



Corporate Responsibility Report





CONTENTS

Corporate Responsibility Impact..... 3

- About This Report..... 3
- Letter From Our CEO 3
- Corporate Responsibility Impact..... 4
- Our Corporate Responsibility Journey..... 5
- Facing Challenges With Resiliency 7

Our Business..... 9

- Financial Performance Snapshot..... 9
- Company and Operations..... 10
- Focus on Mission, Vision, and Values..... 12
- Ethical Governance..... 13

People and Culture 17

- Inclusive Workplaces 17
- Team Member Development..... 24
- Living Well at Tyler 27
- Awards and Recognitions..... 28

Community Impact 29

- Team Member Giving..... 29
- Community Giving 30

Environmental Sustainability 32

- Environmental Policy 32
- Sustainability Strategy 32
- Energy and Climate..... 34
- Resource Efficiency 35

Appendix 36

- GRI Content Index 36



About This Report

Tyler's second annual corporate responsibility report provides a summary of our corporate responsibility approach, activities, and progress in 2020. Through this report, we seek to bring greater transparency to our efforts, accomplishments, and goals around environmental, social, and governance (ESG) topics.

Unless explicitly noted, the information included in this report covers the fiscal year 2020 (January 1 – December 31, 2020) and 100% of Tyler's divisions and business units. Where feasible, the content in this report references recognized frameworks including the Sustainability Accounting Standards Board (SASB) Standards and Global Reporting Initiative (GRI) reporting standards. Tyler has also incorporated material referenced by the SAM Corporate Sustainability Assessment.

Tyler's ESG Council oversees the creation of this annual report with input from subject matter experts across the company and oversight from executives, senior leaders, and the Nominating and Governance Committee of our board of directors. This report can be accessed on the [Corporate Responsibility](#) page and in the [Investor](#) section of Tyler's website. For questions regarding this report or its contents, please contact media.team@tylertech.com.

Letter From Our CEO

In 2020, Tyler became a part of a global community united by a series of immense challenges. Between the pandemic, a worldwide call for racial and social justice, and pervasive international cybersecurity threats, 2020 will undoubtedly go down in history as one of the most difficult and painful years in recent memory.

Providing safety and stability for Tyler team members and their families amid a year of such uncertainty was my highest priority. We continue to stand by our commitment to avoid headcount reductions due to the pandemic. By providing job security, extending health care offerings related to COVID-19 care, and offering numerous benefits beyond those required for a company our size, we were able to lessen the impact of the pandemic within the company.

But we did more than survive in 2020. We rose to new levels of collaboration, creativity, and perseverance with virtual solutions and delivery models to ensure the stability and continuity of our clients' operations and critical government services. And we accomplished this throughout a sweeping transition to remote work and service, both internally and among our clients.

This past year, we formed an Environmental, Social, and Governance (ESG) Council focused on transparency in reporting to our stakeholders. You will see that this year's report provides a more detailed look at the many ways we live our values at Tyler. Examples of this include the uninterrupted allocation of grants by the Tyler Foundation and our innovative approaches to addressing our clients' unique needs in response to the events of 2020.

As this report is published, with companies, families, and communities everywhere still feeling the impacts of last year's events, my appreciation for our organization's resiliency, compassion, and determination has never been greater, and our company's purpose of supporting our clients and the communities they serve has never been more clear.

We hope you and your families stay safe and well.

H. Lynn Moore Jr.
President and Chief Executive Officer





CORPORATE RESPONSIBILITY AT TYLER

OUR BUSINESS

PEOPLE AND CULTURE

COMMUNITY IMPACT

ENVIRONMENTAL SUSTAINABILITY

APPENDIX

Corporate Responsibility Impact

2020

ZERO headcount reductions due to COVID-19



75,000+ GAL. OF WATER PER DAY saved through rainwater irrigation

\$361,000

in Tyler Foundation grants

100% coverage of medical and mental telehealth visits by Tyler benefits plans

6
Top workplaces listings

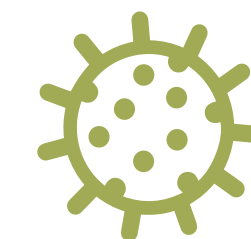
2 CONSECUTIVE YEARS named to Forbes' "America's Best Employers for Diversity" list

\$400,000+ in community fundraising by Tyler team members

50 YEARS of community giving through the Tyler Foundation

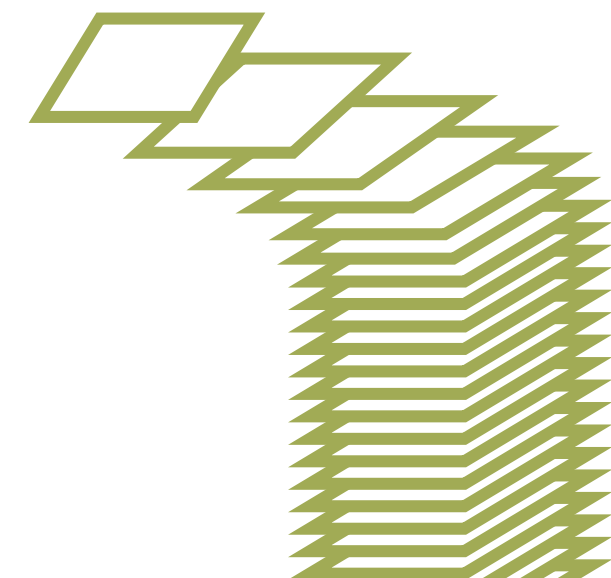


\$780,000+ monetary and in-kind donations to nonprofit partner BEB



Unlimited "CTO" (coronavirus paid time off)

2.4 million lbs. of paper saved through "paperless" solutions



100% TEAM MEMBERS who completed online training on information security compliance

100+ talent networks engaged to increase diversity in recruiting



Our Corporate Responsibility Journey

In early 2020, Tyler embarked on a journey to more transparently share the positive impact we have on the people, places, and experiences we encounter every day. Since publishing our first corporate responsibility report in 2020, we have continued to demonstrate our commitment to sustainability and progress. Key steps include benchmarking our environmental, social, and governance (ESG) initiatives against our peers and best-in-class companies in our industry; conducting a streamlined materiality assessment to identify priorities moving forward; conducting our first greenhouse gas inventory for calendar year 2019; and formalizing our ESG governance structure.

A significant milestone in 2020 was responding to Tyler's first invitation to the [S&P Corporate Sustainability Assessment](#), used to construct the Dow Jones Sustainability Indices. More than 3,500 of the world's largest publicly listed companies are invited to provide detailed data and background to the global survey for evaluation by its independent sustainability ranking body. Completing the survey was an important opportunity for Tyler to benchmark our performance toward strengthening our corporate responsibility strategy.

Following the transition to remote work for the majority of our team members in the first quarter of 2020, our ESG Council assembled Tyler's Environmental Task Force, composed of facility managers from across our major office locations. The pause in normal office occupancy and business travel has provided an opportunity for us to evaluate our environmental impact across these locations in order to make our practices more consistent and effective. You can read more about these efforts in the [Environmental Sustainability](#) section of this report.

Tyler's journey in 2020 also included an expanded focus on health, safety, and wellness with specific concern for the impacts of the pandemic. Intertwined with these efforts is an ongoing effort to strengthen our positive impact in the workplace, the technology landscape, and the communities where we live, work, and provide services. Please refer to the sections of this report titled [Facing Challenges With Resiliency](#), [People and Culture](#), and [Community Impact](#) for a detailed discussion of these topics.





TYLER'S ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) COUNCIL

Over the past year, Tyler made substantial strides in formalizing the company's commitment to corporate responsibility with the help of our ESG Council, which guides our corporate responsibility data collection and reporting activities, as well as supporting our company-wide sustainability initiatives.

Tyler's ESG Council operates under the guidance of the Nominating and Governance committee of our board of directors and is composed of a group of nine executives and subject matter leads from across the organization.

The ESG Council's working group holds weekly strategy meetings, oversees and directs the Environmental Task Force, and engages with a range of stakeholders and experts across the company and the community to advance the company's corporate responsibility objectives.

OUR ESG PRIORITIES

Assessment Methodology

In 2020, Tyler conducted a streamlined materiality assessment to identify topics prioritized by ESG raters, peers, and other stakeholders. This process was informed by the Sustainability Accounting Standards Board (SASB) Standards and Global Reporting Initiative (GRI) reporting standards, which were used to develop an extensive list of potential topics for consideration. Through research and a benchmarking exercise, Tyler selected a list of topics for validation. Based on our ESG Council's consideration of impact to the business and expectations of stakeholders, we identified five focus areas for our near-term corporate responsibility efforts. Tyler looks forward to increasing our transparency on related progress.

ESG PRIORITY FOCUS AREAS

ENVIRONMENTAL

Products and services enabling positive impact

Emissions, energy, and waste

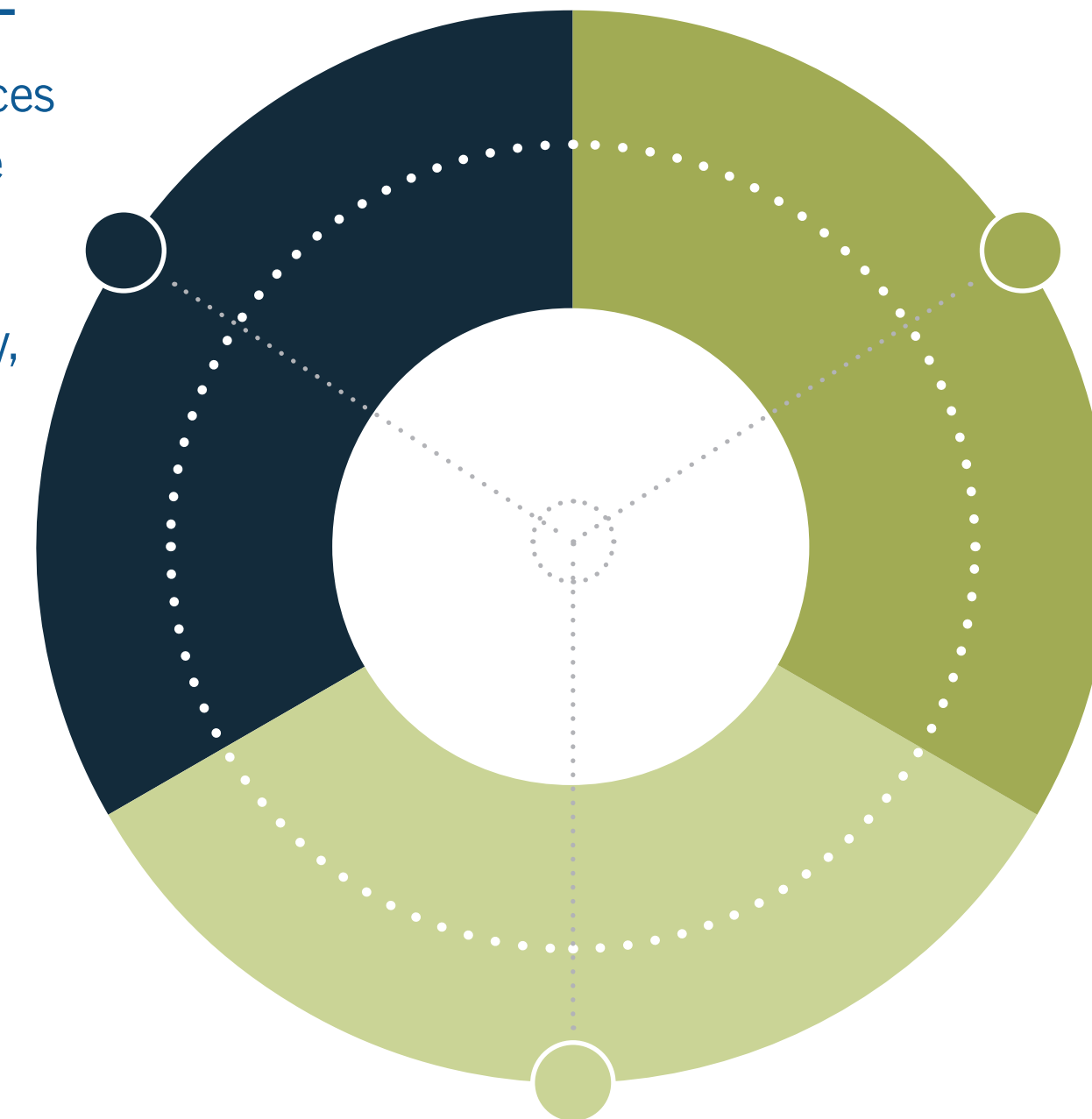
SOCIAL

Diversity, equity, and inclusion

Training and education

GOVERNANCE

Customer privacy





Facing Challenges With Resiliency

OUR COVID-19 RESPONSE

Tyler’s COVID-19 response has revolved around the needs of the people who count on us most — our team members, clients, and communities. Much of our attention in 2020 focused on keeping our team members safe and healthy — physically, financially, and emotionally — amid the pandemic.

Cloud-hosted solutions and self-service tools rapidly became essential across our product arena, and we worked closely with our clients to help them quickly and securely adapt their processes to virtual environments.

Through these initiatives and more, we helped our clients provide new and extraordinary public health, communication, and emergency services to their communities. For more information on innovative ways Tyler helped clients’ response to the pandemic, please visit the [Resource Center](#) on our website.

We also transitioned our annual Connect user conference to a virtual offering, delivering hundreds of sessions to our clients via webinar and other online platforms. In 2021, we will hold a fully virtual conference.

To assist our communities during the pandemic, throughout 2020 we provided continual support for dozens of national and local organizations advocating for hunger relief, social services, health care, education, the arts, and the environment. Please see the [Community Impact](#) section of this report for details.

