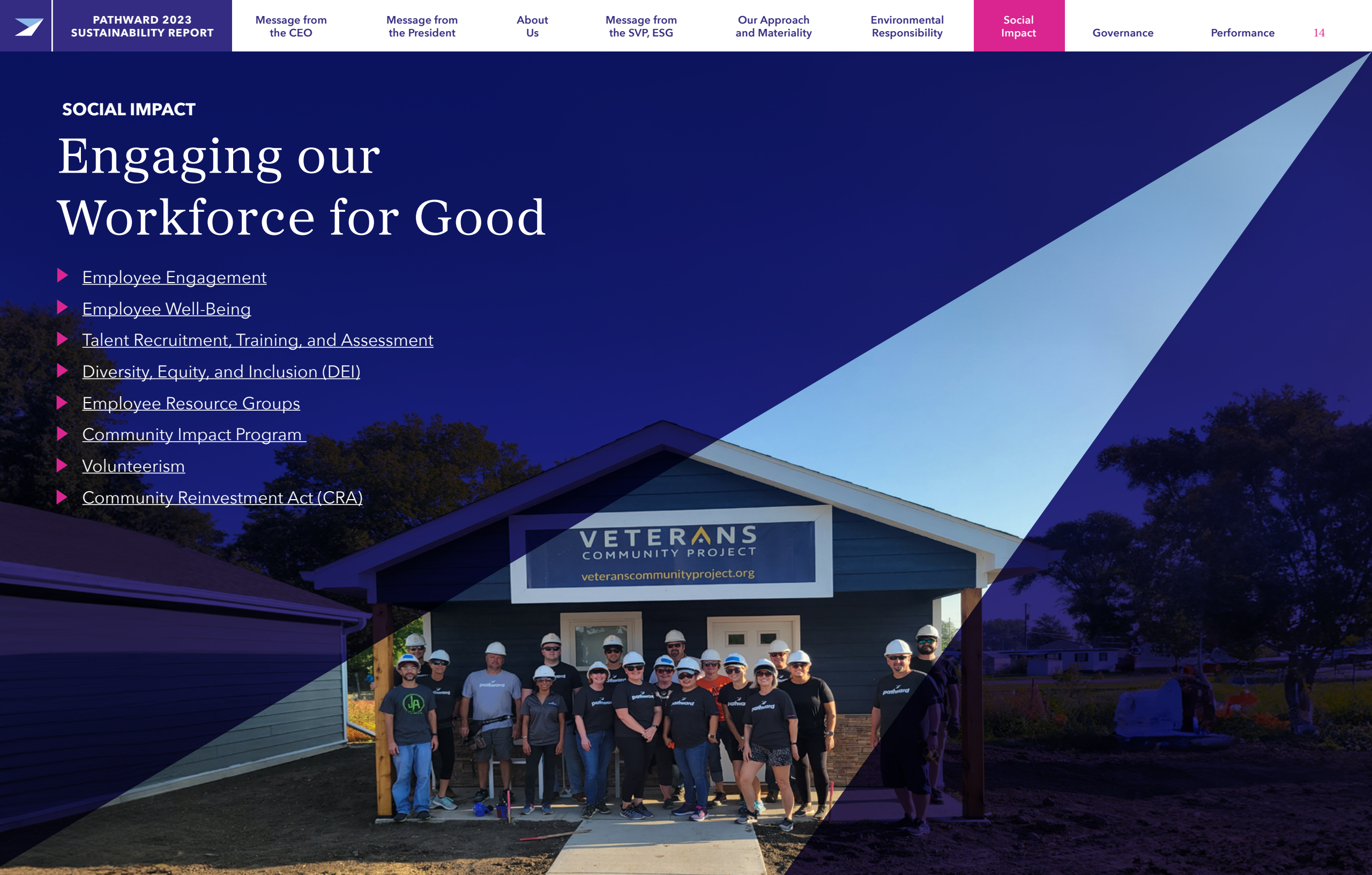
At the end of fiscal year 2023, Pathward employees stretched across 43 states, the District of Columbia, and Ontario, Canada. This continued geographic diversification is a direct result of our strong Talent Anywhere program and has allowed Pathward to recruit top-quality talent while reducing our physical office-space footprint. While more than 70% of our workforce is remote, we maintain physical presence in 11 locations, three of which are LEED (Leadership in Energy and Environmental Design) certified. LEED provides a framework for healthy, efficient, and cost-saving green buildings. In fiscal year 2023, we continued our commitment to the reduction of tech waste and recycled more than 6,100 pounds of business technology equipment through Secure Enterprise Asset Management (SEAM), a 13% increase from the previous year.



SOCIAL IMPACT

Engaging our Workforce for Good

- ▶ [Employee Engagement](#)
- ▶ [Employee Well-Being](#)
- ▶ [Talent Recruitment, Training, and Assessment](#)
- ▶ [Diversity, Equity, and Inclusion \(DEI\)](#)
- ▶ [Employee Resource Groups](#)
- ▶ [Community Impact Program](#)
- ▶ [Volunteerism](#)
- ▶ [Community Reinvestment Act \(CRA\)](#)





Employee Engagement

EMPLOYEE ENGAGEMENT HIGHLIGHTS

In fiscal year 2023, for the third consecutive year, Pathward partnered with Perceptyx, a cloud-based platform that leverages employee feedback and people analytics. Pathward’s overall employee engagement score has notably increased, reaching 85 percent, reflecting a seven-point improvement from 2022. The data tied to “intent to stay” and “the willingness to recommend the organization” have shown an impressive eight percent climb for each question when compared to the previous year’s results.

- ▶ Employee pride in working at Pathward has achieved a Top 25 benchmark, as defined by Perceptyx, based on the highest scores achieved across their client base.
- ▶ Scores across all categories exhibited increases with remote work, well-being and company culture scoring the highest.
- ▶ Remote work and well-being scores have surpassed the Top 25 benchmark, underscoring our commitment to remote work practices and prioritizing the unique health and wellness needs of employees across our enterprise.
- ▶ Our robust employee survey participation rate of 86% demonstrates the high level of engagement within the Pathward community.

SURVEY FINDINGS AND ACTION PLANS

The findings from our most recent survey indicate clear alignment between identified opportunities and the ongoing enterprise work designed to respond to those opportunities.

A significant takeaway from the engagement survey is employees’ interests in growth and development opportunities. In response to this feedback, we expanded our investment in professional development for our employees. Beyond our monthly learning sessions that promote a wide range of leadership skills, we provided each employee with a self-led LinkedIn Learning account. This strategic investment aims to support personal and professional growth, empowering our employees to take charge of their individual growth. In addition to sharing engagement survey highlights at the organizational level, we disseminate department- and team-level results to people leaders (employees with direct reports). This enables leaders to gain insights into the specific experiences of their team members.

Along with survey results, people leaders receive customized suggestions on how to address identified areas of opportunity within their teams. Among the array of improvement suggestions, we encourage leaders to prioritize one key area and take two concrete actions to effect change. This approach ensures manageable targeted steps towards improvement.

As we move forward, the commitment to growth and development remains central to our organizational ethos. We appreciate the dedication of our employees and leaders and look forward to collectively advancing their professional journeys.



PATHWARD NAMED A GREAT PLACE TO WORK

In 2023, Pathward received its first certification by Great Place to Work®, a prestigious award based on employee feedback. 78 percent of employees spotlighted Pathward as a great place to work, 21 points higher than the average U.S. company. Some examples cited that position us as an employer of choice include:

- ▶ A Talent Anywhere recruitment strategy that offers employees a remote work environment.
- ▶ Our award-winning Community Impact Program that includes paid time off for volunteering, matching gifts, and a Dollars-for-Doers program allowing employees to raise even more dollars for time spent volunteering for choice organizations.
- ▶ Competitive benefits for eligible employees that include generous paid time off, medical plans, 401(k) matching, and much more.



The employee engagement and the Great Place to Work surveys are barometers that allow us to lean into our strengths, and to strategize areas of opportunity with the goal of providing our employees with the tools, programs, and environment that make working at Pathward something special. This gives us the ability to have a broader impact not only in the positive experiences of our employees but on financial inclusion.”

JESSICA JONES
SVP, PEOPLE & CULTURE



Employee Well-Being

At Pathward, we prioritize our employees' well-being and expect all employees and partners to adhere to best practices. This includes prohibiting forced labor, avoiding child labor and human trafficking, respecting the National Labor Relations Act, upholding employees' rights to freedom of association and collective bargaining, ensuring equal remuneration, maintaining workplace safety and anti-discrimination practices, and supporting employee well-being through benefits and community engagement. This approach to human rights aligns with the UN Guiding Principles on Business and Human Rights.

EMPLOYEE BENEFITS

Pathward is committed to supporting the well-being of our eligible employees through a comprehensive, value-added, benefits program, which includes:

Health and Wellness

- ▶ Medical, Dental, Vision
- ▶ Flexible Spending, Health Savings Accounts
- ▶ Group Term Life/AD&D, Short- and Long-Term Disability
- ▶ Accidental Injury, Critical Illness, Hospital Care
- ▶ 401(k) with employer match

Additional Support

- ▶ Employee Assistance Program (EAP)
- ▶ Certified Financial Advisors
- ▶ Legal Services/Identity Protection
- ▶ LifeGuides
- ▶ Pet Insurance

Work/Life Balance Provisions

- ▶ Accrued Paid Time Off (20-35 days per year based on tenure)
- ▶ Adoption Assistance benefit provides funds up to \$10,000 for qualified adoptions
- ▶ Be Well Days occur throughout the year, granting all employees a day off work—separate from Pathward holidays and PTO hours—to focus on well-being and self-care.
- ▶ Bereavement Leave, Military Differential Pay
- ▶ New-Parent Leave, 5 days paid
- ▶ Paid Holidays
- ▶ Paid Time Off to Volunteer (VTO), up to 16 hours per year

EMPLOYEE WELLNESS SPOTLIGHTS

City Connection Program

In fiscal year 2023, our Culture Connection team developed a new program designed to build opportunities for employees to interact with their local coworkers. City Connection brings together employees who live near each other in major cities to enjoy team building exercises, volunteer work and recreational activities. Since most of our employee base works remotely, the program gives employees a welcomed opportunity to meet one another, face-to-face, and become better acquainted.



