Tyler has built its brand by delivering **value for clients**, creating a **strong workplace culture**, ensuring **transparency in our operations**, and empowering **strong, vibrant communities**. We take great pride in the Tyler brand and what it stands for.

Tyler experienced tremendous growth and change in 2019, and in turn, our responsibilities as a company are growing and changing. This year we take another step forward in our journey as we present our first corporate social responsibility report. Through our transparency and disclosure, we hope to showcase our commitment to making a **positive impact on the people, places, and experiences we touch every day**.

While presenting a formal CSR report may be new to us, the values, beliefs, and commitment they represent are deeply embedded in the fabric of our company at every level. We look forward to reporting on our performance improvements each year, including the addition of details next year related to MicroPact following its formal incorporation into our corporate structure on Jan. 1, 2020.

We hope this will help you gain a deeper understanding of the ways we are striving to serve the many facets of communities in which we live and work.
Respect for the environment is more than a mindset; it requires real investment and focus. In 2019, we continued to make meaningful changes to our operations, infrastructure, and product offerings to better conserve natural resources and address environmental concerns at global and local levels.

With approximately 5,350 team members in 2019 spread across 35 office locations, we appreciate the significance of our footprint. Our office locations represent cities and towns from coast to coast, as well as international locations.

In addition, our products are in use at more than 10,000 client sites across the public sector, greatly extending the reach of Tyler’s environmental impact.

Our software is designed to increase efficiency throughout our clients’ organizations, with many of our electronic solutions producing a dramatic reduction in fuel use and paper waste.

In 2019, our electronic filing solution helped our clients save nearly 2.3 million pounds of paper, the equivalent of more than 25,000 trees.
Environmental programs and policies in place across Tyler’s major offices include:

- Installation of motion sensors and energy-efficient lighting for interior and exterior spaces
- Use of building automation systems (BAS) to manage power usage
- High-efficiency heating and air conditioning systems
- Installation of low-flow plumbing fixtures
- Commercial recycling programs
- Extensive use of document management tools with embedded workflow to reduce paper usage

Additional environmental programs at select Tyler office locations include:

- Installation of solar panels, energy-efficient windows, and additional insulation
- Incorporation of LEED standards into building improvements and new construction
- Office green teams
- Use of recycled and compostable paper products in cafeterias and breakrooms
- Use of natural aquifers for corporate campus irrigation
- Fuel-delivery service with carbon-neutral fleet to reduce CO₂ emissions and groundwater contamination
A spirit of community is a common thread that runs through every interaction, inside and outside our organization.

For our communities, this means generous giving through the Tyler Foundation, our endowment for charitable giving. It also means continuing our unique relationship with Both Ends Believing, Tyler’s nonprofit partner benefiting children in institutional care around the world.

For our company, this means support for the wellness and fulfilment of our employees, as well as for a wide range of causes they care about. In 2019, our commitment to employee engagement earned us inclusion in Forbes’ America’s Best Midsize Employers for the second straight year.

For our clients and shareholders, this means providing peace of mind by investing in security, compliance, and privacy initiatives that meet or exceed software industry standards. We publish specific guidance on these programs on the Compliance page of our website.
Community programs and policies across Tyler’s major offices include:

| **More than $400,000** in monetary and in-kind donations to community nonprofit organizations through Tyler Foundation and employee contributions | **Nearly $325,000** in in-kind software donations to Both Ends Believing | **Participation in charitable events in more than 20 U.S. states and three countries, representing more than 4,000 employee volunteer hours** | **Internship programs** for promising university students to get hands-on career experience in the software industry and public sector market |

Through their annual sock drive, team members in Tyler’s Yarmouth and Falmouth, Maine, offices collected nearly 10,000 pairs of socks to donate to the Preble Street social services center. Their 2019 effort generated nearly three times more socks than the 2018 drive — enough socks to supply the organization for almost 10 months. Socks are the most requested garment at Preble Street, whose caseworkers offer them to homeless individuals during initial meetings as a first step in establishing a relationship.