SUPPORTING RACIAL AND SOCIAL JUSTICE

Since launching our [Connected Communities](#) vision in 2019, Tyler has been advancing our strategy of incorporating data transparency, analytics, and accountability into our product suite through our open data technology platform.

Data transparency is driving equitable outcomes across a growing array of public functions including property assessment, health care, education, economic development, budgeting, and public safety. Visit Tyler’s website for more information about our [Transformative Technology](#) solutions.



BUFFALO’S DATA-DRIVEN COVID-19 STRATEGY

The city of Buffalo, the second largest city in the state of New York, took a data-driven approach to COVID-19.

Buffalo confirmed its first coronavirus case in early March 2020. By March 16, the city had closed its government offices, shifted its employees to work-from-home status, and begun responding to a stream of questions from the public as the number of confirmed cases multiplied. The need for a central data hub quickly became apparent — both for the public to access key information and for city staff to inform and measure their COVID-19 strategy.

Buffalo opted for a two-pronged approach to its COVID-19 response strategy. One aspect provided a public hub for their coronavirus response resources, and the second provided a way to connect and access the data needed to create and share internal reports and dashboards with commissioners and executive-level staff for use in decision-making.

Tyler’s Socrata Connected Government Cloud solution, which is purpose-built for government data and workflow, now gives the city’s staff self-service access to the data they need in a simple user interface, and its open data portal allows the city to easily share their data findings with the public. Read more about this case study on Tyler’s [Resource Center](#) or visit the [city of Buffalo’s COVID-19 open data portal](#).



“Establishing a self-service data hub is a positive step in data governance for the city and is everything our team has been hoping for.”

Dana Glantz, Open Data and Analytics Project Manager, city of Buffalo



PREVENTING HOMELESSNESS FOR VETERANS IN BUNCOMBE COUNTY, NORTH CAROLINA

Buncombe County, North Carolina, has a large veteran community, in part due to a health care facility that attracts veterans from around the country.

Veterans are overrepresented among the homeless in the U.S. and are at greater risk of becoming homeless. The Buncombe County Homeless Veterans Initiative provides a full range of interventions and services to prevent homelessness and get homeless veterans into stable housing.

Using Tyler’s Entellitrak-based Veterans’ Benefits solution, the department has been able to provide and track services that combat chronic homelessness, addiction, and joblessness among the veteran population — even amid challenges due to the COVID-19 pandemic.

To support the Homeless Veterans Initiative, Buncombe County received additional software configuration to flag and track case files of veterans who required critical intervention to avoid homelessness. In 2020, Buncombe County officials reported a 14.8% year-over-year reduction in homelessness among veterans as a result of local aid and housing programs, even amid a tightening housing market.

Read more about this case study on Tyler’s [Resource Center](#).

“When our office flags a veteran as either homeless or at risk for homelessness, we track them through our referral process from start to finish — from that veteran being homeless to being in stable housing.”

Heath Smith, Supervisor, Buncombe County Veterans Services



CHATTANOOGA, TENNESSEE: A NEW VISION FOR RACIAL EQUITY IN POLICING

The city of Chattanooga, Tennessee, is already a leader in open data and civic engagement, so taking a data-driven approach to tracking racial disparities in policing is a logical next step.

Chattanooga chose Tyler’s enterprise data platform to centralize, organize, analyze, and report public safety data — including data related to citations, arrests, use of force, and citizen complaints. In addition to streamlining data governance, this technology creates a layer of accountability within the police department and with residents, who have access to cleaned, redacted, or aggregated data via the city’s open data portal.

Through this effort, led by the Office of Performance Management and Open Data and the Office of Community Resilience, both organized within the mayor’s office, city leaders and residents can access data dashboards that empower them to uncover inequities and drive changes that decrease the impacts of the public safety and criminal justice systems on communities of color and other vulnerable populations.

The city’s approach combines public safety data with census demographics, information on recidivism reduction programs, neighborhood-based planning, and even local budgets. This holistic analysis is helping to build an open forum for creating a safer, stronger, more resilient community.

Read more about this case study on Tyler’s [Resource Center](#) and on the [city of Chattanooga’s Office of Community Resiliency open data portal](#).

“The insights and understanding drawn from this data will shape conversations and decisions about how we function as law enforcement.”






David Roddy, Chief of Police, city of Chattanooga



OUR BUSINESS

Tyler Technologies (NYSE: TYL) is a publicly traded company that provides integrated software and technology services to the public sector. Our solutions empower local, state, and federal government entities to operate more efficiently and connect more transparently with their constituents and with each other. By connecting data and processes across disparate systems, Tyler’s solutions provide actionable insights that transform the way government can help solve problems in communities.

Tyler’s business is organized into seven operating divisions responsible for operating costs and revenue for our product lines. We organize our products into five solution groups that correspond with our clients’ markets and business needs:

-  **COURTS & PUBLIC SAFETY**
-  **PUBLIC ADMINISTRATION**
-  **HEALTH & HUMAN SERVICES**
-  **TRANSFORMATIVE TECHNOLOGY**
-  **K-12 EDUCATION**

Financial Performance Snapshot

(in thousands, except per share data)

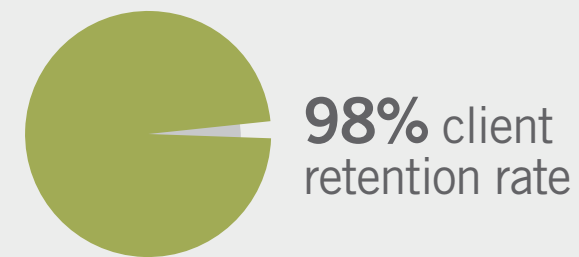
	2018	2019	2020
Total Revenue	\$935,282	\$1,086,427	\$1,116,663
Operating Profit	\$152,492	\$156,367	\$172,926
Net Income	\$147,462	\$146,527	\$194,820
Diluted Earnings Per Share	\$3.68	\$3.65	\$4.69
Operating Cash Flow	\$250,203	\$254,720	\$355,089





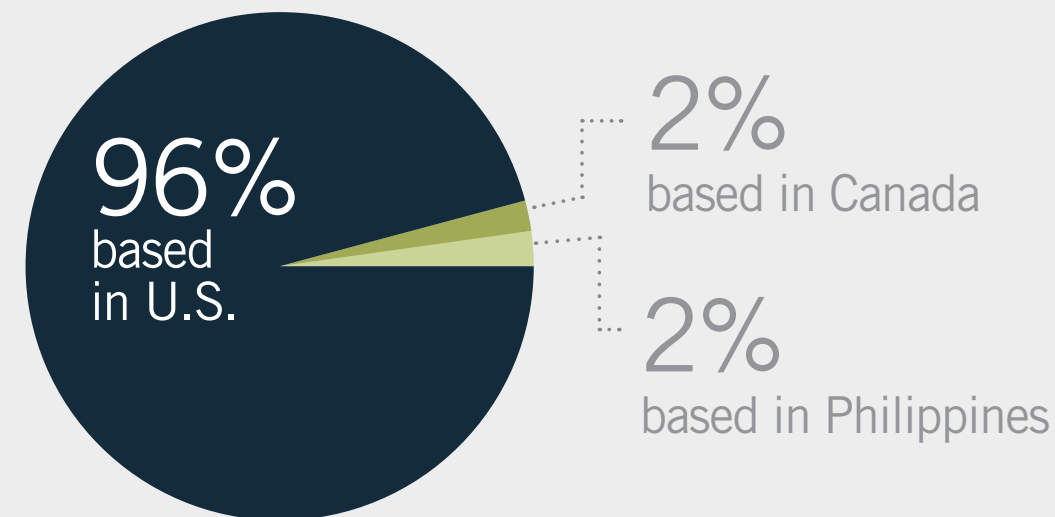
Company and Operations

More than **27,000** successful installations across more than 11,000 sites



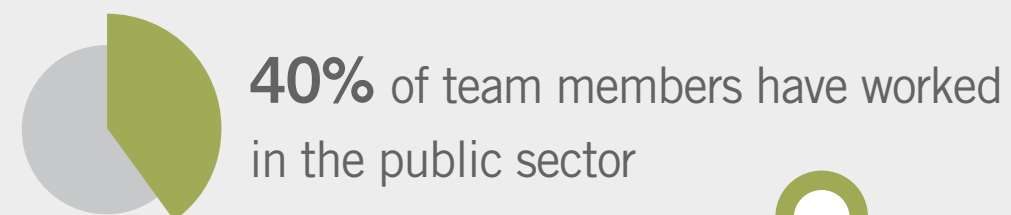
Clients in all **50 STATES**, Canada, the Caribbean, Australia, and other international locations

5,580 team members



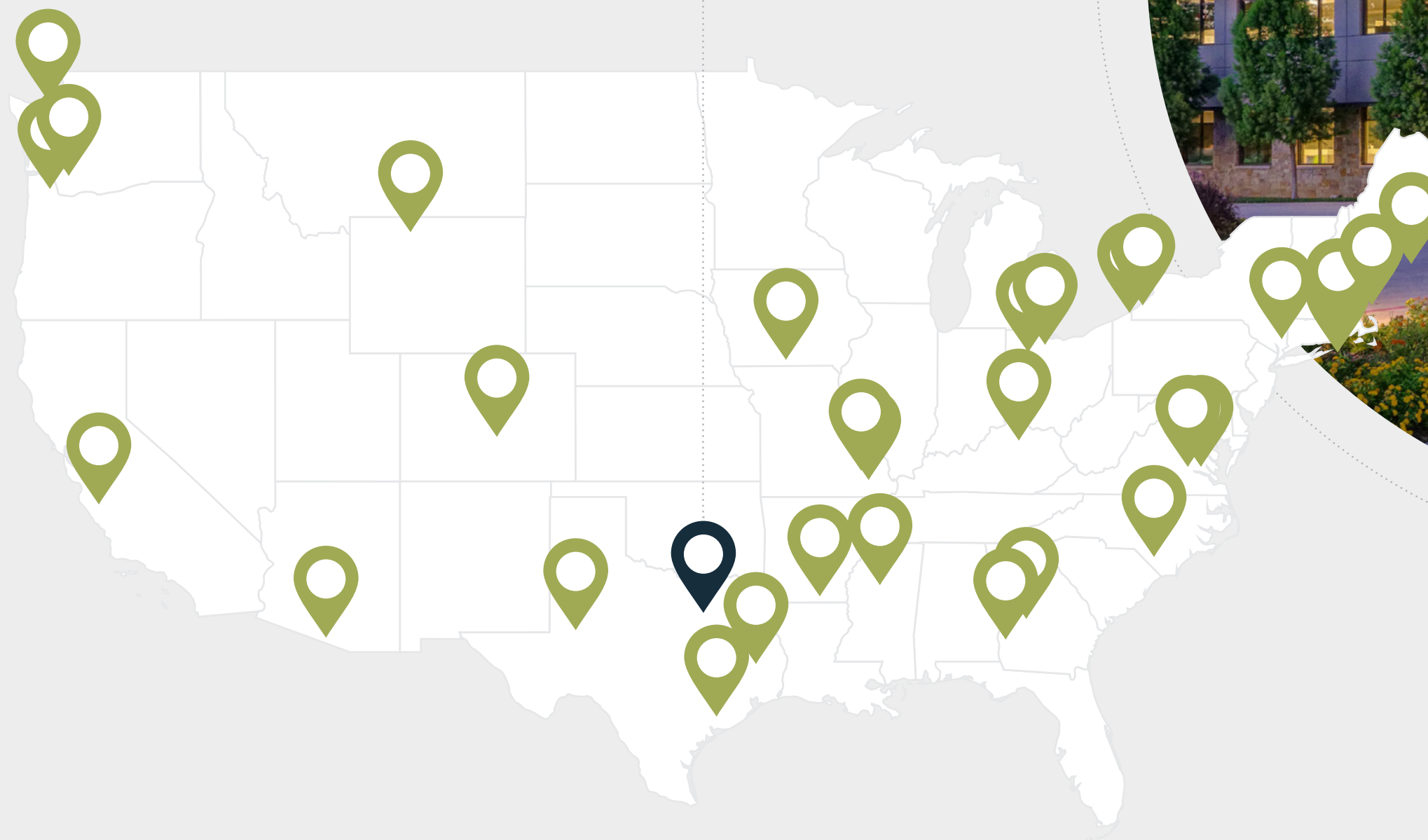
Named to **GOVERNMENT TECHNOLOGY'S GOVTECH TOP 100** list five times

Recognized three times on Forbes' **"MOST INNOVATIVE GROWTH COMPANIES"** list.



38 OFFICES located across the U.S., Canada, and Philippines

HEADQUARTERED IN PLANO, TEXAS





CONNECTED COMMUNITIES

Tyler's [Connected Communities](#) vision allows government agencies, departments, school districts, cities, and counties to share data and processes across geographical and organizational boundaries. By connecting essential services, information flows seamlessly between departments and across jurisdictions, allowing public sector leaders to make more informed decisions, provide safer communities, more governmental transparency, support citizen engagement, and create a business-friendly environment.

In 2020, we added dedicated leaders to our [Alliance](#) and [Nexus](#) groups and built out internal teams to support related strategies and initiatives. Tyler continues to prioritize R&D investments in Nexus and Alliance initiatives to create new functionality, cross-office integrations, new insights into data through our Socrata data platform, and enhanced online citizen engagement capabilities.

For more information about our company and structure, please reference our annual report and [Form 10-K](#).

CONNECTING COMMUNITIES THROUGH THE CLOUD

This year, we leveraged our strategic relationship with Amazon Web Services (AWS) to accelerate value delivery, enable more connected citizenry, and improve the capabilities of our applications.