Wellness ERG

Our Wellness ERG focuses on creating healthy habits to attain better mental, emotional, social, physical, and financial well-being. During fiscal year 2023, the group updated their mission by shifting from physical health to multiple dimensions of health, elevating the importance of mental well-being and prioritizing harmony among all facets of wellness.



Pathward's Wellness ERG holds space for employees to encourage one another to be good stewards of our health and become the best versions of ourselves. Our programming encourages us to give ourselves grace and to be our own health advocates."

CASSIE EMERSON
WELLNESS ERG CHAIR



At Pathward, our dedication to supporting the overall health and well-being of our employees extends into our community partnerships. We are proud to partner with South Dakota's Helpline Center, a nonprofit offering hope 24/7 through resource navigation and suicide grief support.





Talent Recruitment, Training, and Assessment

At Pathward, we are dedicated to building a diverse and inclusive culture of belonging. So much so, we actively encourage applications from individuals with experiences or qualifications that may not exactly match those listed, as studies show women and people of color are less likely to apply in these cases.

Our Talent Anywhere recruitment strategy enables us to source candidates needed to fill essential capabilities and roles while positioning us as a remote-enabled employer of choice. Pathward's remote-enabled workplace has created valuable benefits for both employees and our business by reducing necessary commutes, allowing us to hire diverse talent from anywhere in the United States and realizing a reduction in our physical footprint. At the end of fiscal year 2023, our employees lived in 43 states, the District of Columbia, and Ontario, Canada.

As a company on a mission to power financial inclusion, we seek to build talent programs that foster financial sustainability for our employees as well. This past year, we advanced these efforts with

comprehensive job architecture and pay transparency projects. At present, our lowest wage is 154% of minimum wage in our headquarters of Sioux Falls, SD.

TRAINING, ASSESSMENT, AND DEVELOPMENT

Assessing talent and leadership development is critical to our talent growth and retention strategy. In 2023, we continued to extend our enterprise talent assessment framework to additional levels within the organization, ensuring sustainability within each department regarding the roles most critical to achieving Pathward's strategic objectives. The framework helps give us clear line of sight into teams' strengths and opportunities in terms of skills, diversity, and leadership potential.

We work to equip employees with skills to drive growth and sustainable performance, and facilitate continuous learning. Our learning management system administers all compliance and essential security training, with employees having completed an average of more than nine hours of required training in 2023. This past year, we made a significant investment in our workforce with individual LinkedIn learning accounts to foster employee-led growth and development. Our employees demonstrated their love of learning by actively pursuing varied opportunities for growth outside of required learning in 2023 through LinkedIn Learning and other Pathward Leadership & Development opportunities. Additionally, our leaders collaborate with employees to develop a growth plan and monitor progress throughout the year. This involves identifying specific skills to target and utilizing assessments and 360-degree feedback tools when applicable.



► **DEMONSTRATED LOVE OF LEARNING** **1,700**
Our employees completed more than **1,700** hours of learning outside of required learning in 2023 through LinkedIn Learning and other Pathward Leadership & Development opportunities.



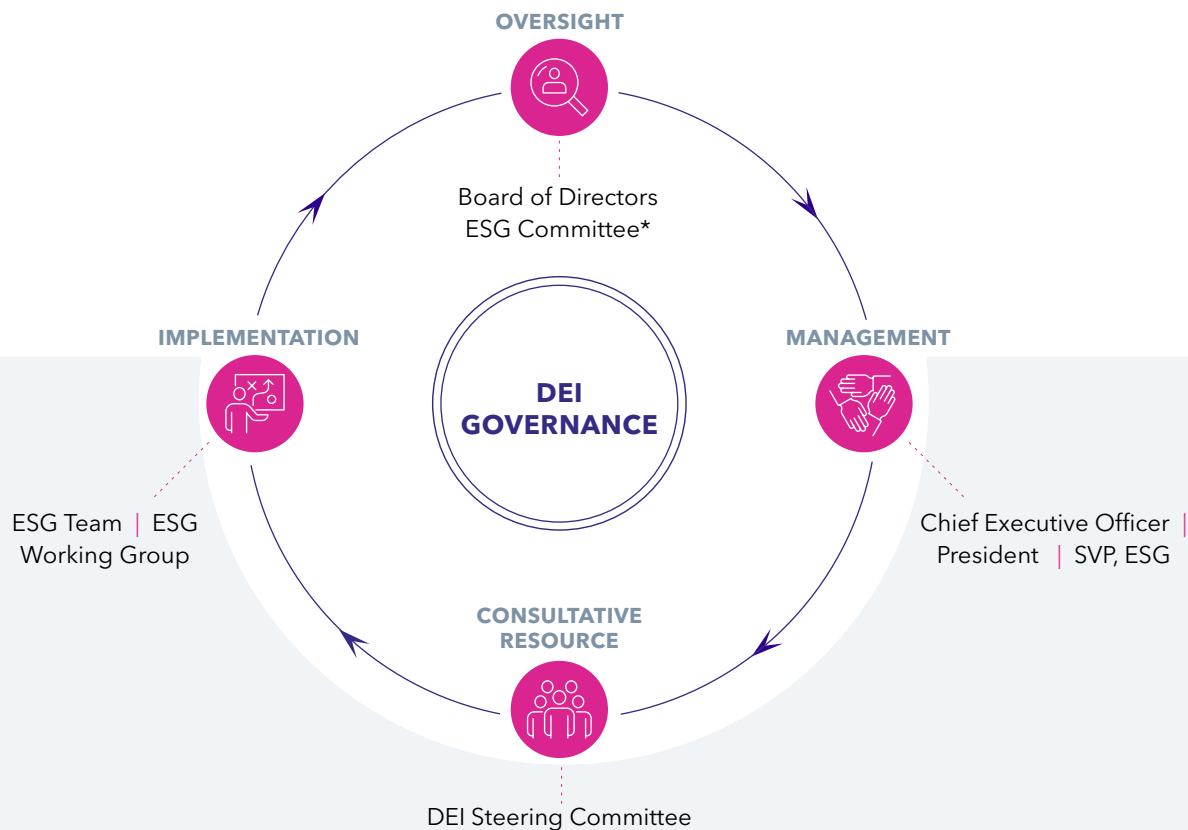
Pathward's Job Architecture Project enhances organizational clarity, supports regulatory compliance, improves talent management, aligns with strategic objectives, and contributes to overall operational efficiencies and effectiveness of the bank. More specifically, our Job Architecture Project was designed to promote a uniform and positive experience for employees throughout their journey with the company. It encompasses tailored development and learning opportunities, transparent and lasting career paths, and well-planned succession strategies."

NADIA DOMBROWSKI
EVP, CHIEF LEGAL AND ADMINISTRATIVE OFFICER

Diversity, Equity, and Inclusion (DEI)

Pathward's commitment to DEI begins with our employees. We actively hire, support, and respect employees from diverse backgrounds and experiences; create awareness of diversity issues and benefits through education and communication; and foster a supportive environment where inclusivity is expected and prioritized.

Our commitment to DEI is valued by our Board of Directors, Executive Committee, and DEI Steering Committee, as well as the broader Pathward employee population. We collectively promote a culture that empowers our employees and fosters values of respect, inclusion, and belonging.



Without the support of all employees, our program cannot be successful. I'm thankful for my Pathward colleagues and for their enthusiasm and willingness to learn as we established our DEI strategy. Our work is making a difference in many lives, and that is a testament to Pathward's ongoing commitment to DEI and the communities we serve."

NATONYA HARBISON
DIRECTOR, DEI AND COMMUNITY IMPACT



DEI CHAMPION

Natonya Harbison was named the DEI Outstanding Leader by the American Bankers Association in 2023.

The catalyst for elevating the importance of DEI in the Pathward workplace was the alignment with our core business and purpose of powering financial inclusion. With the establishment of an ESG strategy in 2020, Pathward began the work of bringing a more holistic framework to DEI for which the Board of Directors has oversight.

We believe that DEI in our organization leads to more innovative solutions for our customers and partners as we seek to better understand the unique needs of the markets that we serve.

*Effective February 28, 2024, the ESG Committee's role was subsumed by the Corporate Governance and Nominating Committee, which was renamed the Governance, Nominating and Sustainability Committee, in an effort to create administrative efficiencies.

Diversity, Equity, and Inclusion (DEI)

Pathward has a DEI curriculum available to employees that sheds light on implicit bias, prejudice, and inequity in an effort to cultivate a more inclusive workplace. This past year, **more than 80%** of our people leaders completed at least one of the optional DEI learning courses.

▶ **DEI CURRICULUM**

80%+

of people leaders completed at least one DEI curriculum course in fiscal year 2023

PATHWARD DIVERSITY METRICS as of fiscal year 2023

▶ **PERCENTAGE OF RACIAL/ETHNIC MINORITY PEOPLE LEADERS**

15%

▶ **WOMEN WHO ARE PEOPLE LEADERS**

48%

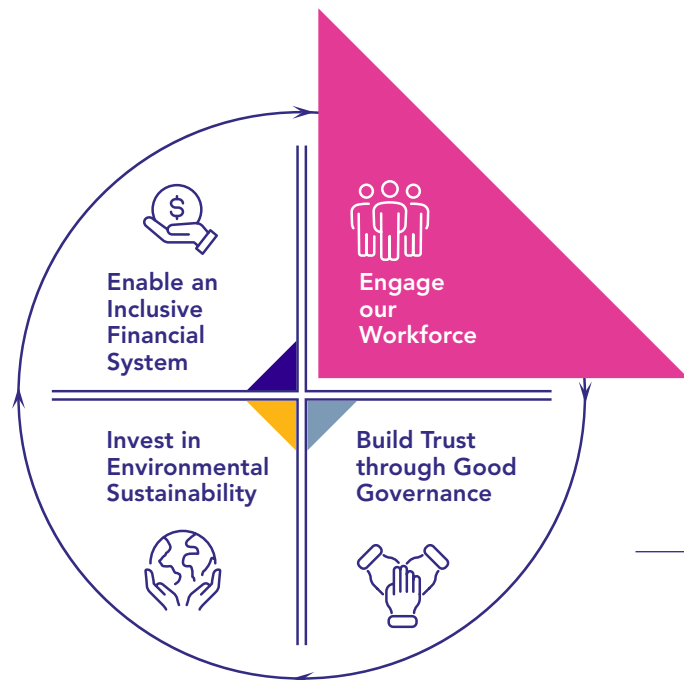
▶ **WOMEN DIRECTORS ON BOARD OF DIRECTORS**

33%

▶ **NUMBER OF GENERATIONS REPRESENTED AT PATHWARD**

4

Note: "People leaders" refers to supervisors who do not serve on the Executive Committee.