Tyler Marketing upcycled a Connect 2019 banner to create 100 toiletry bags, stuffed with essential items donated by Tyler’s Plano team members, for Genesis Women’s Shelter in Dallas, TX.

Tyler’s Maine App Challenge is an annual contest that invites students to create and present a mobile app of their own design. Each year, the contest awards $10,000 in scholarships to high school students.
The Tyler Veterans Group connects veterans, helping them integrate into the civilian world, and ensuring they understand the rights and benefits they have as employees. The group is passionate about helping the community and dedicated to helping one another.

In 2019, Tyler’s UX (user experience) team created Accessibility Empathy Labs at four of our offices across the country in recognition of National Disability Awareness Month. This initiative helped build understanding and create awareness for the importance of designing our software to meet the needs of our users with accessibility requirements.
FORBES BEST EMPLOYERS FOR DIVERSITY (2019)

The Forbes Best Employers for Diversity listing was compiled from an independent online survey based on a sample of 50,000 Americans working at firms of 1,000 or more employees. The survey included questions on age, gender equality, ethnicity, disability, sexual orientation, and general diversity. The companies named to the Best Employers for Diversity list represent a variety of industries such as technology, transportation, media, health care, education, and retail.

Customer privacy practices in place across Tyler:

- **Payment Card Industry Data Security Standard (PCI DSS)** compliance with annual assessment using an approved quality security assessor

- **ISAE 3402 and System and Organizational Controls (SOC) Types 1 and 2** data center compliance verified through third-party auditing and reporting

- **General Data Protection Regulation (GDPR)** compliance for Tyler EU clients

- **Criminal Justice Information Services (CJIS)** compliance for Tyler courts and justice clients

- **California Consumer Privacy Act (CCPA)** compliance for Tyler clients located in California
Every aspect of our business begins and ends with integrity. In adhering to corporate governance standards, **integrity is our guiding principle** and our number one requirement for success — with our team members, our clients, our shareholders, and even with our competitors. We consider integrity to be at the heart of our success and uphold it on a daily basis through careful listening, thoughtful analysis, and responsible decision making.

In 2019, like many software companies, we continued to focus on **information security**, organizing our security measures into **four major categories** of control:

- Administrative
- Physical access
- Logical access
- Secure architecture

We invested in **technical and operational solutions** to evolve the security of our applications, architecture, and processes, and we increased our internal training activities through a variety of programs.

In addition, we consolidated information security efforts under a newly organized **Information Security Office** to monitor internal security infrastructure, improve processes, and consult with product security teams. Our Yarmouth, Maine, office, which houses our threat detection solution, Tyler Detect, also hosted two cybersecurity summits for clients.
FOR OUR SHAREHOLDERS:

Tyler’s board of directors believes that its directors and executive officers should have a meaningful ownership stake in Tyler that will align their interests with those of our shareholders, and will promote sound corporate governance and a long-term perspective in managing Tyler. The board has adopted stock ownership guidelines, as well as pledging and anti-hedging policies.

Governance and security goals and policies include:

BOARD DIVERSITY
- Female member of the board of directors in place since 2014, currently leading the audit committee

BUSINESS ETHICS
- Policies and mandatory training including harassment, code of conduct, travel, entertainment, and data security
- Daily cybersecurity briefing for email subscribers

CORPORATE GOVERNANCE
- Published guidelines for maintaining effective corporate governance practices for the long-term benefit of shareholders
- Standing board committees composed entirely of independent directors: audit committee, compensation committee, and nominating and governance committee
- Regular reporting to the board about succession planning by nominating and governance committee

RISK MANAGEMENT
- Annual third-party penetration testing of Tyler data centers, Tyler systems, and PCI compliance of Tyler applications that provide credit card payment portals within the Tyler cloud
- Mandatory annual IT security compliance training for all employees