In recognition of our innovation, Tyler received the 2020 AWS Public Sector Partner Award for “Best Remote Work Solution” for our Tyler Virtual Court product. We also earned the AWS Healthcare Competency for our Entellitrak case management platform, which differentiates Tyler as an AWS Partner Network (APN) member by demonstrating our relevant technical proficiency and proven client success.

As we look to the future, the demand for cloud-based solutions from the public sector is clear. We are beginning to see RFPs that specify cloud solutions, making it imperative we continue to transform from a cloud-agnostic software provider to one that is cloud-first. In addition, the more we can connect applications in the cloud, the more effectively we'll be able to execute our vision of Connected Communities to connect workflows and processes across departments, agencies, and geographic boundaries.





Focus on Mission, Vision, and Values

In 2020, Tyler embarked on an extensive company-wide process to better articulate the mission, vision, and values that define our culture, to serve as a guiding lens for the company-wide strategies, programs, and practices that enable the growth of our team members and our business. This process engaged a broad, diverse cross-section of participants from each of Tyler’s solution areas and corporate functions in a series of focus groups. The resulting statements were not new ideas, but rather clearly defined values that team members and leadership live by every day. These statements are being rolled out to internal and external audiences in 2021 to ensure the continued health and alignment of Tyler’s culture.



MISSION

We empower the public sector to create smarter, safer, and stronger communities.



VISION

A transformed public sector that serves thriving, connected communities.

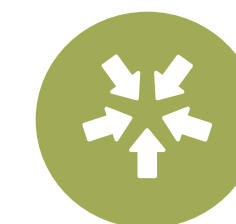


VALUES



Accountability

We deliver what we promise



Inclusion

We respect and value each other



Integrity

We do the right thing



Community

We stand together



Focus

We execute with intent



Growth

We invest in our future



Ethical Governance

BOARD OF DIRECTORS

Tyler's board of directors has nine members, including six independent directors and three non-independent directors. The board's primary responsibility is to exercise its business judgment to promote the long-term interests of Tyler shareholders. Its members provide strategic direction and oversight of Tyler's performance and business activities, facilitated by their deep and effective mix of diverse areas of expertise.

Tyler's board is assisted by three standing committees composed of independent directors: Audit; Compensation; and Nominating and Governance, as well as an Executive Committee composed of non-independent directors. More information about Tyler's board of directors and relevant board policies, including our [Corporate Governance Guidelines](#), can be found on our Investor Relations [Governance](#) webpage.

Tyler's board 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. To this end, the board has adopted [Stock Ownership Guidelines](#), as well as a [Stock Anti-Hedging and Pledging Policy](#).



BOARD ENGAGEMENT ON CORPORATE RESPONSIBILITY TOPICS AND GOALS

Recognizing the importance of board involvement in our corporate responsibility strategy, Tyler recently incorporated language into the [Nominating and Governance Committee Charter](#) formalizing the oversight of ESG into the committee's responsibilities. We aim to further our engagement with the board on ESG strategy in 2021 and beyond.

2020 BOARD GOVERNANCE HIGHLIGHTS



Separate Board Chair & CEO - Yes
ESG oversight - Yes

OF INDEPENDENT DIRECTORS

6

6

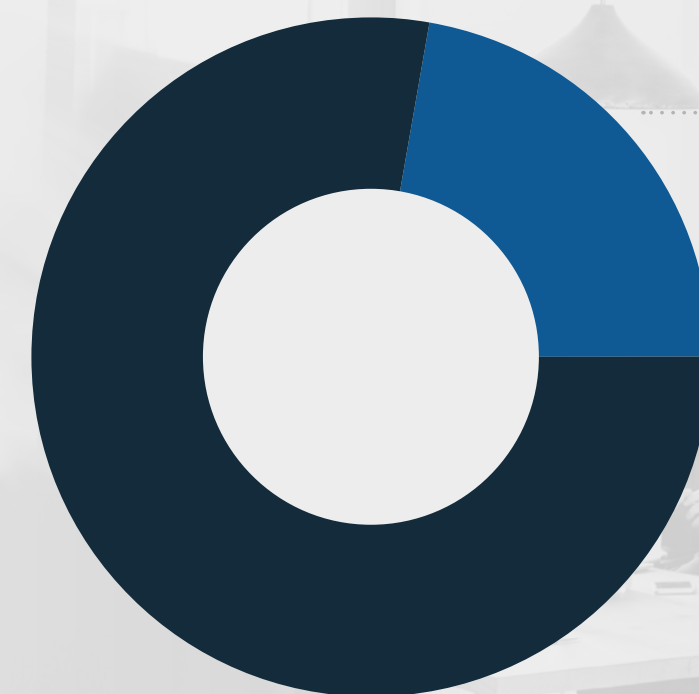
OF BOARD MEETINGS HELD IN 2020

% anti-bribery/corruption training:

100%

- BOARD EXPERTISE**
- Technology
 - Entrepreneurship
 - Public Service
 - Fiduciary
 - Audit
 - Executive

BOARD DIVERSITY*



Female
2

Male
7

**As of Dec. 31, 2020. Please refer to our [2021 Proxy Statement](#) for the most up-to-date information.*

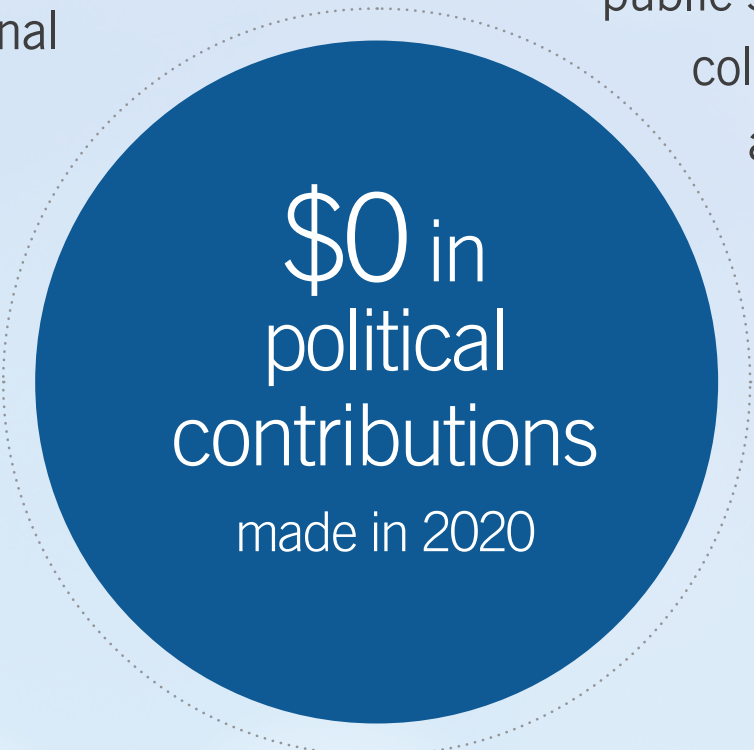


STANDARDS FOR ETHICAL BEHAVIOR

Code of Conduct

Tyler’s [Code of Conduct](#) details the values and behaviors that align with our company’s culture, philosophy, and commitment to integrity. We expect all company officers, directors, and team members to exercise the highest degree of professional business ethics in all actions they undertake on behalf of Tyler and in accordance with the policies outlined in the Code of Conduct. Team members may report concerns regarding the code to Tyler’s chief human resources officer. Should there be concerns of an accounting or auditing nature, any person may anonymously report these through a toll-free hotline or third-party website as outlined by our supporting [Whistleblower Policy](#). Tyler is committed to ensuring that any person reporting violations will be protected from retaliation.

Tyler requires 100% of our team members complete online training on our Code of Conduct during the onboarding process to ensure the code is well socialized. Additionally, through our Tyler University training platform, six professional development courses are continually offered to reinforce ethical behavior in the workplace and throughout project management.



Policy on Political Contributions

Tyler’s Code of Conduct includes our long-standing company policy prohibiting contributions by the company to or for any political party, committee, or candidate for any public office. The policy explicitly states that Tyler’s relationships with governmental agencies and their personnel in any federal, state, local, or foreign jurisdiction where Tyler conducts business shall be conducted so that full disclosure of the conduct will not impugn or jeopardize Tyler’s integrity or reputation. Accordingly, payment to government personnel, including gifts of substantial value or lavish entertainment, is strictly prohibited, whether the payment is made from personal funds or assets or those of Tyler, and whether made directly or indirectly through consultants, advisors, suppliers, clients, or other third parties.

Commitment to Cybersecurity and Customer Privacy

As a company dedicated to providing software solutions to our public sector clients, most of the personal information Tyler collects and processes is in connection with the software and services we provide to our clients pursuant to our contractual arrangements with them. In other scenarios, Tyler acts as a data controller due to our ability to make decisions in how personal information is used. In either case, Tyler recognizes

the formidable responsibility we have to ensure our clients, citizens, and other stakeholders maintain complete trust in our business. This commitment to trust is supported by a dedicated in-house team of security and privacy professionals staffed across the United States, as well as by robust policies and compliance requirements. Oversight of our cybersecurity and privacy strategies is provided at the board level by the chair of the Audit Committee, with operational responsibility provided by our chief technology officer and chief information officer.

Our [Privacy Statement](#) and “Terms of Use” are set forth on the landing page of our website and apply to the “Tyler Platform” defined in the Privacy Statement. The Privacy Statement also includes specific provisions for the California Consumer Privacy Act. In addition, our [Compliance](#) page lists our various privacy regimes for GDPR, CJIS, SOC controls, and PCI compliance. Tyler team members are also trained, when hired and on an annual basis, on Tyler’s policy around the treatment of confidential and proprietary information. Our client contracts include confidentiality provisions, and standard engagements with third parties require a contract with confidentiality provisions and/or an NDA.

In 2020, Tyler received no substantiated complaints from third parties or regulatory bodies concerning customer privacy.



ENTERPRISE RISK MANAGEMENT

A robust approach to risk management is a necessity for a company such as ours, especially given the nature of our solutions supporting clients with the handling of essential and sensitive data. The Audit Committee of our board of directors represents the highest level of responsibility for reviewing Tyler's risk assessment and risk management approaches. Our chief executive officer and chief financial officer are supported at an operational level by our chief legal officer and chief accounting officer to identify, assess, and manage enterprise risks posed to our business from a legal and financial perspective. These roles are reinforced by our risk management department, which focuses on the backbone of our infrastructure: IT security.

Tyler uses several approaches to conduct training on risk management. We are conducting management training to better set expectations with managers to ensure risks are handled appropriately. Additionally, we require annual data privacy and security training for all team members. Finally, we provide ongoing internal training and promote awareness around reputational risks, including using our intranet to share guidance, educational resources, and success stories related to our efforts to identify and mitigate issues. Our intranet provides an internal alert system that automatically notifies relevant Tyler contacts to new issues. These tools and practices are a part of a dedicated reputation management program, including the use of an outside agency, that surfaces reputational risks from varying sources and develops responses and materials for both internal and external audiences.

Tyler takes a nimble approach to maintain the day-to-day continuity of our business, as our client service and delivery, workplace logistics, and IT infrastructure often differ by location. Responsibility for maintaining uptime of these aspects is assigned to the individual business units, facilities managers, and our chief information officer, respectively.

Please see our [Form 10-K](#) for additional information on key risks and associated factors.





PEOPLE AND CULTURE

Tyler's team members are the backbone of our business. To maintain our reputation as a great place to work, we are continually looking for ways to demonstrate our appreciation for our team members and build a supportive culture. Our priority is to welcome and create meaningful opportunities for every new team member who joins the Tyler family and support them throughout their journey with Tyler.

Inclusive Workplaces

Tyler is committed to encouraging diversity of background, culture, experiences, insights, and skills in our workforce. We are proud of the diversity of our current teams, and the work being done to strengthen diversity, equity, and inclusion (DE&I). Throughout 2020, our executive leadership met to evaluate our company's strengths and weaknesses around DE&I and develop a thoughtful, intentional approach to addressing areas in need of attention. Even as we celebrate our ongoing efforts and achievements around diversity, such as recognition in the Forbes' "America's Best Employers for Diversity" list for the second consecutive year, we know that lasting change requires clear intentions, a strong commitment from leadership, and investment in resources. Tyler is committed to diversity, equity, and inclusion in our workplace, and we look forward to sharing our progress on this journey.

PAY EQUITY

We continually evaluate compensation at Tyler to ensure our team members are rewarded fairly and equitably for their contributions. In 2020, our pay equity efforts focused on targeted areas, including pay equity as a part of our DE&I strategy and ensuring effective state-level pay transparency and pay equity practices.

Tyler complies with all pay equity and pay transparency regulation that applies to our team members and office locations. Our longer-term goals include conducting pay equity studies annually in all the countries where we operate and enhancing our compensation-related data collection and reporting capabilities.

This material references Disclosures 405-1 (a.i, a.iii, b.i, b.iii) (c-f) from GRI 405: Diversity and Equal Opportunity 2016, and Disclosures 103-1, 103-2 and 103-3 from GRI 103: Management Approach 2016.