CEO ACT!ON FOR DIVERSITY & INCLUSION

In 2023, Pathward’s CEO, Brett Pharr, joined more than 2,400 CEOs in signing the CEO Action for Diversity & Inclusion™ Pledge, publicly affirming Pathward’s commitment to advancing this work.

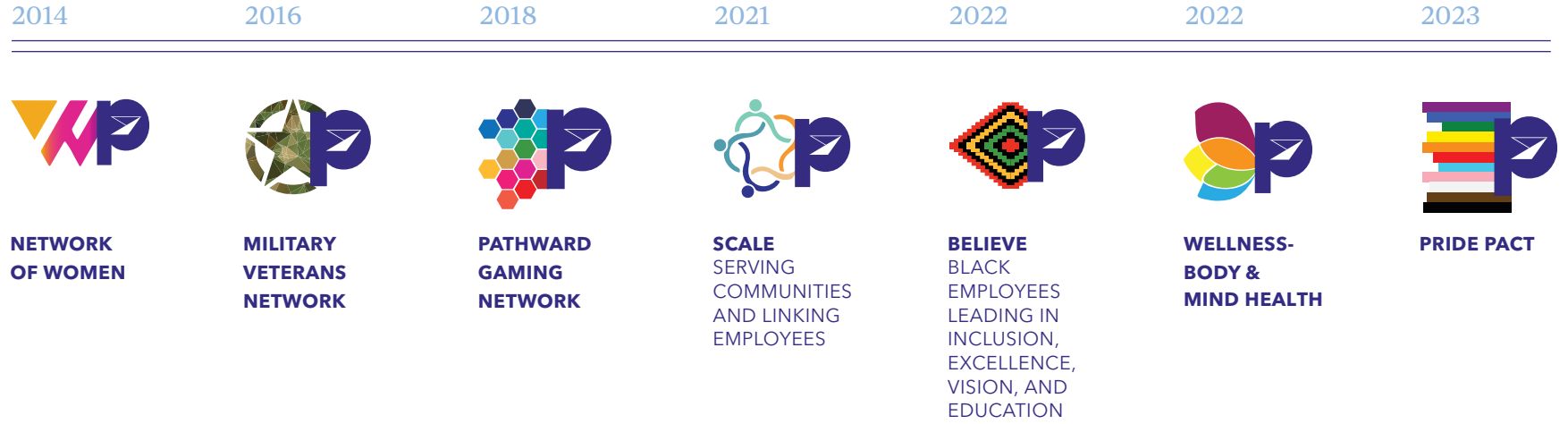


As a purpose-driven company, we believe it is critical that our workforce reflects the communities we serve. We rely every day on the diversity of thought, viewpoints, and experiences of our employees to create solutions for individuals and businesses to help them reach the next stage of their financial journeys.”

BRETT PHARR
CHIEF EXECUTIVE OFFICER

Employee Resource Groups

Our commitment to DEI is present in our daily interactions through the programming facilitated by the leadership of our Employee Resource Groups (ERGs). ERG members are given the opportunity to develop their leadership skills by pursuing ERG leadership positions and participating in workshops and lunch and learns on strategic thinking, presentation skills, and business acumen. In the past two years, the number of ERGs increased from four to seven to include employees across 40+ states, representing 31% of the employee population.



The number of ERGs increased from four to seven
40+ states represented
31% of the employee population participated.

As of fiscal year 2023



“ We take immense joy in the success of Pride Pact, our dedicated space for LGBTQ+ individuals and allies here at Pathward. In its inaugural year, we welcomed 60 new members and organized engaging educational events and social gatherings where stories were shared and mutual learning took place. We are eager to continue cultivating an inclusive environment that celebrates diversity, promotes understanding, and strengthens our community here at Pathward, where employees can truly be their authentic selves.”

ERICA JOHNSON, (she/they)
 PRIDE PACT CHAIR

Community Impact Program

Now in its third year, Pathward's Community Impact Program helps to power economic mobility for underserved and underrepresented populations across the country. We build partnerships with organizations that provide resources for unbanked, underbanked, and historically marginalized peoples.

Our multi-faceted program includes:

- ▶ **Charitable Giving:** Direct investments to nonprofit community partners.
- ▶ **Matching Gifts:** Pathward matches employee donations made to nonprofits of their choosing.
- ▶ **Volunteering:** Coordinated and self-directed volunteer activities. Employees receive 16 hours of paid volunteer time annually.
- ▶ **Dollars for Doers:** Employees earn money for each hour they volunteer, translating to a Pathward donation to a nonprofit of their choosing.

Our strategic partnerships with organizations across the country help provide equitable access to resources for underserved individuals. Charitable investments are made in these focus areas:

- ▶ Financial Inclusion
- ▶ Personal & Family Empowerment
- ▶ Disaster Relief
- ▶ Educational Support



▶ **COMMUNITY INVESTMENT DONATION TOTAL**

Over **\$1 Million**



▶ **VOLUNTEER HOURS**

5,600+



▶ **CHARITABLE ORGANIZATIONS SUPPORTED**

Nearly **400** events in support of more than **150** organizations

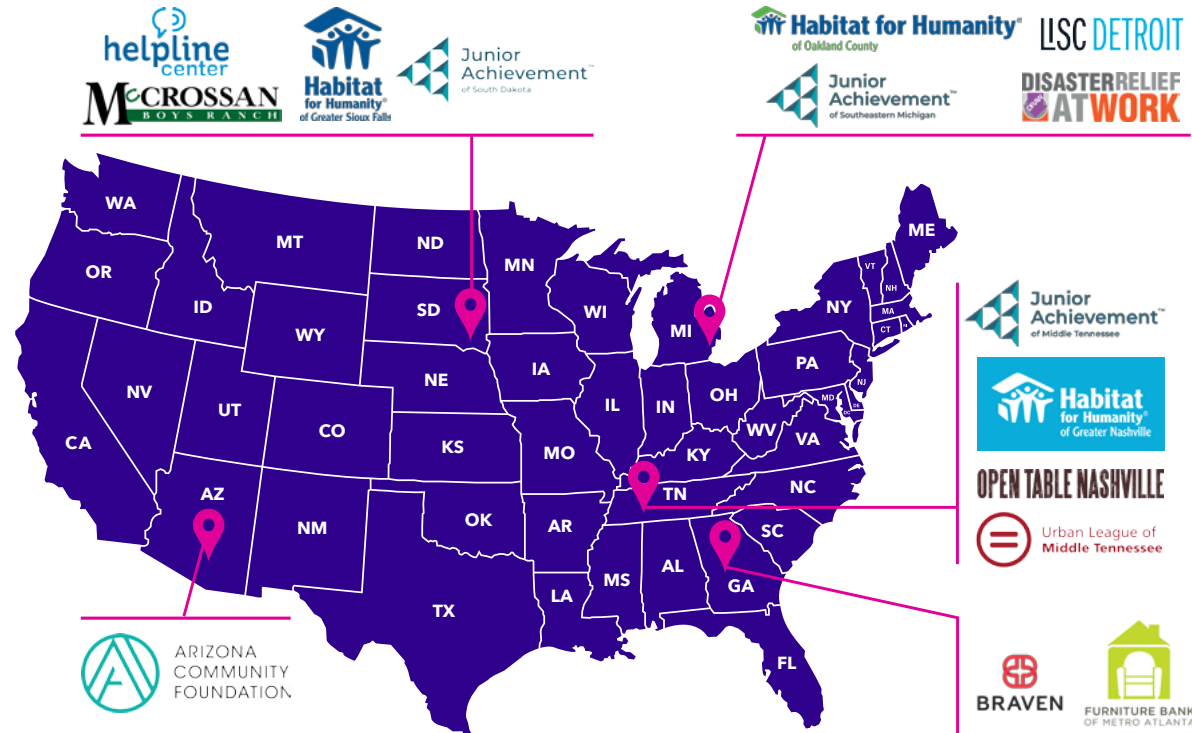


▶ **MATCHING GIFTS DONATION TOTAL** ~\$74K



▶ **PATHWARD SCHOLARSHIPS AWARDED** **10**

As of fiscal year 2023



*This map represents some of Pathward's community partners

Volunteerism



► SPOTLIGHT ON NONPROFIT
 FURNITURE BANK OF METRO ATLANTA

Pathward supports Furniture Bank of Metro Atlanta through charitable investments and volunteerism. Our partnership is centered on our aligned missions to create stability for individuals, families, and communities in need. In fiscal year 2023, Pathward awarded grants to Furniture Bank in support of these programs:

Employment-This program promotes economic stability and mobility for previously incarcerated individuals, providing training and certification in the transportation and warehousing industries; two notably high-demand and fast-growing industries in the country.

Making a House a Home-This wrap-around support program provides furniture to individuals and families in great need, including those who are transitioning from homelessness, fleeing domestic violence, living below the poverty level, or recovering from a life crisis.



► SPOTLIGHT ON NONPROFIT
 VETERANS COMMUNITY PROJECT

Pathward is proud to partner with Veterans Community Project (VCP), serving at-risk and homeless veterans across the country through housing and wrap-around support. Pathward employees have served 200 volunteer hours with the organization and through a combination of employee giving and home sponsorship, we have supported the growth of VCP Sioux Falls. Through their work, VCP promotes sustainable impacts on the lives of at-risk veterans by leveraging robust case management practices in the areas of health and wellness, education, employment, financial literacy, and the development of a personal support network.



Volunteerism

SCALE (SERVING COMMUNITIES AND LINKING EMPLOYEES)

Pathward's SCALE ERG cultivates leaders who promote volunteerism and service in our communities. Membership in SCALE saw a 54% increase in fiscal year 2023, which we believe is reflective of the mission-driven employee base. This increase resulted in Pathward expanding in-person volunteer events across multiple states to support our growing economic impact on the communities in which our employees live and serve.

2023 VOLUNTEER WEEK

▶ VOLUNTEER HOURS	▶ NUMBER OF EMPLOYEES
700+	222
▶ ORGANIZATIONS	▶ HOSTED EVENTS
18	24

PATHWARD'S 2023 VOLUNTEER OF THE YEAR

Pathward's Volunteer of the Year award recognizes one employee for their unwavering commitment to the betterment of their community through volunteerism. Each year, that employee is selected through a peer nomination process, and they are invited to direct a \$5,000 company donation to a charity of their choice.

Pathward's 2023 volunteer of the year is Chrystal Alvey. Chrystal is a Manager of Customer Experience in Pathward's Tax Division and has been with the organization since 2013. She lives out her passion for service to her community through mentorship, tutoring, and coaching endeavors, and support for those burdened with food and housing insecurity.

Chrystal has directed the \$5,000 award donation to The Fight Foundation, an organization on a mission to win the battle against childhood cancer.

Chrystal's dedication to the agency extends beyond advocacy; she also participates in their development activities, volunteering year-round on their Planning Committee to execute events such as their annual fundraising gala. Chrystal's servant leadership starts at home, inspiring her family to join her in The Fight Foundation gala and 5k. Her husband and two children regularly join in, and she is proud to share that "volunteering is part of who they are now." At work, she inspires her colleagues to go out and strengthen their own communities through volunteerism.

The colleague who nominated Chrystal said, "Chrystal is generous with her time and talents, she brings light and life to many incredible charitable and community endeavors...she has a great passion for helping others and encourages those around her to do the same and get involved...she's a role model and inspires me to step out of my comfort zone to be a helping hand to those in need."



CHRISTAL ALVEY
MANAGER,
CUSTOMER EXPERIENCE

Community Reinvestment Act (CRA)

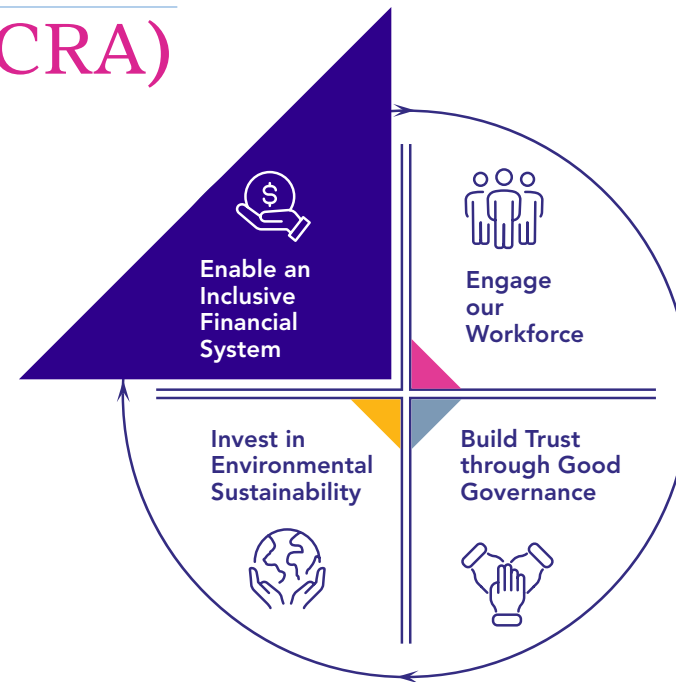
As a federally insured depository institution, Pathward is subject to the CRA, which requires banks to help meet the credit needs of their communities with a primary focus on providing support for low- and moderate-income (LMI) individuals. Our purpose of powering financial inclusion inspires us to push beyond compliance to build creative funding solutions for those who are under-resourced.

Pathward’s CRA strategy outlines our community development goals in three performance categories within our Sioux Falls Assessment area and our Broader Statewide Regional Area*: loans/investments, donations, and volunteer services.

Pathward just completed our three-year (2021–2023) CRA Strategic Plan. In 2023, we met our “Outstanding” goal in performance categories: loans/investments and donations. Our final overall OCC CRA rating for this period will be delivered in the first quarter of 2024.



*Broader Statewide Regional Area includes the following states: IA, KS, ND, NE, MN, MO, SD

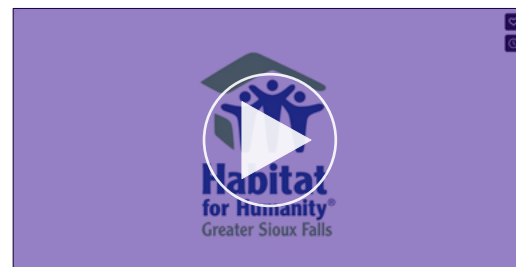


350+ volunteer hours served and **\$224K** donated to catalyze the missions of nonprofits such as Lunch is Served, Junior Achievement and McCrossan’s Boys Ranch



\$82 Million (which includes \$63M in prior period investments) invested in community development in BSRA* including housing bonds and mortgage-backed securities supporting LMI borrowers

As of calendar year 2023



Habitat for Humanity

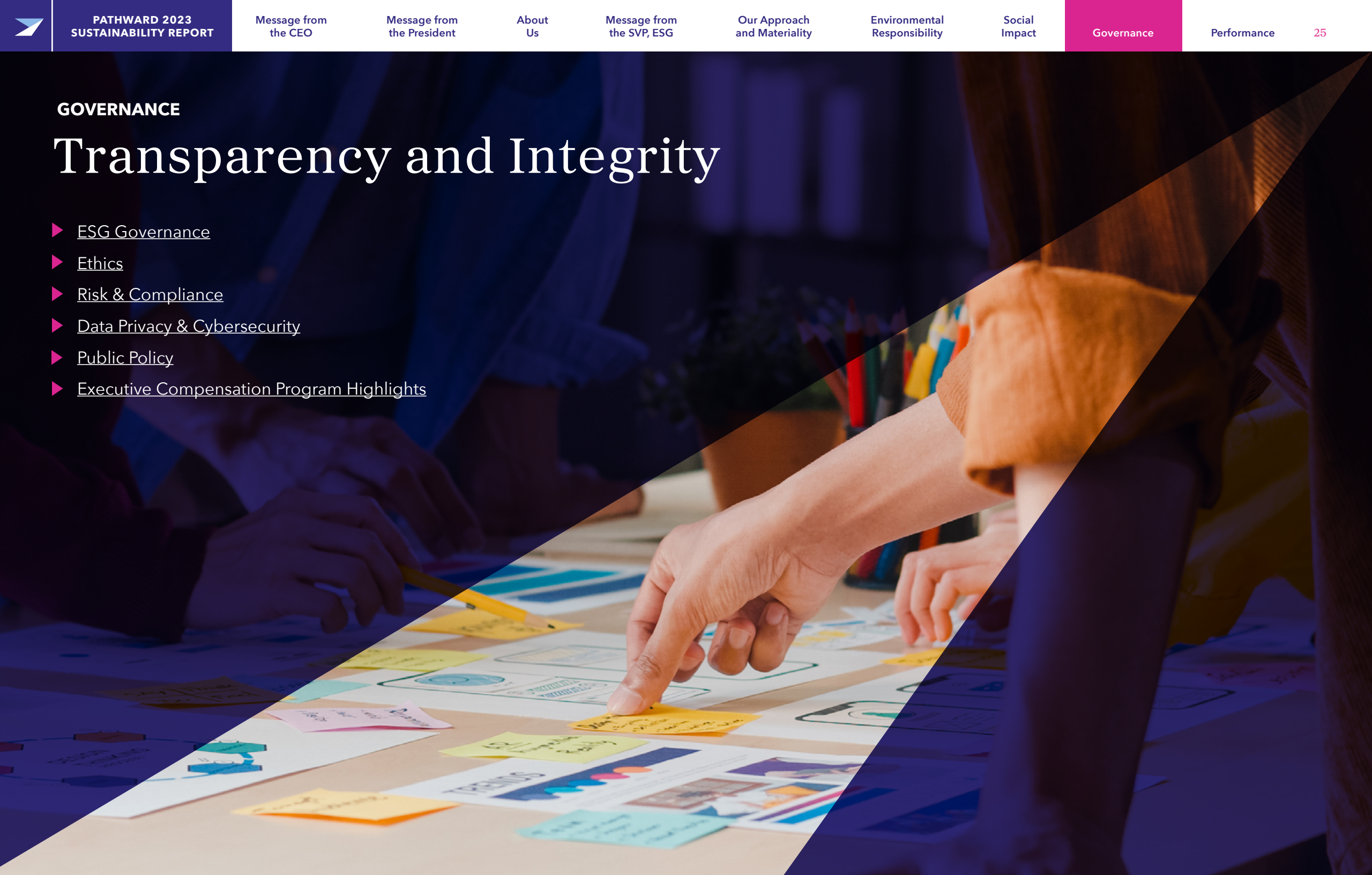
Habitat for Humanity of Greater Sioux Falls has been a long-standing partner of Pathward. Pathward collaborates with Habitat for Humanity to increase affordable housing and housing security for low-to-moderate income individuals and families through grantmaking and employee volunteerism.



GOVERNANCE

Transparency and Integrity

- ▶ [ESG Governance](#)
- ▶ [Ethics](#)
- ▶ [Risk & Compliance](#)
- ▶ [Data Privacy & Cybersecurity](#)
- ▶ [Public Policy](#)
- ▶ [Executive Compensation Program Highlights](#)



ESG Governance

Our ESG governance structure emphasizes Board of Directors and executive management oversight of our company-wide ESG implementation efforts.