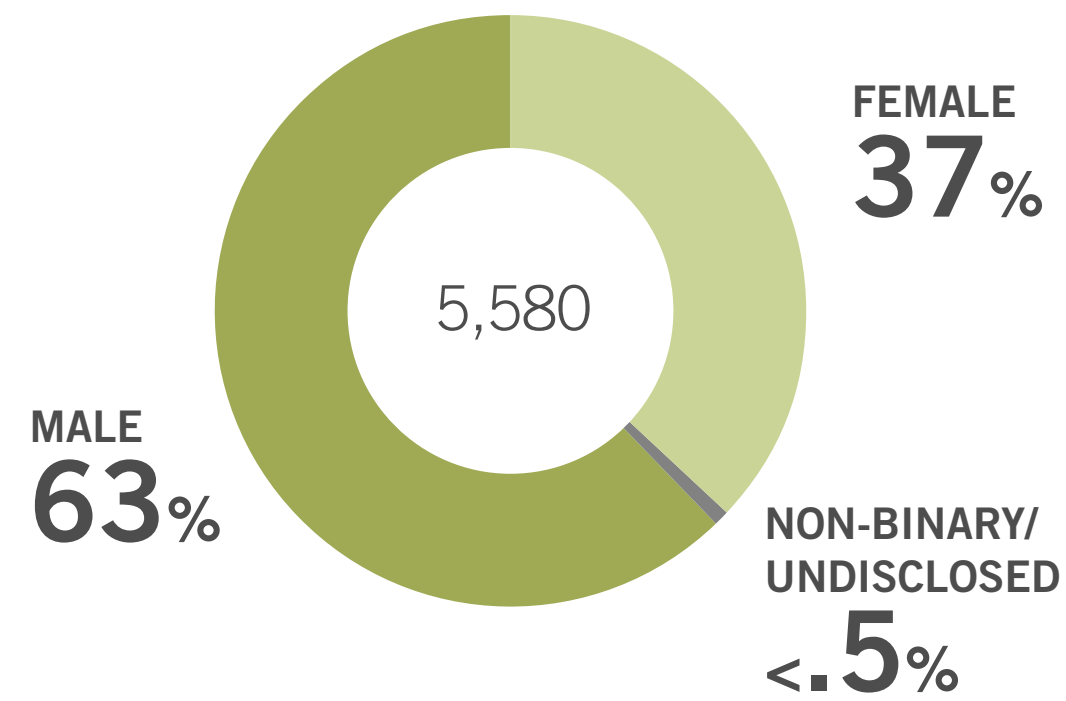
EQUAL EMPLOYMENT, NON-DISCRIMINATION, AND ANTI-HARASSMENT

Tyler supports each individual's right to be treated with courtesy and respect. Tyler is an equal opportunity / affirmative action employer and prohibits discrimination and promotes equality in its employment policies and practices without regard to race, religion, color, gender/sex, gender identity, gender expression, sexual orientation, marital status, creed, national origin, ancestry, citizenship status, age, disability, veteran's status, and any other status protected under local, state, or federal laws. If at any time a team member feels they have been subjected to or has observed harassment, they should report the incident to any supervisor or manager, or make a complaint (anonymous or not) via Tyler's Whistleblower Hotline either online or by telephone.

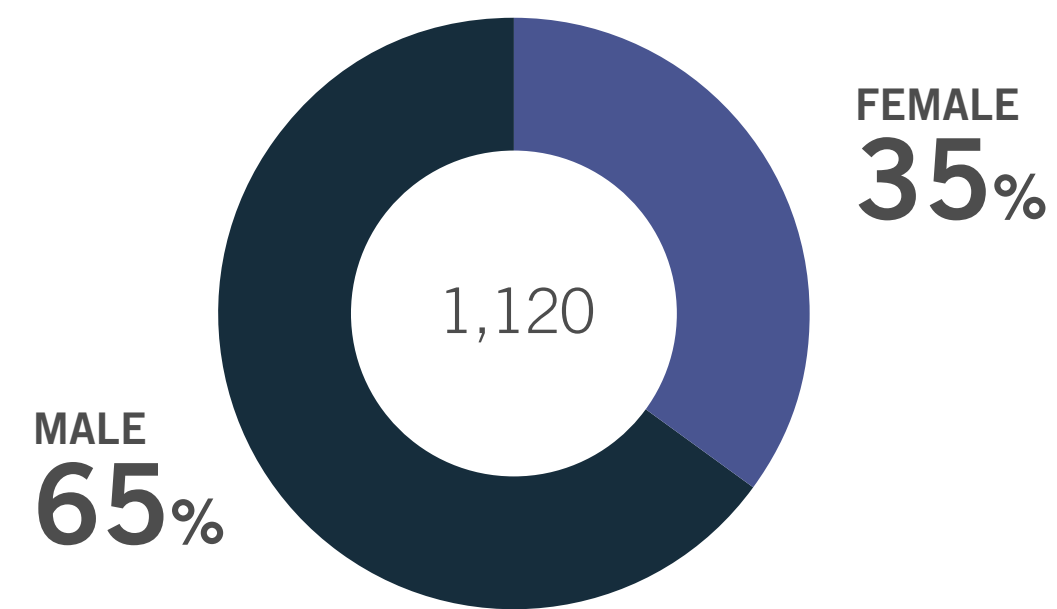


GENDER

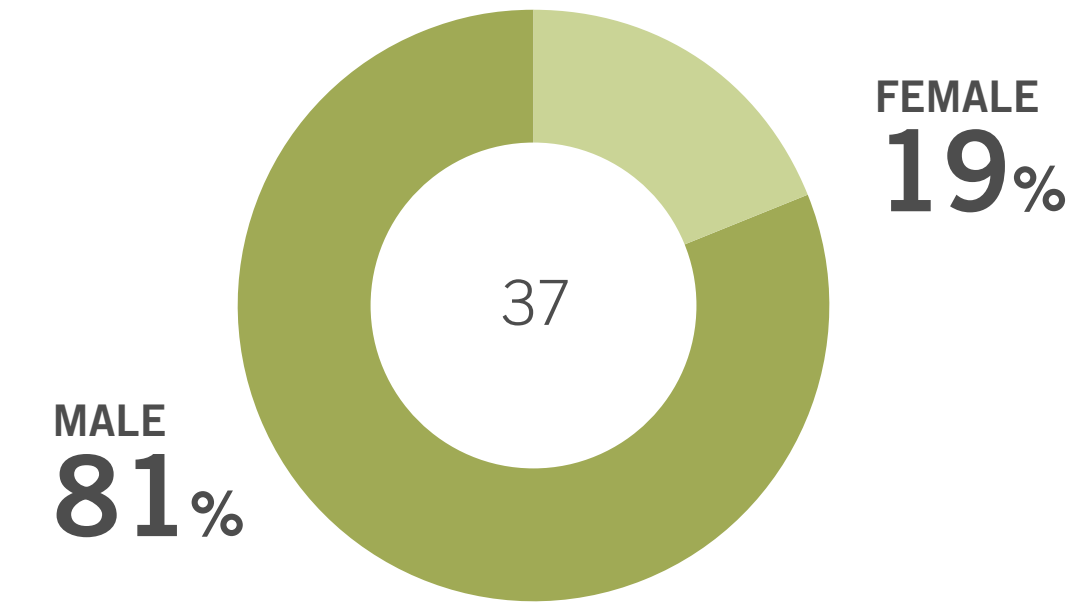
Total Workforce (%)



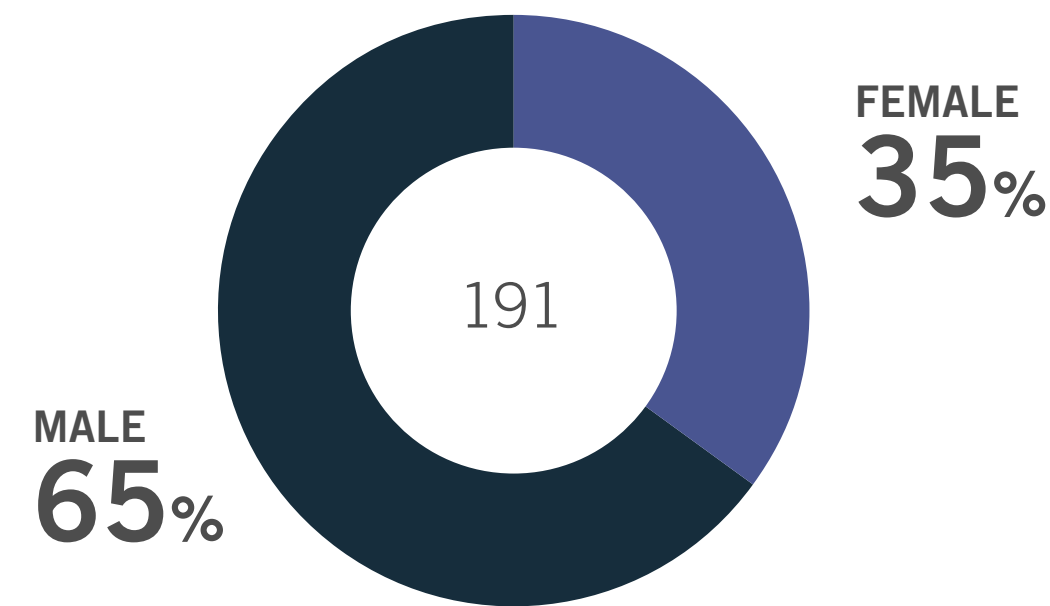
All Management Roles (As a % of Total Management Workforce)



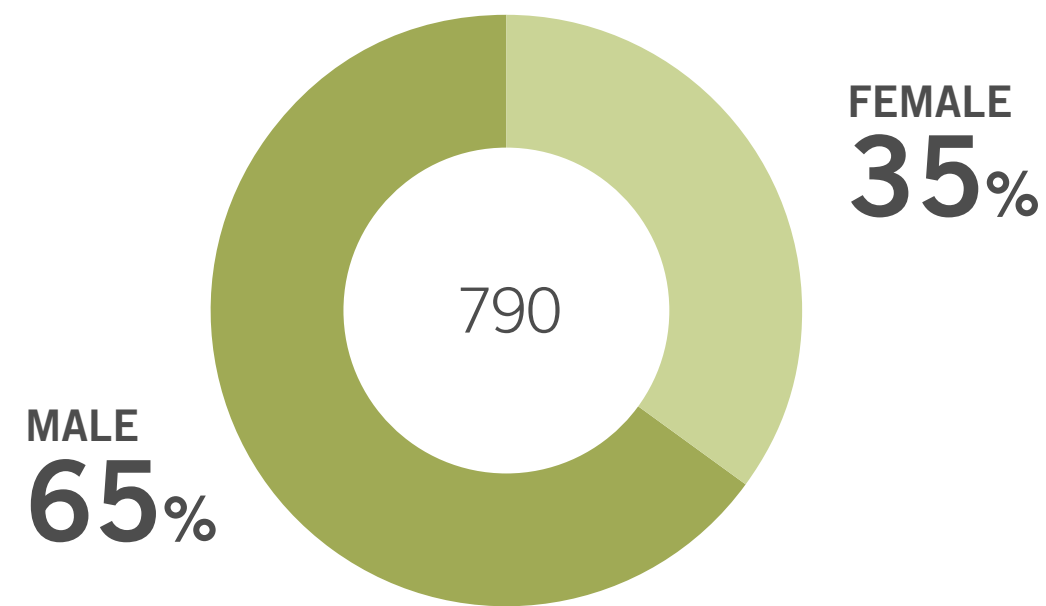
Top Management Roles (As a % of Total Top Management Roles)



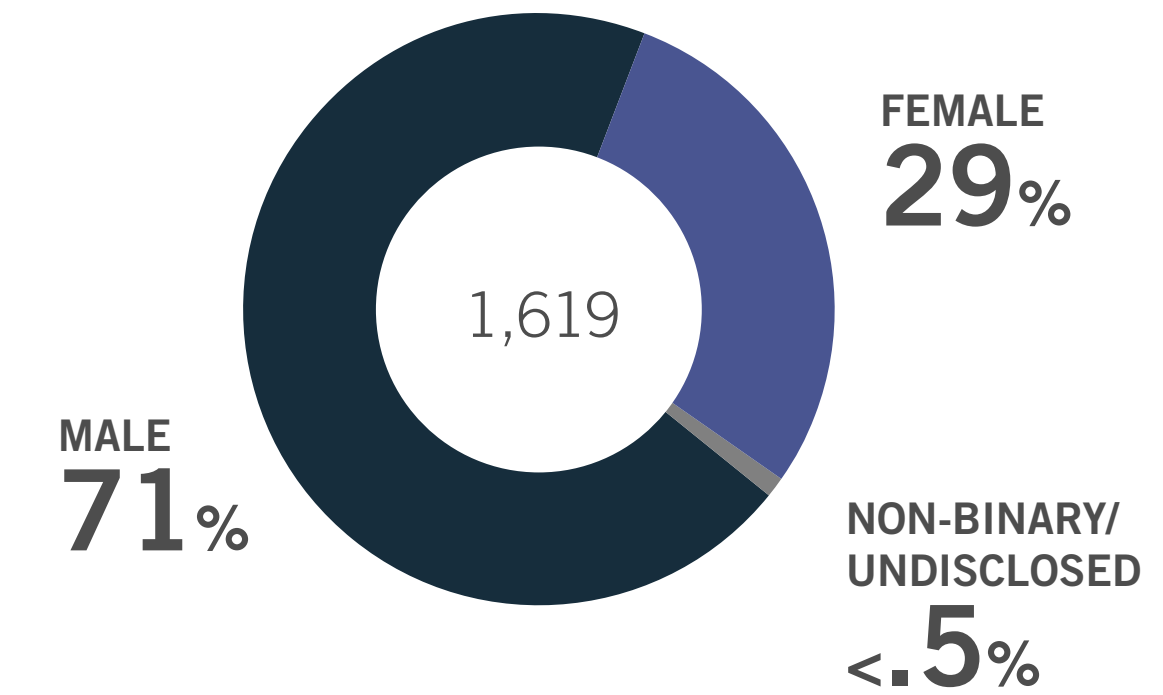
Junior Management Roles (As a % of Total Junior Management Roles)



Sales Management Roles (As a % of Total Sales Management Roles)



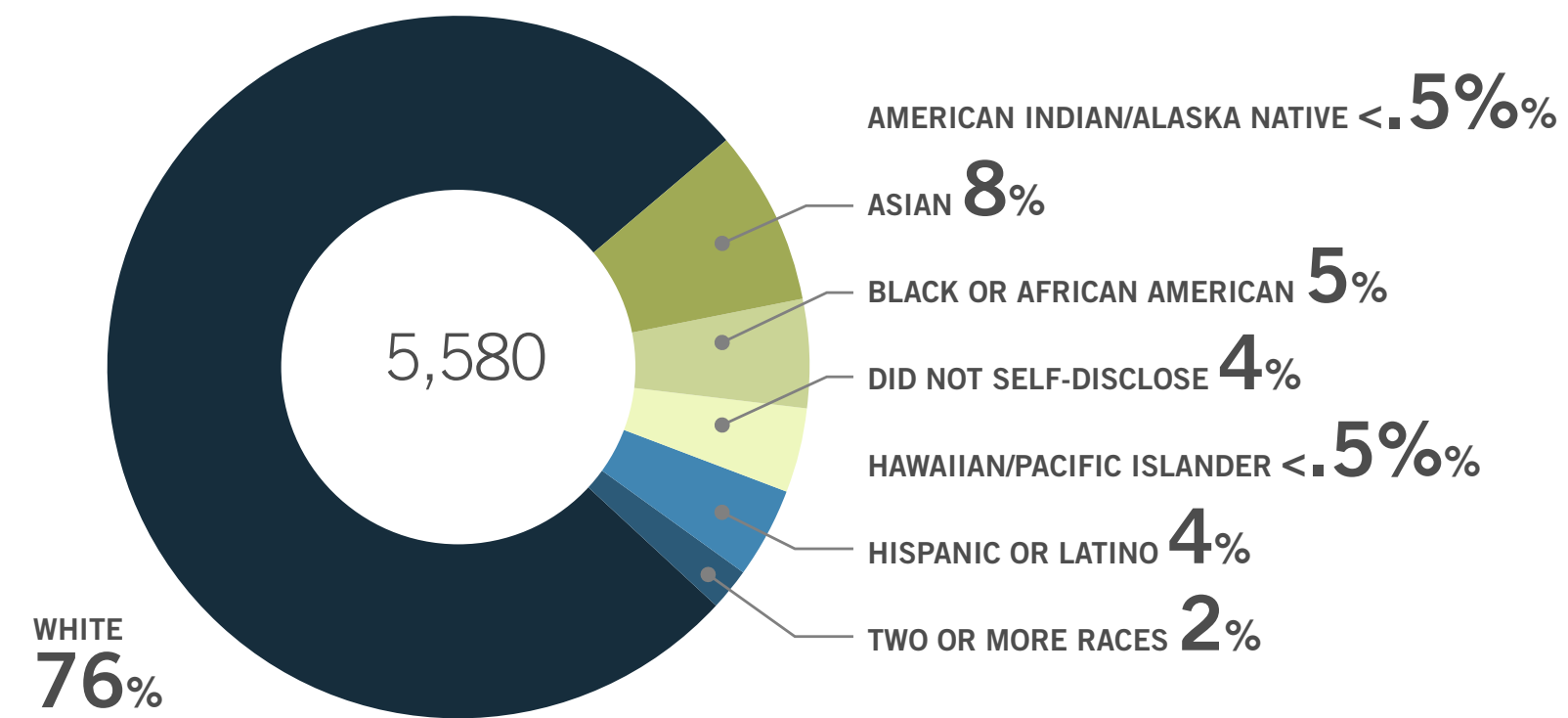
Technology Roles (As a % of Total Technology Roles)



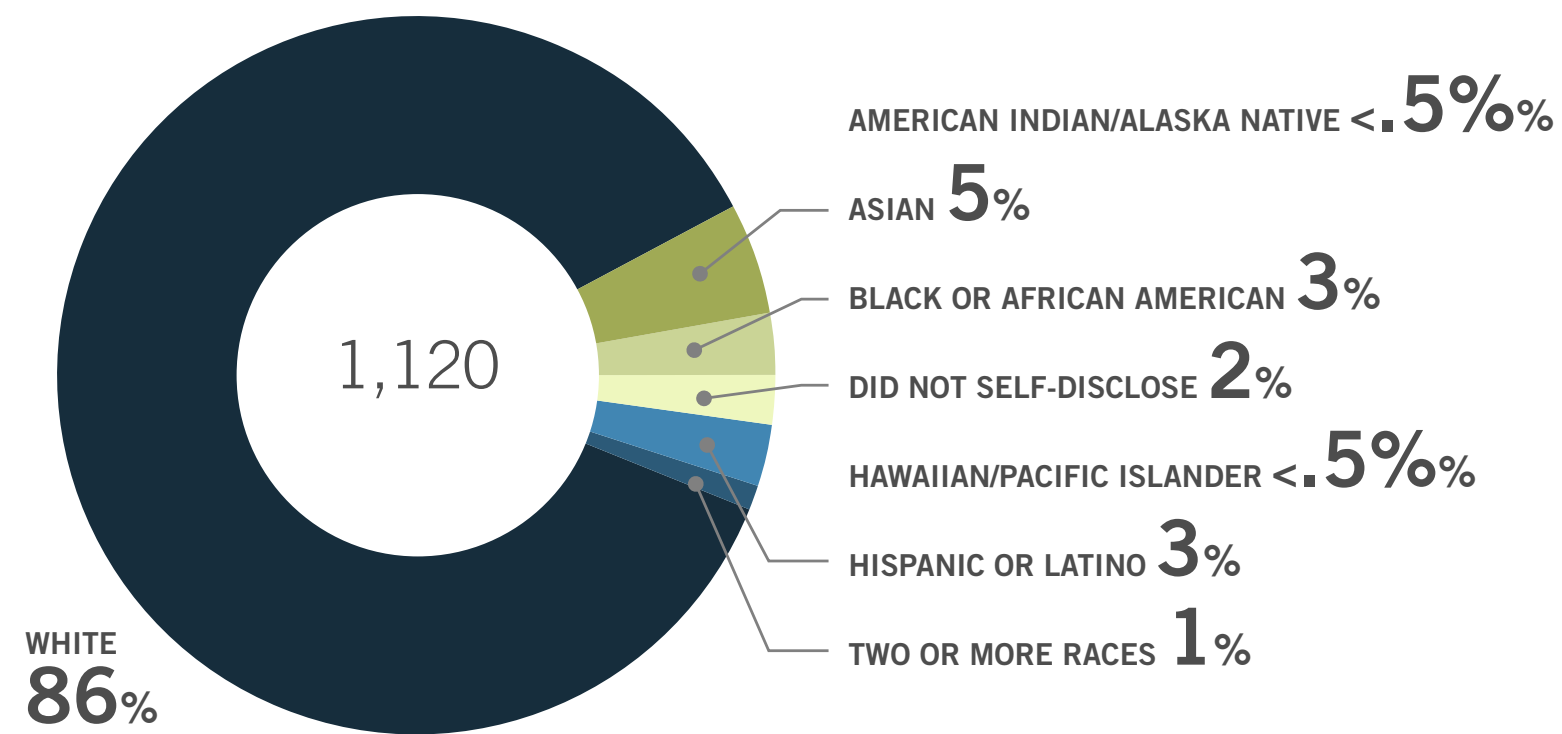


RACE AND ETHNICITY

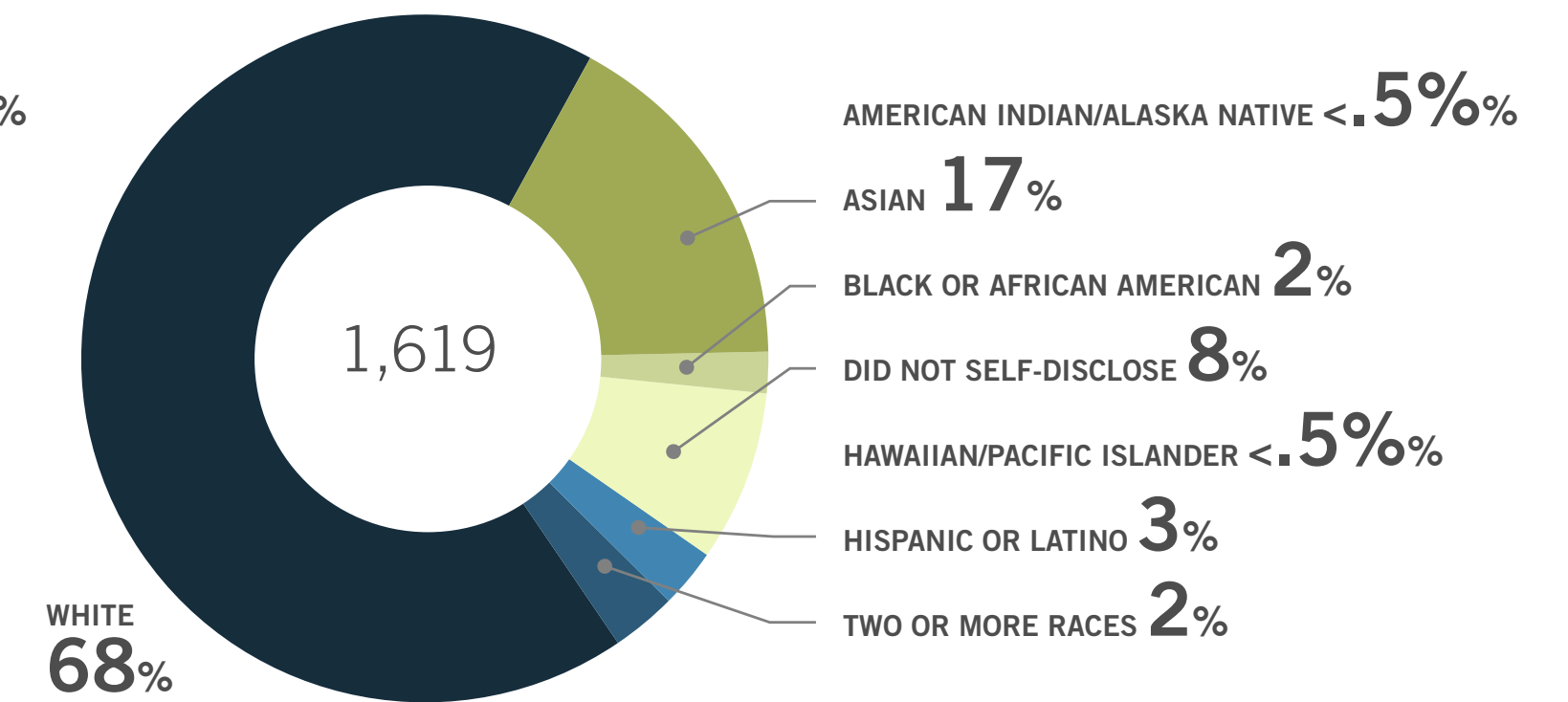
Total Workforce (%)



All Management Roles (As a % of Total Management Workforce)



Technology Roles (As a % of Total Technology Roles)



AGE





DIVERSITY, EQUITY, AND INCLUSION

In 2020, Tyler's executive leadership team engaged in discussions as a team and with their own teams regarding diversity, equity, and inclusion (DE&I) in the workplace. In addition, a framework was reviewed for assessing, designing, implementing, and measuring our DE&I progress. Our work in this area is ongoing, with the addition of an Executive DE&I Council formed in 2021 to spearhead DE&I initiatives. In 2021, Tyler recruiting team members are providing training sessions on unconscious bias for Tyler hiring managers.

Regional Initiatives

Tyler team members initiate grassroots efforts at their divisions or locations, bolstering our collective awareness of DE&I issues. In 2020, team members led and participated in a variety of local DE&I initiatives across our offices. Activities included:

- DE&I and bias-awareness training and coursework for leaders
- Formation of local DE&I resource groups, task forces, and committees
- Internal communications and online resources focused on diversity topics
- Quarterly focus group sessions
- Listening tours led by senior leaders in small-group settings
- An anti-racism book club and diversity discussion groups
- Active review of products and educational materials to uncover bias or missing lived experiences
- Educational and community involvement opportunities in honor of Martin Luther King Jr. Day
- Internal statements of purpose addressing DE&I
- Use of recruiting practices to increase the diversity of candidates





RESOURCE GROUPS

Women's Leadership Network

Women's Leadership Network (WLN) members represent a diverse range of backgrounds. WLN is overseen by the Women's Leadership Council, which consists of 15 female leaders and three female executive sponsors.

In 2020, our WLN leaders embarked on a plan to introduce a formal mentorship program for Tyler's female team members. The process has included a competitive analysis of tools and platforms that can be used to support the program and strategic planning to prepare for a 2021 pilot program, which is in progress with 12 mentees as this report is being produced. To date, 29 mentors have qualified and been trained. The pilot will be followed by a staged company-wide rollout in 2021, making the program available to all team members.

The mentorship program aligns with Tyler's culture, corporate responsibility goals, and vision for diversity, equity, and inclusion — while supporting multiple elements of WLN's core pillars: our work, our relationships, and our spirit.



WLN MISSION:

We empower the professional development of women team members at Tyler by championing opportunities and initiatives for their career growth, advancement, and ongoing support.





Diversity, Equity & Inclusion Network — Duluth, Georgia

In June 2020, team members from our Duluth, Georgia, office — a few miles outside of Atlanta — formed Diversity, Equity & Inclusion Network (DEI Network), a diversity group for Tyler’s Civic Services business unit.

The purpose of the DEI Network is to cultivate an environment of inclusivity that celebrates diversity, encourages mutual respect, and fosters cultural awareness.