In fiscal year 2023, there were no changes to the ESG governance structure. During that time, the ESG Committee met quarterly to discuss current and emerging ESG topics and provide oversight of our ESG policies, programs, strategies, risks and opportunities.

Effective February 28, 2024, the ESG Committee's role was subsumed by the Corporate Governance and Nominating Committee, which was renamed the Governance, Nominating and Sustainability Committee, in an effort to create administrative efficiencies.

The ESG Committee's responsibilities were detailed in its Committee Charter. They included oversight of the following: our ESG endeavors; charitable giving policies and programs; DEI; policies related to environmental sustainability, human rights and other social matters; relationships with external stakeholders; and our annual ESG Report.

Executive oversight of ESG efforts is the responsibility of our Chief Executive Officer and our President. Our Senior Vice President of ESG, Communications and Brand leads ESG efforts from a management perspective and chairs our cross-functional ESG Working Group with representatives from more than 15 functions that help initiate program implementation.

BOARD OF DIRECTORS

▶ ETHNICALLY DIVERSE
11%

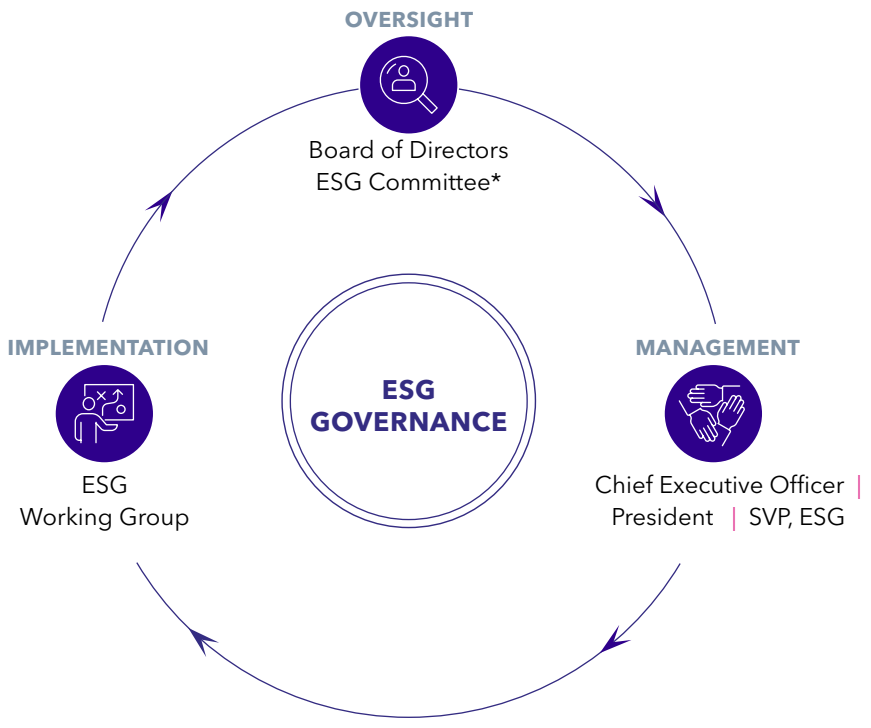
▶ FEMALE
33%

“ I believe Pathward’s ability to create sustainable, positive impacts on the communities we serve starts with responsible governance practices and in meeting commitments to our customers, partners, and employees. I’m proud of our ongoing commitment in those areas and the progress we made in 2023 to better position Pathward and our stakeholders for success.”

DOUG HAJEK
CHAIR, PATHWARD BOARD OF DIRECTORS
DURING FISCAL YEAR 2023



- SELECT ESG-RELATED POLICIES, STANDARDS, AND GUIDELINES**
- [Corporate Governance Guidelines](#)
 - [Code of Business Conduct](#)
 - [Community Reinvestment Act Strategic Plan](#)
 - [Community Impact Model and Program](#)
 - [Employee Handbook](#)
 - [ESG Strategy](#)
 - [Fair and Responsible Banking Program](#)
 - [People and Culture Policy](#)
 - [Privacy Policy](#)
 - [Whistleblower Protection](#), (Code page 34)



*Effective February 28, 2024, the ESG Committee's role was subsumed by the Corporate Governance and Nominating Committee, which was renamed the Governance, Nominating and Sustainability Committee, in an effort to create administrative efficiencies.



Ethics

Pathward’s commitment to ethical business practices starts with the Board and the executive leadership team and extends throughout our company. Pathward requires all new hires to complete training on our Code of Business Conduct and all employees to successfully complete annual refresher training. Additionally, Board directors certify annually that they have reviewed the Code of Business Conduct.

As a company operating in the financial services industry with a focus on powering financial inclusion, we believe it is critical to our customers, investors, shareholders, and communities that we consistently act in a manner that preserves the trust they place in us. We strive to foster a workplace culture based on the mantra “see something, say something” that elevates our commitment to ethical behavior and that our employees respect and appreciate.

CODE OF BUSINESS CONDUCT

The Code of Business Conduct (the “Code”) sets the highest standards of ethics and integrity for all employees and is overseen and reviewed annually by the Board’s Governance, Nominating and Sustainability Committee.



The Code is a comprehensive document, publicly available on our website, that addresses Pathward’s purpose, vision, and values; the responsibilities of team members, Board members and managers; commitments and rights in working with colleagues, consumers,

and partners; work in the community; work with the government; commitments to shareholders; and disclosure and reporting procedures, including whistleblower protection and investigations. Under the leadership of Pathward’s Code Officer, the Code was last updated in May 2023 to communicate our approach more clearly, address industry best practices and compliance considerations, and to make the document more reader-friendly by streamlining heavy text and employing visual cues. Building on the foundational work done with the Code itself, we engaged a third-party firm to benchmark our Code administration, along with distribution, training and disclosures, against industry best practices, and to support business-ethics engagement across our organization.

DISCLOSURE OF CONFLICTS OF INTEREST

To support required conflict of interest disclosures by new and current employees, we implemented an electronic process in 2023 to streamline employee reporting in areas set forth in the Code: Directorships; Government Participation; Gifts, Gratuities, and Entertainment (Received/Given); Outside Employment; Outside Investments; Business Opportunities; Family Member Employment; Personal Relationships; and Insider Trading.

ETHICS TRAINING

All employees are required to complete annual Code training and successfully pass a quiz, and new hires must meet these requirements within 60 days of initial employment. Board members are also trained on the Code.

REPORTING HOTLINE

Our toll-free ethics hotline is managed by a third-party vendor to align with industry best practices. The ethics hotline and whistleblower resources detailed in the Code are available to employees and the public to report concerns about employee conduct inconsistent with the Code. The ethics hotline supports anonymous reports to protect the confidentiality of the reporter, if desired. Information about how to access the ethics hotline is also available on our website.



▶ **OVERALL EMPLOYEE ENGAGEMENT SCORE**

85%

We have developed a workplace culture based on the mantra “see something, say something” that elevates our commitment to ethical behavior and that our employees respect and appreciate.

Risk & Compliance

We believe Pathward’s robust risk and compliance programs differentiate our business in the financial services marketplace and elevate our operations as a founder of the prepaid industry and a payments industry leader.

ENTERPRISE RISK MANAGEMENT

Our Enterprise Risk Management (ERM) program is grounded in responsible corporate governance principles to facilitate the alignment of risk with our strategic objectives, risk appetite, and regulatory requirements. Oversight of the program and processes rests with the Pathward Board of Directors and ERM, and their strategic implementation is carried out across the enterprise by senior management and teams across the company. To facilitate a comprehensive system, Pathward has adopted a Three Lines of Defense model that is managed by our frontline business units, our ERM team, and our Internal Audit team.

THREE LINES OF DEFENSE

1ST LINE OF DEFENSE

- ▶ Frontline business units, or functions that create risk
- ▶ Accountable for assessing and managing risks
- ▶ Responsible for implementing effective internal controls



Own and Manage

2ND LINE OF DEFENSE

- ▶ Oversees risk taking and assesses risks independent of the frontline units
- ▶ Complements frontline units through its monitoring and reporting responsibilities
- ▶ Responsible for aggregation of risk enterprise-wide



Monitor

3RD LINE OF DEFENSE

- ▶ Independent assurance to the Board of the effectiveness of governance, risk management, and internal controls



Assure

In fiscal year 2023 Matt Wahl stepped into the role of SVP, Chief Compliance officer, leading compliance and Bank Secrecy Act activities enterprise wide and spearheading Pathward’s Lean RCSA (Risk Control Self Assessment) Initiative.



Our strategic focus on risk and control framework and ownership has spurred the organization into the next level of risk management maturity, resulting in more efficient and effective business processes.”

MATT WAHL

SVP, CHIEF COMPLIANCE OFFICER

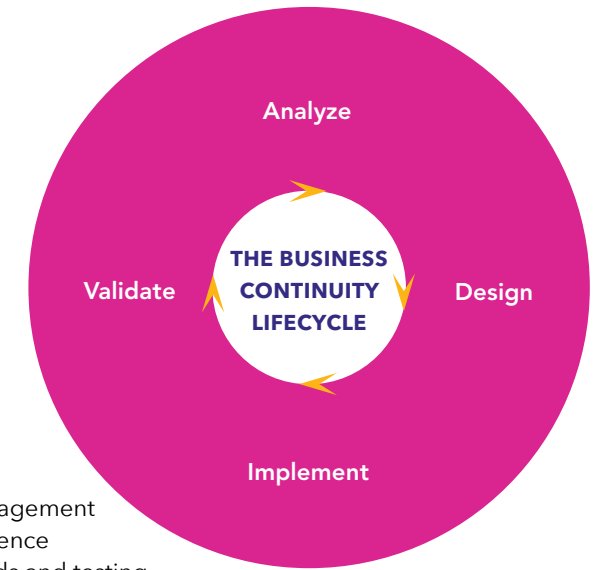


THIRD-PARTY RISK MANAGEMENT

Our comprehensive third-party risk management efforts are designed to provide oversight of third-party activities to identify and mitigate the effects of risk events through reporting diligence.