DEI Network contains three committees:

- **The Celebration of Diversity Committee** aims to celebrate historical and relevant cultural holidays, while also highlighting team members who have heritage connected to that holiday.
- **The Education and Awareness Committee** aims to spread diversity awareness throughout the Civic Services business unit by providing education on diversity topics.
- **The Outreach Committee** seeks to partner with internal and external entities to expand the group’s diversity and inclusion efforts.

DEI Network’s monthly newsletter, launched in September 2020, focuses on celebrating diversity and includes an employee spotlight in each issue. The group has raised awareness around topics including Hispanic Heritage Month, LGBTQ Awareness Month, Disability Awareness Month, National Veterans and Military Families Month, and universal human rights. It has also hosted internal discussions to educate and build awareness on a variety of topics that help team members collectively increase empathy.



Tyler Veterans Group — Yarmouth, Maine

The Tyler Veterans Group operates from our Yarmouth, Maine, office with plans to launch regional groups in other Tyler offices in 2021. The group, which has grown every year since its founding in 2016, connects veterans to help them integrate into the civilian world and ensure they understand the rights and benefits they have as team members. Its members are passionate about helping the community and dedicated to helping one another.

In 2020, the group participated in a range of activities including assisting in efforts to recruit fellow veterans, serving meals at the Preble Street Soup Kitchen in Portland, Maine, and social outings to sporting events.

Veterans were also recognized by our Duluth, Georgia, office’s DEI Network, an employee resource group, as a part of its 2020 National Veterans and Military Families Month celebration. Veterans who work in that office received a custom care packet entirely composed of items designed by small veteran-owned and minority businesses. Special honor was paid to a Vietnam War-era veteran who works for Tyler’s Civic Services business unit, which is based in Duluth.





ATTRACTING TALENT

In 2020, we reexamined the way our recruiters attract, retain, and advance diverse talent and identified opportunities for improvement. Tyler follows an affirmative action plan and reviews the results and goals annually with our human resources and leadership teams. Through a partnership with Circa, we have participated in diversity outreach to more than 100 organizations across the U.S. to expand the scope of our hiring pool.

Our ongoing efforts around diverse hiring have included:

- Broadening the diversity of our candidate pools through attending local minority and women-specific career events
- Hosting and attending coding challenges
- Sharing job postings to a wider range of hiring networks
- Recruiting and involvement in programs at high schools in communities where we have offices

In 2020, we implemented new technology solutions to improve efficiency and administration of our application, resume review, interview, selection, and onboarding processes. These tools provide at-a-glance reporting on diversity metrics including transparency into the diversity of our hiring efforts and improve our ability to reach measurable goals in the coming years. In addition, we rolled out a new applicant tracking system, which will soon be enabled with neutral screening attributes to reduce hiring bias and support more inclusive language in job descriptions.

Our recruiting efforts in 2020 took us to nearly 50 career events — including events specifically focused on diverse hiring — helping more than 4,000 candidates to build career networks and readiness. We also hosted 50 students in two national cohorts with Tech Elevator, a virtual coding bootcamp teaching students to become junior software developers through an intensive 14-week program.

ACCESSIBILITY

Tyler's Code of Conduct prohibits discrimination on the basis of disability. All our offices comply with building codes to ensure accessibility for our team members and visitors, and we offer mothers' rooms at all offices with 50 or more team members.



Team Member Development

Tyler offers a wide array of continuous education and learning opportunities to all team members, including self-directed and instructor-led training, programs for new and experienced managers and senior leaders, and tuition reimbursement programs. We also believe in supporting our team members in their professional development through performance management and seeking opportunities for internal advancement.

Tuition Reimbursement Program:

54 team members received
\$306,049
in 2020

Average per team member:
\$5,668

NEW MANAGER TRAINING

Tyler aims to train 100% of our managers. We believe developing new managers and increasing their competence drives organizational results, including employee engagement, manager quality, team effectiveness, and more.

In June 2020, Tyler launched a new manager development pilot program. The program reflects input and considerations of multiple Tyler divisions, and managers from every Tyler division are participating in the program. An additional 200 new managers will be scheduled to participate in new manager development cohorts kicking off in 2021, and another 200 new managers will join training cohorts in 2022. We are currently measuring the changes in competency of our new managers as a result of participating in the new manager program, and participants have reported a 26% increase in overall competency and managerial effectiveness based on participation in the program.





AWS TRAINING

In 2020, 150 Tyler team members attended Amazon Web Services (AWS) training in the U.S., the Philippines, and Hong Kong. Our commitment to AWS training builds knowledge and skills to help our workforce drive our cloud adoption strategy, as well as helps Tyler earn necessary certifications associated with our AWS partnership.

TYLER UNIVERSITY

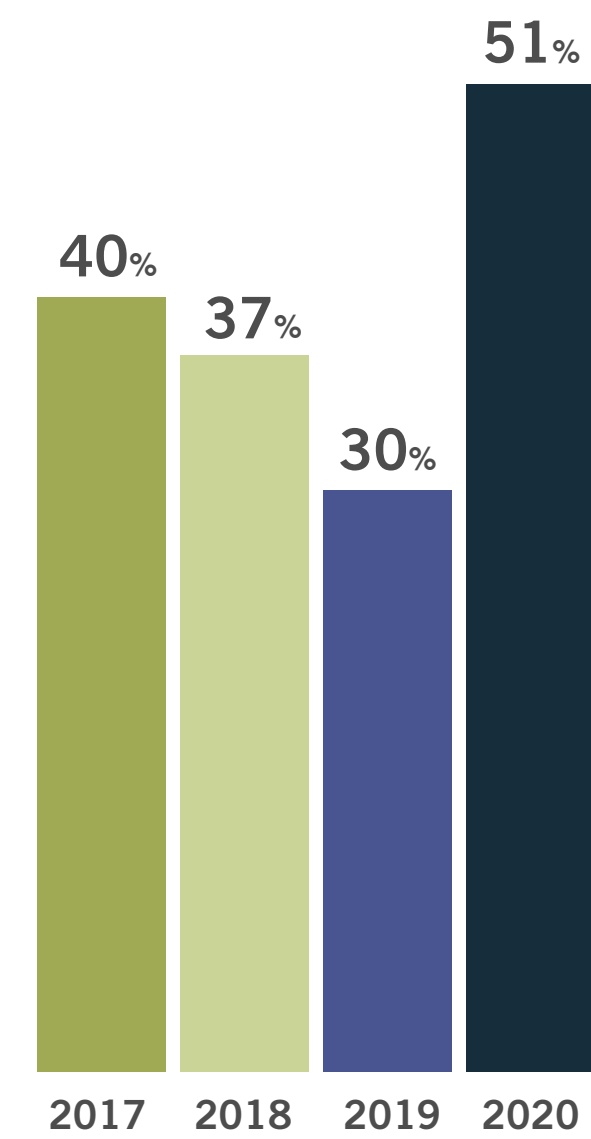
Tyler University (Tyler U) is a continuing education platform encompassing all of Tyler’s auxiliary training — from e-learning, product training, live and archived webinars, and virtual learning labs, to offline regional training information. It serves as a resource for both our clients and our team members.



CAREER DEVELOPMENT

Tyler has a deep appreciation for our team members’ choosing to work with us. Our performance review and internal hiring practices demonstrate our ongoing interest in the retention, development, and advancement of our team members. Having grown through numerous acquisitions, we have an opportunity to more consistently align newer parts of our business with our established company practices. In 2020, approximately 80% of our team members were able to complete a systematic, goal-oriented performance review process even during a challenging year of transition. Additionally, we looked for opportunities to hire from within, increasing the percentage of internal placements by 21% from 2019 to 2020 for positions that were eligible for internal transfer.

% of Positions Eligible for Internal Transfer Filled by Internal Candidates*



**Does not include positions considered hiring entry points for external candidates*

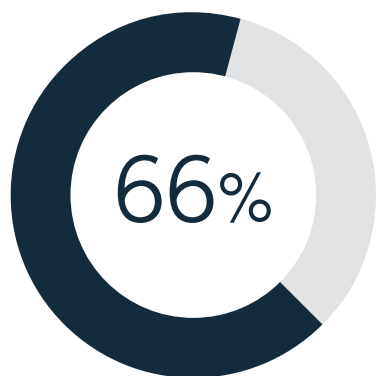
TEAM MEMBER ENGAGEMENT

Employee Engagement

Tyler engages with team members through a variety of methods, including a robust internal website, multiple weekly internal communications, and regular updates from teams across the company. Our divisions and business units host regular town halls, all-hands meetings, and “Ask Me Anything” sessions where team members are invited to share their thoughts directly with company leaders. In addition, numerous surveys give team members the opportunity to provide feedback that informs leadership in making improvements to our workplaces.

Team Member Surveys

4,783 team members (66% of total team members) responded to 12 separate surveys in 2020. Participants represented all of Tyler’s product divisions, including corporate offices

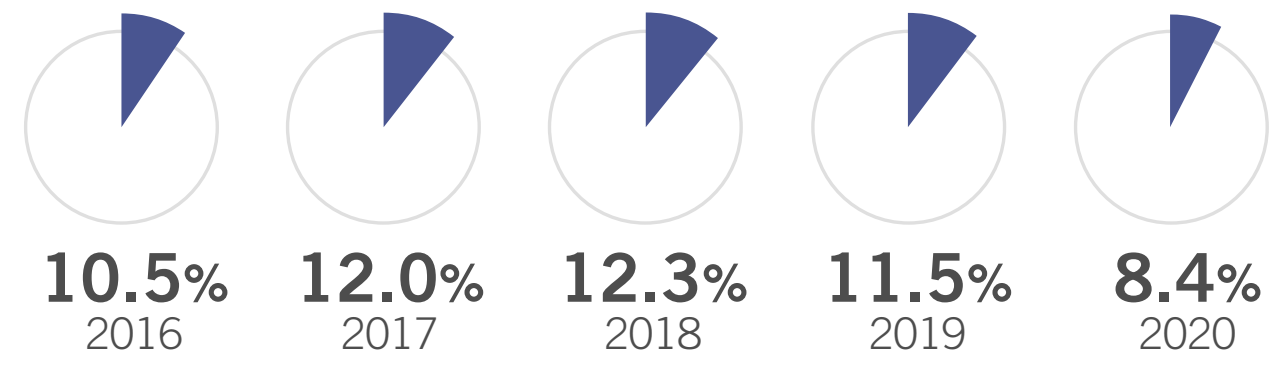


Civic Engagement

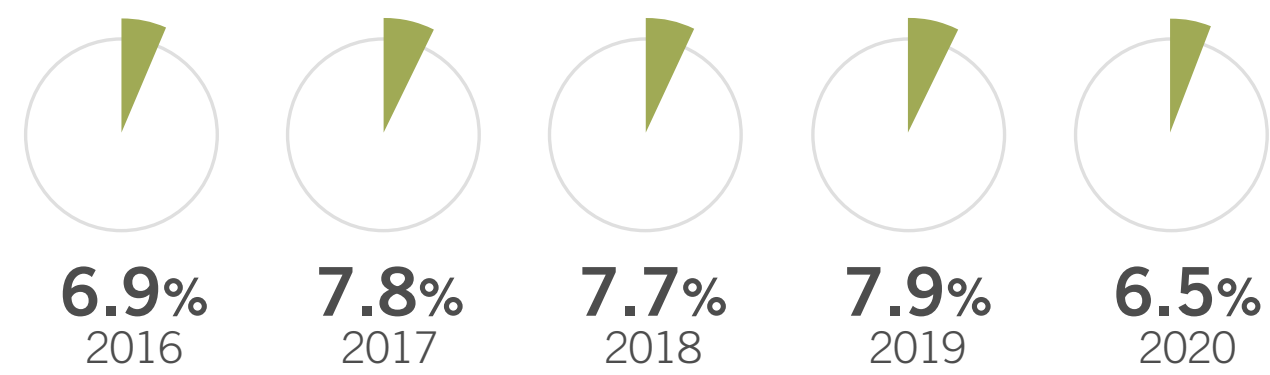
In 2020, we joined hundreds of companies across the U.S. in stepping up our efforts to improve team member participation in the November election. This included scheduling flexibility and guidance to ensure all team members could vote safely, along with company-wide sharing of non-partisan resources on voter registration, requirements, and education tools. Tyler does not endorse any party, candidate, or platform, and does not collect information about or discriminate on the basis of political beliefs or political affiliation.



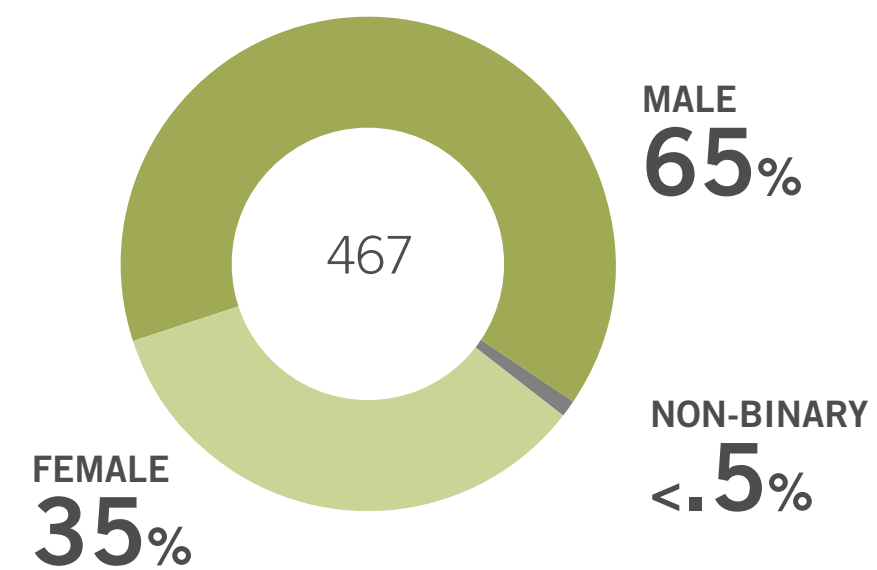
Total Employee Turnover Rate*



Voluntary Employee Turnover Rate*



2020 Turnover By Gender*



*Does not include temporary employees



Living Well at Tyler

We invest in the well-being of Tyler team members and their families. The pandemic created stressful conditions in 2020, which persist into 2021. We provide a range of offerings in support of mental and emotional, financial, and physical health and wellness — not only for our team members, but also for the family members who depend on them.

MENTAL AND EMOTIONAL WELLNESS

In addition to regular outreach to share resources and updates, we provided robust benefits for mental and emotional wellness, including enhanced coverage to address changing circumstances. Benefits offered in 2020 included:

Virtual Visits — 24/7 virtual care for medical and mental health needs with a licensed professional for our U.S. team members, covered at 100% by our health plan

Employee Assistance Program — Confidential 24/7 assistance with personal and professional issues for team members and their households

Workplace Mental Health Strategies — Free tools and resources for team members and their families to help improve psychological health

FINANCIAL WELLNESS

Tyler partners with trusted organizations to support our team members’ financial needs and goals. In 2020, we provided financial wellness offerings including:

NetBenefits Financial Wellness — Access to a full range of financial resources for participating U.S. team members, including the extension of free virtual consultations through 2020

Employee Assistance Program — Financial wellness resources and services available, including online courses, articles, and online toolkits, as well as mobile tools

Employee Stock Purchase Plan — A voluntary, company-sponsored plan that gives team members the opportunity to purchase Tyler’s common stock at a 15% discount with long-term investment incentives

PHYSICAL WELLNESS

With a workforce that has remained mainly remote since the onset of the pandemic, Tyler’s normal health and fitness offerings have evolved to meet the current needs. Our office fitness centers and cafeterias took a backseat to resources promoting at-home workouts, ergonomic home offices, and avoiding illness. Our health and fitness offerings in 2020 included:

Well onTarget — A fitness incentive program for U.S. team members based on completing health challenges and earning points to redeem for prizes and discounts

Blue Points Discount Program — A program that provides U.S. team members with discounts on health and wellness products and services



ENHANCED COVID-19 BENEFITS & PRACTICES

Throughout 2020, we shared regular internal updates related to COVID-19 prevention, testing, safety, and workplace protocols. In response to COVID-19, the following benefits were provided to Tyler team members in 2020:

- Commitment to zero headcount reductions due to COVID-19
- Extension of grace periods on flexible spending accounts
- Extension of enrollment periods for qualifying life events
- 100% coverage by health plan for telehealth visits, for both medical and mental health
- Temporary coverage in 2020 (and permanent coverage in 2021) of telehealth services by traditional providers
- Addition of unlimited “CTO” (coronavirus paid time off) to be used in place of sick or vacation time to care for oneself while ill or unable to work due to COVID-19
- Continued annual merit increase and bonus programs
- No increase to team member medical insurance contribution amounts
- Provided CARES Act 401(k) plan provisions increasing access to withdrawals



Named to Forbes
**“AMERICA’S BEST
EMPLOYERS FOR
DIVERSITY”**
list in 2020 for the
second consecutive year

Awards and Recognitions

Tyler continues to earn regular and widespread recognition as a top workplace. We were honored to be named in these 2020 listings:

1. Albany Business Review’s “Best Places to Work” list
2. Dallas Morning News’ “Best in DFW: Top Workplaces” list
3. Detroit Free Press’ “Top Workplaces” list
4. MaineBiz’s “Best Places to Work in Maine” list
5. The Atlanta Journal Constitution’s “Top Workplaces” list
6. The Washington Post’s “Top Workplaces” list



COMMUNITY IMPACT

Tyler's community impact extends across the charitable activities of our team members through grants allocated by the Tyler Foundation, supporting and amplifying the causes our team members support. In addition, the Tyler Foundation and our team members give generously to BEB (previously known as Both Ends Believing), our nonprofit partner using technology to improve global child welfare.

Team Member Giving

Tyler team members support a wide range of organizations through volunteering, monetary contributions, and donations of goods and services. In addition to their personal commitments, their charitable activities include events, supply drives, and giving campaigns organized or supported by Tyler. In 2020, our team members gave generously of their time and resources to support causes including:

- **Animals and wildlife**
- **Arts, culture, and humanities**
- **Communities and neighborhoods**
- **Disaster relief**
- **Education and research**
- **Health**
- **Human and civil rights**
- **Hunger and human services**
- **International issues**

Tyler's Maine offices used more than half of their holiday events budget to buy 400 toys and winter gear items for the Salvation Army Angel Tree Program. In addition, team members from our Maine offices collected nearly 40,000 socks, winter gloves, masks, and undergarments for people experiencing homelessness and poverty-related issues during their annual supply drive for the Preble Street social services center. Since 2013, Tyler's Maine team members have donated more than 55,000 items to Preble Street through their annual supply drive.

Tyler's Local Government Division donated three months of Traversa Ride 360 (for parent communication) to school districts using Traversa to assist with communications during the crisis.

Team members from Tyler's Plano headquarters raised nearly \$24,000 for the North Texas Food Bank through their peer-to-peer "FUNdraiser." Combined with the Tyler Foundation's contribution, in 2020 Tyler donated nearly \$50,000 toward nutritious meals for children, families, and older people in North Texas.

TYLER TEAM MEMBERS' 2020 CHARITABLE ACTIVITIES

\$400,000+
fundraised

\$47,000+
worth of goods
donated

3,300+
self-reported
volunteer hours by
2,000+
team members
across 11 states and
3 countries



Community Giving

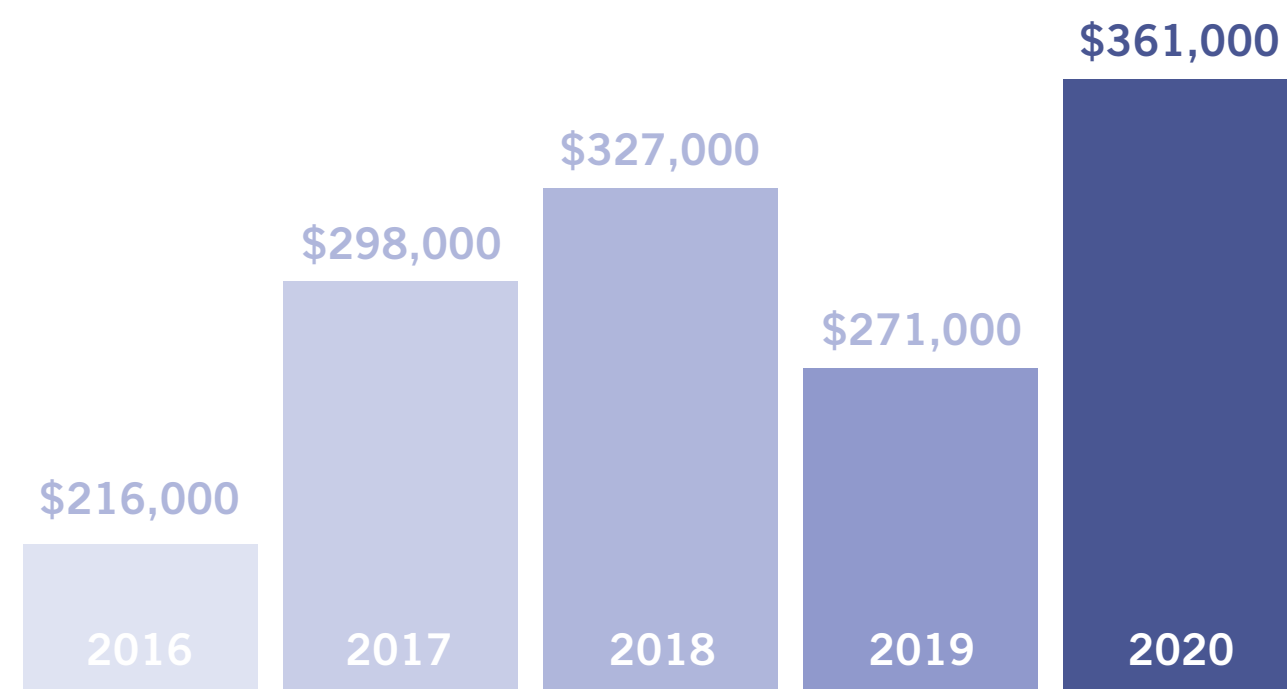
THE TYLER FOUNDATION

The Tyler Foundation is a nonprofit charitable organization founded in 1971 and funded by Tyler Technologies. The Tyler Foundation supports organizations that benefit the local communities in which we live and work, and in which our team members are directly involved, with a specific emphasis on health, human services, and technology education.

Organizations that qualify for grants from the Tyler Foundation must be in the U.S., recognized by the IRS as tax-exempt, and designated as a public charity under Section 501(c)(3) or as an instrumentality of a federal, state, or local government as provided by Section 170(c)(1) of the tax code. The foundation only considers grant requests made by Tyler team members, and does not allocate grants to religious, community sports, or school-related organizations.

In 2021 the foundation commemorates 50 years of giving.

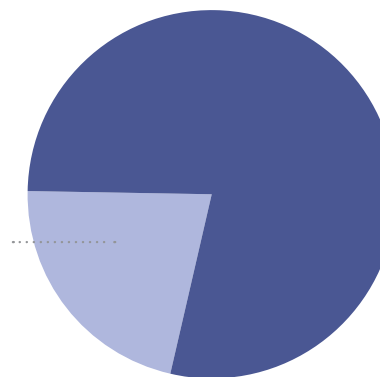
TYLER FOUNDATION CASH DONATIONS



TYLER FOUNDATION 2020 GIVING

\$361,000 in Tyler Foundation donations

\$77,750 designated for COVID-19 relief





BEB

Tyler Technologies and BEB (previously known as Both Ends Believing) are partnering to change global child welfare for the better. Over the past five years, Tyler has shared its domain expertise by loaning key development and implementation staffing resources to BEB. These Tyler leaders have managed and worked alongside BEB staff leading to the creation of Children First Software, BEB’s cloud-based solution for registering institutionalized children and moving them to a permanent family.

The primary reason children around the world are in institutions and orphanages is simply that many countries lack the digital infrastructure that creates visibility into who and where they are. Without a digital identity, institutionalized children face a bleak future. By leveraging Children First Software as an empowerment tool for governments, institutions, and children, BEB works to bring about systemic change — enabling accountability, process transparency, and the opportunity for every child to thrive in a loving family.

Tyler provides ongoing technical leadership, technologies, time, and resources focused on ensuring Children First Software remains state-of-the-art and its data secure using the same protocols as it does for U.S. governments, helping BEB transform the future for children around the world.

TYLER SUPPORT FOR BEB IN 2020

\$436,595

in in-kind contributions to BEB by Tyler Technologies

3,160 hours

of support from more than a dozen Tyler team members and office space for six BEB team members



\$346,425

cash contributions donated to BEB by Tyler team members and the Tyler Foundation

\$783,020

in total Tyler contribution to BEB





ENVIRONMENTAL SUSTAINABILITY

The challenges facing our planet are growing every day, and as a company, Tyler recognizes our responsibility in reducing the impacts we have on the environment.

Environmental Policy

To codify our approach to sustainability, we initiated development of our corporate Environmental Policy in 2020. The policy affirms Tyler's commitment to conserving natural resources and demonstrating sustainable behavior at global and local levels. More information can be found in Tyler's Environmental Policy on the [Corporate Responsibility](#) section of our website.

Sustainability Strategy

ENABLING CLIENT SUSTAINABILITY

As a software company, Tyler's most significant opportunities to mitigate environmental impacts are outside our four walls — by enabling our clients in their own sustainability journeys. Our innovative software is designed to increase efficiency throughout our clients' organizations; an added benefit is many of our electronic solutions produce a dramatic reduction in fuel use and paper waste.

In 2020, our electronic filing solution helped our clients save nearly 2.4 million pounds of paper, the equivalent of more than 29,000 trees. Tyler's document management solution is a productivity tool that reduces paper and toner ink usage, along with the footprint associated with physical document storage. Likewise, Tyler's virtual courts, e-filing, and online dispute resolution solutions are "paperless" and eliminate the need for most case parties and justice partners to appear in person — creating a positive impact on traffic congestion, emissions, parking, and other negative effects of driving. Virtual courts and justice offerings continue to increase in popularity among Tyler clients.



VERSATRANS: CREATING EFFICIENCIES IN TRANSPORTATION

Tyler's solutions are built to create efficiencies. By using our solutions, our clients are able to reduce their environmental impacts alongside the primary reason for partnering with Tyler: meeting their community's needs while managing for cost.

Take Versatrans, a cost-efficient software suite used in school districts to modernize transportation departments. When [Magnolia Independent School District](#) (ISD) in Texas experienced rapid growth, but without the infrastructure to plan, monitor, and efficiently run its operations, the district encountered problems meeting the needs of its students.

To bring operations up to speed, Magnolia ISD implemented elements of Tyler's Versatrans suite one by one to optimize routes, monitor timeliness, and track students — with each step creating efficiency for district staff. With these tools, the district was able to significantly reduce bus mileage even while fuel prices soared, saving money — and also helping the environment by mitigating associated emissions. Additionally, the Versatrans suite facilitated paperless operations, reducing waste as a result.

In some cases, our clients are even able to pay it forward for the environment. After using Versatrans software to save on costs and produce the necessary data, [Twin Rivers United School District in California](#) was able to secure a grant to purchase new electric buses. These safe, clean-air, efficient buses presented a win-win for the community, reducing fuel use and related emissions while allowing the district to continue meeting the needs of its students.