BUSINESS CONTINUITY MANAGEMENT

Pathward’s Business Continuity Management practices promote operational resilience through adherence to strict standards and testing requirements. We maintain compliance with Federal Financial Institutions Examination Council (FFIEC) and Office of the Comptroller of the Currency (OCC) relevant guidance.





Risk & Compliance

BANK SECRECY ACT (BSA) / ANTI-MONEY LAUNDERING (AML)

Pathward is committed to protecting our customers, third-parties, and our company from the risks of money laundering, terrorist financing and other illicit activity. Our BSA/AML and Office of Foreign Assets Control (OFAC) Compliance programs address adherence to the BSA, U.S. Sanctions, and other relevant rules and regulations. The programs address customer and third-party identification and due diligence, information sharing (414 (a) and (b)), suspicious activity monitoring and reporting, list screening (politically exposed person and OFAC), record retention, and training, among others.

To help facilitate adherence to the standard set forth in the BSA/AML and OFAC Compliance Programs, Pathward performs ongoing risk-based testing and audits not only of internal business line processes, but also of third-party programs. An experienced team supports these efforts and boasts various certifications in anti-money laundering and fraud prevention efforts. Using a sophisticated monitoring system, our Financial Intelligence Unit identifies and investigates unusual activity which may ultimately result in filing a suspicious activity report with the Financial Crimes Enforcement Network (FinCEN).

COMPLIANCE

In a constantly shifting regulatory environment, our Compliance Management System helps identify and mitigate risks arising from applicable laws and regulations. Significant compliance processes are formally documented, with clear lines of authority and responsibility, and communicated to our employees and external partners.

CREDIT

As a bank committed to financial inclusion, we champion creative solutions to offer consumer products to underserved markets and

leverage our marketplace lending model to reach underserved communities. We design our credit programs to focus on three high-priority outcomes: liquidity, credit protection and high satisfaction by the program partner and end-consumer. As our first principle, we emphasize credit quality and seek to avoid undue concentrations of loans and leases in a single industry or based on a single class of collateral.

INTERNAL AUDIT

Internal Audit, as the third line of defense, independently evaluates risk management and control activities in the frontline business units and ERM, ensuring their adequacy. This critical support role spans various business functions, serving as a liaison and advisor for both internal and external stakeholders, including Pathward's leadership, our Board of Directors, external auditors and regulators. Internal Audit's evaluations during fiscal year 2023 reveal a strong and progressively enhancing control environment within the organization.

Highlights of Internal Audit Activities in 2023:

- ▶ Audit continues to serve as a valuable talent source for the organization, successfully completing another year-long rotation program with the business.
- ▶ Post-audit survey responses average 89%, indicating the perceived efficacy and quality of the practice.
- ▶ Internal Audit's employee engagement score increased in fiscal year 2023 and was among the highest at Pathward.
- ▶ Meetings between Internal Audit and the Office of the Comptroller of the Currency (OCC) reflected effective collaboration and a favorable assessment of the work performed.



▶ AWARD FROM THE FINANCIAL CRIMES ENFORCEMENT NETWORK

In fiscal year 2023 Pathward's Bank Secrecy Act (BSA) and Financial Intelligence Unit teams earned an award from the Financial Crimes Enforcement Network (FinCEN) of the U.S. Treasury. In his award letter, Himamauli Das, Acting Director of FinCEN wrote, "Financial institution reporting under the BSA is not generated simply for the sake of compliance...This information is critical in many areas and is a pillar of our national security apparatus [and] keeps our country strong, our financial system secure, and our families safe from harm."



Data Privacy & Cybersecurity

We believe data privacy and cybersecurity are critical to Pathward’s growth and innovation strategy. As digital advancements continue to impact the delivery of financial services and the risks of cyberattacks grow, data privacy and cybersecurity remain top priorities at Pathward.



DATA PRIVACY

As a trusted financial institution, Pathward collects and processes personal information and financial data every day. We continue to enhance our ability to deploy the personnel, policies, and technologies needed to better safeguard data in accordance with applicable regulations.

Our Privacy Policy, detailing the use of personal information and the rights of each individual with respect to their information, is posted on our company website. Responsible use of data, data privacy, and cybersecurity are specifically cited in our **ESG strategy pillar: Build Trust through Good Governance.**

CYBERSECURITY

Our comprehensive cybersecurity program includes strategies and frameworks, policies and standards, and a risk-based methodology aligned with applicable regulatory requirements, including Payment Card Industry Data Security Standard compliance published on Visa and Mastercard partner lists. Pathward’s Information Security Working Group provides the Board’s Risk Committee with quarterly updates on program activities and issues are escalated to the full Board as appropriate.

To facilitate enterprise-wide attention to cybersecurity, we apply the following best practices:

- ▶ Conduct mandatory annual employee training on cybersecurity.
- ▶ Utilize mock phishing attacks and cybersecurity awareness emails.
- ▶ Leverage third-parties to conduct assessments of our cybersecurity program for compliance with regulatory guidelines and industry best standards along with performing penetration testing, helping us understand the effectiveness of our controls.
- ▶ Communicate clear escalation avenues to report suspicious activity, also detailed in our Code of Business Conduct.

Our incident response program is designed to effectively mitigate and recover from cyberattacks and facilitates communication with internal and external stakeholders during such events. Collectively, these efforts resulted in no material information security breaches within the last three years.



Public Policy

Pathward strives to remove barriers to financial access and promote economic mobility, in part, by collaborating with third-parties to provide responsible, secure, and high-quality financial products that contribute to the social and economic benefit of communities across the country. We work to increase financial availability, choice, and opportunity for all.

In support of those efforts, Pathward advocates for public policies that support our business and our communities. Pathward’s public policy team serves as our voice in Washington, D.C. to advance our mission and vision with Congress, the presidential administration, and other national industry stakeholders.

As part of our advocacy, we created a Political Action Committee (PAC) to engage with elected officials and candidates to provide a better understanding of the complex challenges and opportunities facing Pathward and our industry. Our PAC supports elected officials and candidates who are aligned with our mission and business goals and who seek to remove obstructive economic barriers that limit the abilities of underserved businesses, communities, and individuals to join the banking system.

Pathward recognizes that we will not agree with all policy positions of any candidate and that the positions taken by candidates may evolve over time. Our political activities are performed in compliance with applicable laws and regulations.

Pathward’s public policy team aims to:



EDUCATE

By driving awareness of Pathward’s mission and unique business lines.



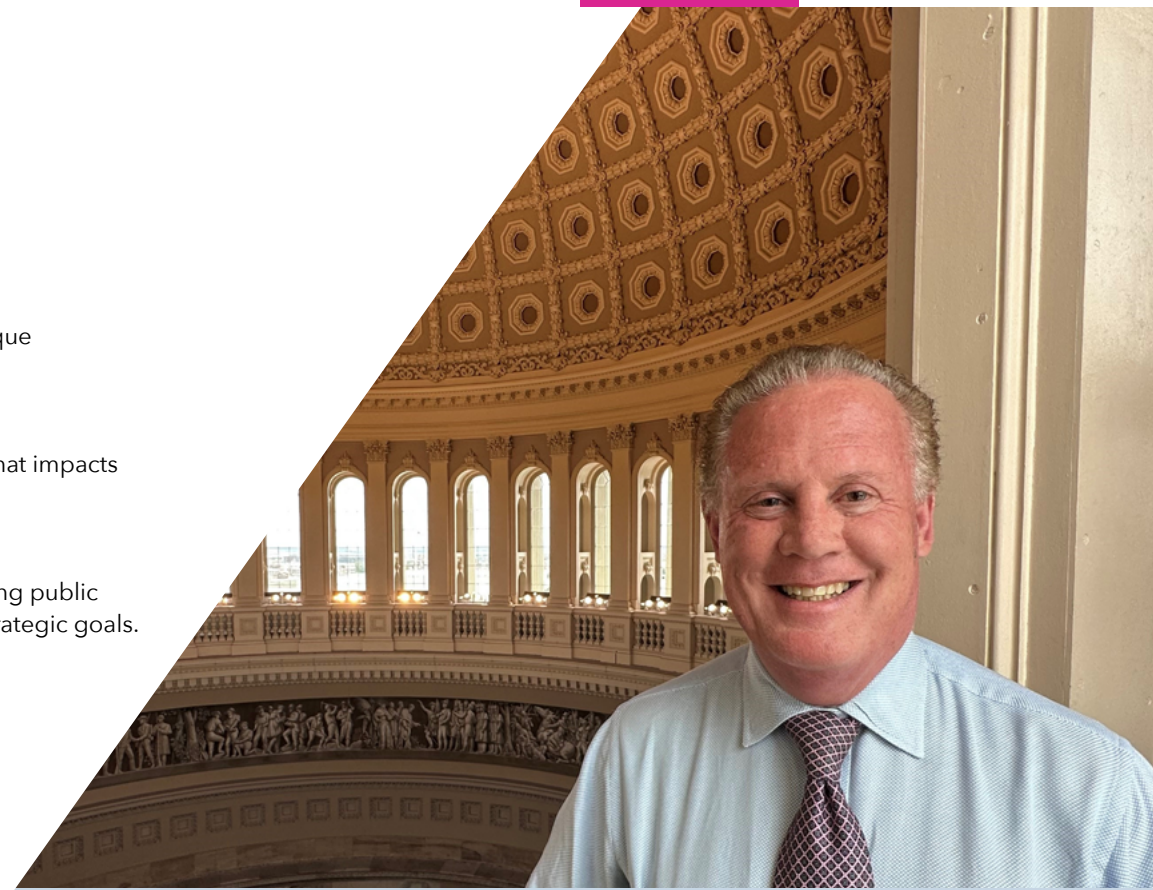
ADVOCATE

By promoting Pathward’s position on public policy that impacts our continued success.



INFLUENCE

By obtaining positive outcomes on new and emerging public policy topics that support Pathward’s mission and strategic goals.



HIGHLIGHTS

In 2023, Pathward’s public policy team:

- ▶ Continued to practice thought leadership on issues of importance to Pathward through engagement with members of Congress, federal regulators, and trade associations.
- ▶ Developed and executed Public Policy 101 sessions with teams across the company.
- ▶ Grew PAC revenues to help keep issue champions in office.



Executive Compensation Program Highlights

We believe that Pathward has developed a highly competitive compensation program designed to recruit, motivate, and retain top-quality executive leadership focused on attaining short-term and long-term corporate goals and increasing stockholder value.

Our executive compensation program is overseen by the Board of Directors Compensation Committee with a primary purpose of reviewing and approving our overall compensation philosophy, principles and practices.

Please see [Pathward's 2023 Proxy Statement](#) for additional information on our named executive officer compensation.

- ▶ Balanced compensation philosophy utilizing a mix of cash and equity, short- and long-term elements, and fixed and variable (at-risk) incentives.
- ▶ More than 97% support for "Say-on-Pay" vote in 2023.
- ▶ Target executive officer pay, on average, at the 50th percentile for comparable companies.
- ▶ 80% of CEO's target pay and 64% of other named executive officers' ("NEOs") target pay was variable and at-risk.
- ▶ Actual incentive payouts are commensurate with our fiscal year financial performance.
- ▶ The largest portion of the NEOs' incentive award opportunity is provided through a long-term incentive plan that includes rolling three-year performance periods and rewards the achievement of specific earnings and capital goals.
- ▶ Continued partnership with a compensation consultant.
- ▶ Two clawback policies that apply to our officers: One that applies if Pathward is required to prepare an accounting statement due to material noncompliance with financial reporting requirements under the federal securities laws as required by applicable SEC and Nasdaq requirements, and the other that applies if an officer engages in certain "detrimental conduct" that does not result in an accounting restatement.
- ▶ Stockholder engagement.
- ▶ Strong minimum stock ownership requirements for directors and executive officers.



More than **97%** support for "Say-on-Pay" vote in 2023



80% of CEO's target pay and **64%** of other named executive officers' ("NEOs") target pay was variable and at-risk



Performance

METRIC	FY 2021	FY 2022	FY 2023	NOTES	SASB STANDARD	GRI STANDARDS
Financial Performance						
Net Income	\$141.7M	\$156.4M	\$163.6M			201-1
Diluted Earnings Per Share	\$4.38	\$5.26	\$5.99			201-1
Total Revenue	\$549.9M	\$601.1M	\$704.5M			201-1
Total Assets	\$6.7B	\$6.7B	\$7.5B			201-1
Customers and Communities						
CRA-eligible financial donations	\$149,900*	\$172,400*	\$224,132*			201-1
CRA-qualified Volunteer Hours	762*	367*	351*	The CRA qualified volunteer hours for FY 2022 were retrospectively revised from their original presentation to reflect management's revised criteria for service activities in support of low and moderate income individuals and families that qualify under the Community Reinvestment Act.		413-1
Number of Nonprofit Organizations Supported Through CRA	11*	9*	9*			413-1
Description of Pathward-sponsored financial wellness (financial literacy) initiatives, programs, and/or financial services that are focused on enhancing the financial literacy of unbanked, underbanked, or underserved customers	For a description of related initiatives, programs and/or financial services, see pages 8 and 21-24.				FN-CB-240a.4	
Total number of Personal Loans	725	890	438	Line of credit total without charged off, bankrupt, and closed loans for FasterMoney Lines of Credit.	FN-CB-000.B	
Total number of Small Business Administration Loans	27	29	26		FN-CB-000.B	
Total value of Personal Loans	\$294,795	\$883,137	\$434,872	FasterMoney Lines of Credit book value excluding charged off and bankrupt loans.	FN-CF-000.B	
Total value of Small Business Administration Loans	\$23M	\$18.7M	\$34.4M	Value is the gross amount of SBA loans funded at origination date during the fiscal year.	FN-CB-000.B	
Total Charitable Investments	\$697,768*	\$1,001,682*	\$1,058,105	Includes lines of business donations, matching gifts, and Dollars for Doers.		201-1
Total Employee Volunteer Hours Tracked	4,096*	6,592*	5,654	Self-reported by employees tracked via Community Impact Portal, rounded.		
Total Volunteer Time Off (VTO) Hours Tracked	740	2,264	2,789	Self-reported by employees via time management system, rounded.		

¹ Data marked as (*) is presented on a calendar year. All other data is as of the fiscal year ending September 30th.



Performance

METRIC	FY 2021	FY 2022	FY 2023	NOTES	SASB STANDARD	GRI STANDARDS
Environment						
Computer Equipment Recycled (lbs.)	5,989*	5,407*	6,141	Includes peripherals, imaging devices and mixed electronics.		306-4
Greenhouse gas emissions in operations (Scope 1) (mtons CO ₂ e)	389	390	343	Market based		305-1
Greenhouse gas emissions in operations (Scope 2) (mtons CO ₂ e)	2,217	2,115	1,806	Market based		305-2
Greenhouse gas emissions in operations (Scope 3) (mtons CO ₂ e)	2,120	1,874	1,590	Market based		305-3
Operational emissions change year over year (%)	-16	-4	-14	Reflects Scopes 1 and 2 emissions		305-5
Percentage of consumed energy from the grid	100	100	100			302-1
Total electrical power used (kWh)	5,527,756	4,758,653	4,171,942			302-1, 302-4
Total energy used (kWh)	7,669,581	6,897,277	6,061,188			302-1, 302-4
Total Value of Commercial Finance Solar Concentration Portfolio	\$413M	\$377.4M	\$520.6M			
Governance						
Ratio of CEO Total Compensation to the Median Employee Compensation ²	60:1	45:1	41:1			2-21
Total CEO Compensation	\$5,040,345	\$3,811,433	\$3,884,129			2-21
Description of whistleblower policies and procedures	For a description, see Code of Business Conduct (page 34)				FN-CB-510a.2	2-26

²This metric title has been restated from previous reports.



Performance

METRIC	FY 2021	FY 2022	FY 2023	NOTES	SASB STANDARD	GRI STANDARDS
Board of Directors Demographics³						
Number of female Board of Directors members	3	3	3			405-1, 2-9
Number of male Board of Directors members	6	6	6			405-1, 2-9
Number of Non-binary Board of Directors Members	0	0	0			405-1, 2-9
Percentage of Asian or Asian-American Board of Directors Members	0	0	0			405-1, 2-9
Percentage of Black or African-American Board of Directors Members	11	11	11			405-1, 2-9
Percentage of Ethnic/Racial Minority Board of Directors Members	11	11	11			405-1, 2-9
Percentage of Hispanic or Latino Board of Directors Members	0	0	0			405-1, 2-9
Percentage of Native American or Alaskan Native Board of Directors Members	0	0	0			405-1, 2-9
Percentage of Native Hawaiian or Other Pacific Islander Board of Directors Members	0	0	0			405-1, 2-9
Percentage of Board of Directors Members of Two or More Races or Ethnicities	0	0	0			405-1, 2-9
Percentage of Board of Directors Members Who Have Not Specified Their Ethnicity	0	0	0			405-1, 2-9
Percentage of Board of Directors Members Who Identify as LGBTQ+	0	0	0			405-1, 2-9
Percentage of White Board of Directors Members	89	89	89			405-1, 2-9
Total number of Directors on the Board (#)	9	9	9			2-9

³ Board of Director demographic information is self reported by each Board member via a questionnaire.



Performance

METRIC	FY 2021	FY 2022	FY 2023	NOTES	SASB STANDARD	GRI STANDARDS
Employee Training and Development						
Organizational Employee Engagement Score	82%	78%	85%	Refer to page 15 for more information.		
Percentage of Employee Population Participating in Employee Resource Groups (ERGs)	25	19	31	Refer to page 20 for more information.		
Percentage of New Hires Who Completed Code of Business Conduct training	100%	100%	100%			2-24
Total Hours of Training Employees Received via Our Learning Management System	21,527	12,013*	12,028	In 2022, Pathward significantly condensed the amount of required training hours completed by our employees.		404-1
Employee Demographics^{4,5,6}						
Average Age of Employees	43 ⁷	47	43			405-1
Average employee tenure (years)	5.7	6	6			
Total number of employees ⁸	1,133	1,154	1,193			2-7
Female employees						
As a percentage of employees	54	56	55			405-1, 2-7
As a percentage of individual contributors	57	59	58			405-1, 2-7
As a percentage of people leaders	45	47	48			405-1, 2-7
As a percentage of senior leaders	29	33	17			405-1, 2-7
Male employees						
As a percentage of employees	46	44	45			405-1, 2-7
As a percentage of individual contributors	43	41	42			405-1, 2-7
As a percentage of people leaders	55	53	52			405-1, 2-7
As a percentage of senior leaders	71	67	83			405-1, 2-7

⁴Employee demographic information is self reported upon completion of onboarding documentation.

⁵Senior leaders are defined as employees on the executive committee; people leaders are defined as employees with direct reports; and individual contributors are defined as employees without direct reports.

⁶Some demographic figures have been updated from previous reports to support rounding efforts.

⁷This number has been restated from previous reports.

⁸FY2023 employees include "regular employees" defined as full-time and part-time. Previous figures reflect "payroll employees" which may include temporary employees.



Performance

METRIC	FY 2021	FY 2022	FY 2023	NOTES	SASB STANDARD	GRI STANDARDS
Ethnic minority employees						
As a percentage of employees	19	19	20			405-1
As a percentage of individual contributors	16	20	21			405-1
As a percentage of people leaders	14	13	15			405-1
As a percentage of senior leaders	29	17	17			405-1
Asian or Asian-American employees						
As a percentage of employees	4	5	6			405-1
As a percentage of individual contributors	4	5	6			405-1
As a percentage of people leaders	2	3	4			405-1
As a percentage of senior leaders	14	0	0			405-1
Black or African-American employees						
As a percentage of employees	7	7	7			405-1
As a percentage of individual contributors	6	7	7			405-1
As a percentage of people leaders	7	7	7			405-1
As a percentage of senior leaders	15	17	17			405-1
Hispanic or Latino employees						
As a percentage of employees	6	6	6			405-1
As a percentage of individual contributors	5	6	7			405-1
As a percentage of people leaders	4	2	3			405-1
As a percentage of senior leaders	0	0	0			405-1



Performance

METRIC	FY 2021	FY 2022	FY 2023	NOTES	SASB STANDARD	GRI STANDARDS
Native American or Alaskan Native employees						
As a percentage of employees	0	0	0			405-1
As a percentage of individual contributors	0	0	0			405-1
As a percentage of people leaders	0	0	0			405-1
As a percentage of senior leaders	0	0	0			405-1
Native Hawaiian or other Pacific Islander employees						
As a percentage of employees	0	0	0			405-1
As a percentage of individual contributors	0	0	0			405-1
As a percentage of people leaders	0	0	0			405-1
As a percentage of senior leaders	0	0	0			405-1
White employees						
As a percentage of employees	83	80	79			405-1
As a percentage of individual contributors	81	78	77			405-1
As a percentage of people leaders	86	86	84			405-1
As a percentage of senior leaders	71	83	83			405-1
Employees of two or more races						
As a percentage of employees	2	1	1			405-1
As a percentage of individual contributors	1	2	1			405-1
As a percentage of people leaders	1	1	1			405-1
As a percentage of senior leaders	0	0	0			405-1



Performance

METRIC	FY 2021	FY 2022	FY 2023	NOTES	SASB STANDARD	GRI STANDARDS
Employees who have not disclosed their ethnicity						
As a percentage of employees	1	1	1			405-1
As a percentage of individual contributors	1	2	2			405-1
As a percentage of people leaders	0	1	1			405-1
As a percentage of senior leaders	0	0	0			405-1
Disabled employees						
As a percentage of employees	7	7	8			405-1
As a percentage of individual contributors	7	7	3			405-1
As a percentage of people leaders	5	8	4			405-1
As a percentage of senior leaders	14	0	0			405-1
Veteran employees						
As a percentage of employees	2	2	2			405-1
As a percentage of individual contributors	2	2	2			405-1
As a percentage of people leaders	3	3	4			405-1
As a percentage of senior leaders	14	17	16			405-1



Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANT'S REPORT

To the Stakeholders of Pathward Financial, Inc.

We have reviewed Pathward Financial Inc.'s ESG Performance metrics identified below, which are included in the Pathward 2023 Sustainability Report on pages 33-39. The ESG performance metrics listed below are defined as the Subject Matter.

- Total charitable investments – for the fiscal year ended September 30, 2023 and calendar year ended December 31, 2022
- Total number and value of Small Business Administration loans – as of September 30, 2023 and 2022
- Total number and value of personal loans – as of September 30, 2023 and 2022
- Number of nonprofit organizations supported through the Community Reinvestment Act (CRA) – as of December 31, 2023 and 2022
- CRA eligible financial donations and qualified volunteer hours – for the calendar year ended December 31, 2023 and 2022
- Total employee volunteer hours– for the fiscal year ended September 30, 2023 and calendar year ended December 31, 2022
- Total employee volunteer hours paid time off – for the fiscal year ended September 30, 2023 and 2022
- Total CEO compensation and ratio of CEO compensation to the median employee compensation – for the fiscal year ended September 30, 2023 and 2022
- Total number of directors on the Board – as of September 30, 2023 and 2022
- Number of female, male and non-binary Board of Directors members – as of September 30, 2023 and 2022
- Board of Directors Demographics (ethnic/racial minority, Asian or Asian-American, Black or African-American, Hispanic or Latino, Native American or Alaskan Native, Native Hawaiian or other Pacific Island Native, White, two or more races or ethnicities, ethnicity not specified and identify as LBGTQ+) as a percentage of total Board members – as of September 30, 2023 and 2022
- Total number of employees – as of September 30, 2023 and 2022
- Percentage of employees participating in Employee Resource Groups – as of September 30, 2023 and 2022
- Percentage of new hires who completed the Code of Business Conduct training – as of September 30, 2023 and 2022
- Overall organizational employee engagement score– as of September 30, 2023 and 2022
- Total hours of training by employees received via learning management system – for the fiscal year ended September 30, 2023 and calendar ended December 31, 2022
- Average employee age and tenure – as of September 30, 2023 and 2022
- Employee demographics (female, male, ethnic minority, Asian or Asian-American, Black or African-American, Hispanic or Latino, Native American or Alaskan Native, Native Hawaiian or other Pacific Islander, White, two or more races, ethnicity not specified, disabled and veteran) as a percentage of employees, senior leaders, people leaders and individual contributors – as of September 30, 2023 and 2022

(Continued)

Pathward Financial, Inc.'s management is responsible for presenting the Subject Matter in accordance with the criteria set forth in the Notes column on pages 33-39 in the ESG Performance section of the Pathward 2023 Sustainability Report (the "Criteria"). Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether material modifications should be made to the Subject Matter in order for it to be in accordance with the Criteria. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

As discussed on page 33 of the Pathward Sustainability Report, CRA qualified volunteer hours for the year ended December 31, 2022 were retrospectively revised from their original presentation to reflect management's revised criteria for service activities in support of low and moderate income individuals and families that qualify under the Community Reinvestment Act.

Information outside of the ESG performance metrics identified above, was not subject to our review, including the other ESG performance metrics listed on pages 33-39 and other information within the Pathward Financial Inc.'s 2023 Sustainability Report, and, accordingly, we do not express a conclusion or any form of assurance on such information. Further any information relating to periods prior to FY 2022 was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to the ESG Performance metrics, included in the Pathward 2023 Sustainability Report, which have been identified above, in order for it to be in accordance with the Criteria.


Crowe LLP

South Bend, Indiana
April 12, 2024



Approach to Disclosures and Forward-Looking Statements

Pathward Financial is publishing this report solely for the informational purposes of our stakeholders in an effort to provide transparency into our ESG efforts and initiatives. This report is designed to provide a high-level overview of our ESG endeavors with selected examples for the fiscal year ended September 30, 2023; it is not a comprehensive description, a financial report or a financial presentation, or a legal summary of our ESG programs and involvement. The content, narrative and data included in this report are informed by disclosure recommendations, reporting guidelines and definitions of materiality used by certain voluntary external frameworks, including the Sustainability Accounting Standards Board (SASB) Commercial Banking and Consumer Finance standards, The Global Reporting Initiative, and the U.N. Sustainable Development Goals. These reporting guidelines and definitions of materiality differ in important ways from mandatory regulatory reporting, including under the rules and regulations of the U.S. Securities and Exchange Commission (SEC). Consequently, the information in this report may be presented from a different perspective and in more detail than Pathward Financial's regulatory reporting, and the inclusion of information in this report is not an indication that the subject or information rises to the level of materiality used for the purposes of complying with U.S. federal securities laws and regulations, even if the terms "materiality" or "material" are used. In addition, the information in this report may be based on estimates, assumptions, standards, methodologies, internal control frameworks and currently available data, which continue to evolve and develop. Nothing contained in this report is a guarantee or promise that any goals or aspirations will be met. The information in this report is as of the date referenced, reflects our approach to ESG as of the date of this report and is subject to change without notice. We do not undertake to update any of the information provided in this report. The information in this report may also include the use of non-financial metrics and other information that are subject to significant measurement uncertainties, which may include the

methodology, collection and verification of data; the use of estimates, judgments and assumptions; data reliability, consistency and timeliness, particularly with respect to underlying data that is obtained from third parties over which we have no control; and the application and development of currently available data, models, scenarios and methodologies, which continue to evolve and develop.

This report contains "forward-looking statements," which are made in good faith by Pathward Financial pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by words such as "may," "hope," "will," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential," "continue," "could," "future," "target," "goals," "aspire," or the negative of those terms, or other words of similar meaning or similar expressions. These forward-looking statements are based on information currently available to us and assumptions about future events, and include statements with respect to our beliefs, expectations, estimates, and intentions, which are subject to significant risks and uncertainties, and are subject to change based on various factors, some of which are beyond our control. Such risks, uncertainties and other factors may cause the actual results, impact, performance and outcomes of our ESG program, strategy and efforts to differ materially from those expressed in, or implied by, these forward-looking statements. These statements are not guarantees of future results, occurrences or performance. Such statements address, among others, the following subjects: our ESG goals, strategy, commitments, aspirations, approaches and objectives; the impacts of the projects we finance; the impact of our Talent Anywhere approach; our future approach to environmental assessments and reporting; the impact of measures expected to better meet the needs of our customers and partners and enhance overall business performance; and renewable energy projects that we finance. The following factors, among others, could cause the actual

results, impact, performance and outcomes of our ESG program, strategy and effects to differ materially from the expectations, estimates, and intentions expressed in such forward-looking statements: changing expectations from shareholders, consumers, governmental bodies and regulators regarding ESG matters; data limitations, maintaining our executive management team; climate-related conditions and weather events; the potential adverse effects of unusual and infrequently occurring events, including the impact on financial markets from geopolitical conflicts, weather-related disasters, or public health events, and any governmental or societal responses thereto; changes in trade, monetary, and fiscal policies and laws, including actual changes in interest rates and the Fed Funds rate, and their related impacts on macroeconomic conditions and customer behavior; the strength of the United States' economy, and the local economies in which the Company operates; adverse developments in the financial services industry generally; inflation, market and monetary fluctuations; changes in consumer borrowing, spending and saving habits; legislative and regulatory changes, including laws and regulations relating to ESG matters; and technological risks and developments. The foregoing list of factors is not exclusive. Other factors that could cause the actual results, impact, performance and outcomes of our ESG program, strategy and effects to differ materially from those described in forward-looking statements can be found in this report and in Pathward Financial's filings with the SEC, including, without limitation, the "Risk Factors" section of Pathward Financial's 2023 Annual Report on Form 10-K. Precautionary statements included in such filings should be read in conjunction with this report. We caution you not to place undue reliance on these forward-looking statements. The forward-looking statements included in this report speak only as of the date hereof, and we expressly disclaim any intent or obligation to update any forward-looking statements whether as a result of new information, changed circumstances, future events or for any other reason.



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