ENVIRONMENTAL TASK FORCE

In 2020, Tyler made a significant effort to create a formalized structure in support of our environmental initiatives. As a part of this, we launched our Environmental Task Force (ETF), composed of facilities managers representing Tyler’s seven division office locations.

Bringing together the ETF was an important opportunity to document the types of initiatives pursued at each of these offices, ranging from energy efficiency, renewable energy, water conservation, and waste minimization. The structure of the task force also allows for offices to learn from each other, such as developing a shared understanding of investments, project management, and technologies needed to align on our approach to responsible environmental practices.

The ETF’s prioritized goals and initiatives are organized around three pillars:

Energy optimized operations — Ensuring energy efficient buildings and business operations through lighting, HVAC, insulation, power management, and renewable energy initiatives

Resource efficiency — Saving and recycling resources including water, single-use waste, paper, and sustainable procurement initiatives

Green Planet initiatives — Promoting environmental awareness through training, signage, office green team engagement, behavioral change programs, and biodiversity-related initiatives

The ETF meets regularly to review Tyler’s sustainability activities across its office locations and develop strategies for improving Tyler’s environmental footprint.

ENVIRONMENTAL TASK FORCE: MISSION AND VISION



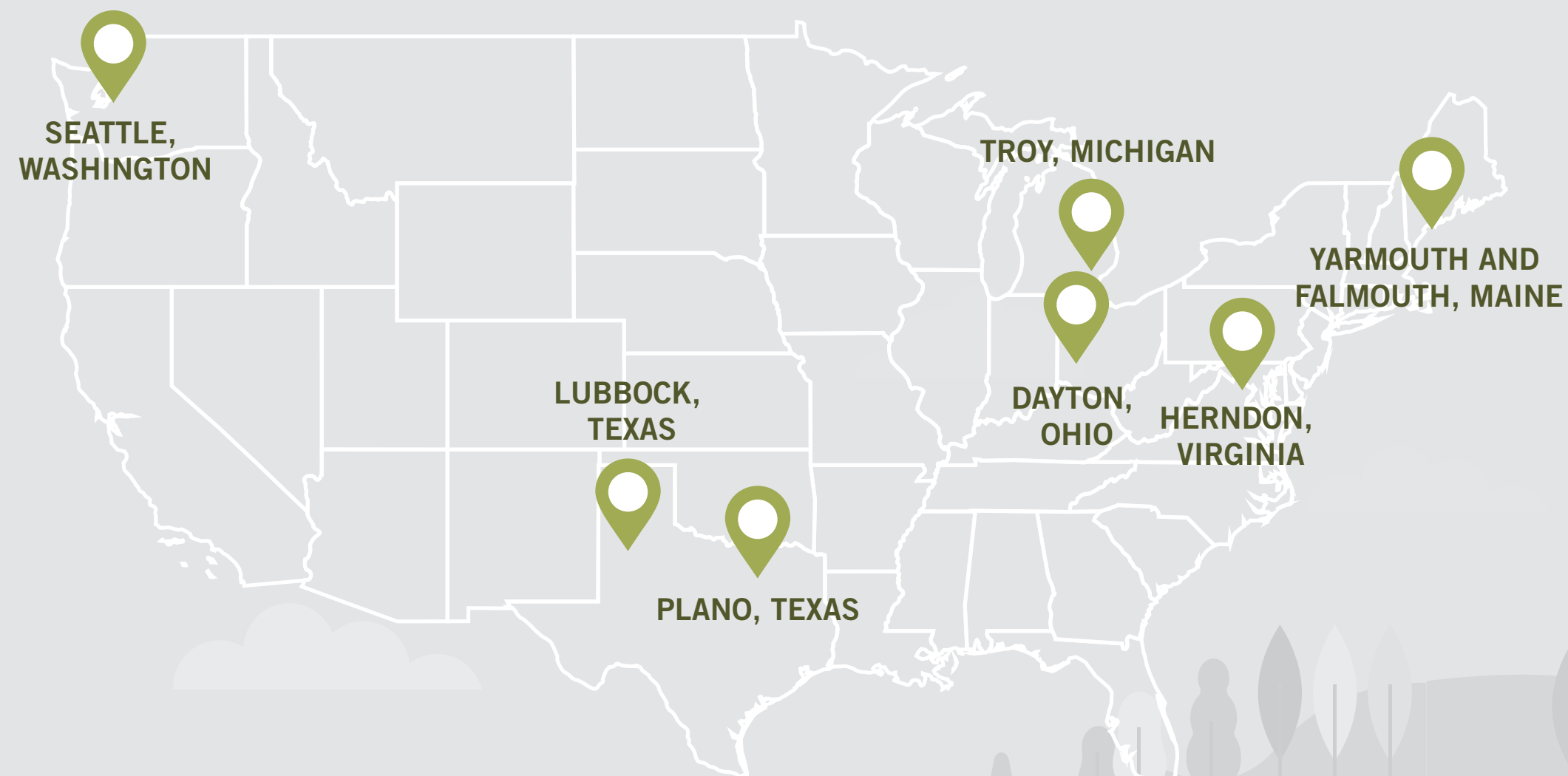
Mission

To educate, engage, and inspire company leaders and team members to adopt and invest in meaningful practices that improve Tyler’s environmental footprint and help build a sustainability-focused culture across our office locations and the communities we impact.



Vision

To deeply embed sustainability into our business practices, product innovations, and company culture to help ensure the health and safety of Tyler workplaces, our clients’ communities, and the planet.





CARBON FOOTPRINT* **2019**

Total Scope 1 (mtCO2e)	1,428
Total Scope 2 location-based (mtCO2e)	9,217
Total Scope 2 market-based (mtCO2e)	9,810
Scope 3 business travel (mtCO2)	24,740
Scope 1 & 2 market-based carbon intensity per \$1MM revenue (mtCO2e)	10.35

ENERGY CONSUMPTION **2019**

MWh of indirect energy usage (i.e., electricity for facilities)	23,357
MWh of direct energy usage (i.e., natural gas for heating)	7,807
Energy intensity per \$1MM revenue (MWh)	28.70
% of electricity generated from renewable sources	NA

**Additional information regarding standards, methodologies, and calculation inputs/assumptions are provided in the GRI Content Index. This material references Disclosures 302-1 (c-f) and 302-3 (a-d) from GRI 302: Energy 2016; 305-1 (a-g), 305-2 (a-g), 305-3 (a, b, e, g), and 305-4 (a-d) from GRI 305: Emissions 2016, and Disclosures 103-1, 103-2 and 103-3 from GRI 103: Management Approach 2016.*

Energy and Climate

Tyler has historically implemented energy efficiency projects throughout our sites, ranging from equipment and building elements to systematic maintenance with an objective to save energy. Such projects include replacing incandescent lighting with LEDs, installing light motion sensors, and using shading, window film, and other means to reduce heat gain. At sites located in colder climates, we replaced oil boilers with natural gas boilers for cleaner, more efficient burning. We also keep an eye on opportunities to pursue LEED certification as an indicator of potential efficiency; our Lubbock site was certified for Core & Shell upon original construction in 2012.

Tyler was one of the first companies in North Texas to have a commercial solar power generation and storage project; in 2017, we installed solar panels on the rooftops of our Plano headquarters. These panels are backed with batteries to store excess energy, allowing us to generate cleaner energy, save on energy costs, and increase our resiliency in the face of possible power outages. Our use of the energy generated by the panels resulted in an approximate 14% reduction in our electricity usage on average, or the equivalent of more than 450,000 kWh per year.



Recognizing that establishing a baseline of our impacts will provide the context needed to identify further improvement opportunities, we developed our first greenhouse gas inventory in 2020 to calculate our 2019 carbon emissions.

The pandemic has also resulted in new attention regarding the necessity of business travel, including a collaborative

approach with our client base as we collectively reimagined our delivery and service models. In 2020, Tyler’s air travel mileage dropped 74%, from more than 61.5 million miles to less than 16 million miles, and we also significantly reduced both rental car mileage and the number of hotel stays. Overall, our estimated Scope 3 emissions associated with business travel also decreased by 74%, and yet, our quality of service and business operations has not been negatively impacted by this change in operations. Through remote managing of projects and other technology implementations, we’ve realized an opportunity to decrease our environmental impacts while continuing to meet client expectations. Although we expect an increase in travel once the pandemic is behind us, we plan to leverage our remote management model to the greatest extent possible.

Our 2020 greenhouse gas inventory results will be published in spring of 2021 and will be made public on the [Corporate Responsibility](#) section of our website.

GREEN TEAMS

Environmental sustainability has also attracted grassroots proponents within Tyler; for example, our Seattle and Maine offices established green teams that coordinate local efforts in support of environmental initiatives and promote opportunities to practice sustainability in their personal lives. Some examples of initiatives pursued in 2020 include facilitating recycling and composting programs, sponsoring a commuting challenge to encourage less impactful modes of transportation, creating a program for team members to purchase organic vegetables from a local farm, and partnering with trail associations to conduct trail maintenance.



Resource Efficiency

In an office-based environment, Tyler's water usage and waste generation do not pose significant impacts; however, as reflected in the resource efficiency pillar of our Environmental Task Force's priorities, we continually look for opportunities to manage each in the most efficient way possible.

For example, our Dayton, Ohio, office uses harvested rainwater for 100% of our landscape irrigation needs there; we are looking into options for expanding this program. Through this initiative, we are able to save approximately 75,000-85,000 gallons of water per day.

We have also implemented other efficient landscaping and irrigation measures at several sites, such as selecting drought-resistant plants, installing rain sensors, limiting watering to pre-dawn hours to reduce evaporation, and using well water. While irrigation is a larger contributor to our water consumption than office-related use, we have also installed high-efficiency plumbing to achieve additional conservation.

All facilities have incorporated cardboard and paper recycling as well as elimination of single-use plastic serving supplies. The majority also pursue recycling of plastic and glass, universal waste, and printer cartridges where vendors are available. Two of our sites have further pursued waste diversion by adding composting to their programs, supported by educational signage with instructions for appropriate disposal of waste, recycling, and compost.

We are also prioritizing recyclable materials in our purchasing decisions, alongside other sustainable procurement activities such as establishing standards for frequently purchased equipment and supplies.





APPENDIX

GRI Content Index

Tyler has chosen to reference Global Reporting Initiative (GRI) reporting standards for this report, as we build our program and data toward a goal of developing a report in accordance with GRI in the future. The following general disclosures and specific disclosures for our ESG priority topics were used to inform this report’s content.

GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES	ADDITIONAL REFERENCE
GRI GENERAL DISCLOSURES			
ORGANIZATIONAL PROFILE			
GRI 102-1	Name of the organization	Tyler Technologies (NYSE: TYL)	
GRI 102-2	Activities, brands, products, and services	Company and Operations	SEC Form 10-K
GRI 102-3	Location of headquarters	5101 Tennyson Parkway, Plano, Texas 75024	
GRI 102-4	Location of operations	Company and Operations	About Us: Tyler Technologies’ Office Locations
GRI 102-5	Ownership and legal form	See our SEC Form 10-K: Part I, Item 1 and Part II.	
GRI 102-6	Markets served	See our SEC Form 10-K: Part I, Item 1.	
GRI 102-7	Scale of the organization	Company and Operations As of Dec. 31, 2020, Tyler employed 5,580 employees at 38 offices located across the United States, Canada, and the Philippines. We reported \$1.1 billion in net revenue, generated from a suite of products and services provided to more than 8,800 clients; our products and services address the information technology needs of cities, counties, schools, and other local government entities.	SEC Form 10-K Fast Facts About Us Tyler Technologies



GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES	ADDITIONAL REFERENCE
GRI 102-8	Information on employees and other workers	See our SEC Form 10-K: Part I, Item 1.	
GRI 102-9	Supply chain	See our SEC Form 10-K: Part I, Item 1.	
GRI 102-10	Significant changes to the organization and its supply chain	In calendar year 2020, Tyler made no significant changes to the organization’s size, structure, ownership, and supply chain.	
GRI 102-11	Precautionary principle or approach	Our precautionary approach is reflected in our Enterprise Risk Management Approach and Environmental Policy.	
GRI 102-12	External initiatives	<p>Tyler recognizes the following voluntary environmental and social charters/standards/sets of guiding principles:</p> <ul style="list-style-type: none"> • Global Reporting Initiative (GRI) Sustainability Reporting Standards • Sustainability Accounting Standards Board (SASB) • S&P Global SAM Corporate Sustainability Assessment 	
GRI 102-13	Membership of associations	<ul style="list-style-type: none"> • National League of Cities — Capstone Partner • National Association of Counties — Gold Partner • United States Conference of Mayors — Business Council Partner • International City & County Management Association — General Partner • Government Management Information Sciences — General Partner • National Association of State Chief Information Officers — Corporate Partner • National Association of State Auditors, Comptrollers, and Treasurers — Corporate Partner 	



GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES	ADDITIONAL REFERENCE
STRATEGY			
GRI 102-14	Statement from senior decision-maker	Letter From Our CEO	
ETHICS & INTEGRITY			
GRI 102-16	Values, principles, standards, and norms of behavior	Ethical Governance: Standards for Ethical Behavior Tyler's Code of Conduct details the values and behaviors that align with our company's culture, philosophy, and commitment to integrity.	
GRI 102-17	Mechanisms for advice and concerns about ethics	Ethical Governance: Standards for Ethical Behavior Employees may report concerns regarding the code to Tyler's chief human resources officer. Should there be concerns of an accounting or auditing nature, any person may anonymously report these through a toll-free hotline or third-party website as outlined by our supporting Whistleblower Policy. Tyler is committed to ensuring that any person reporting violations will be protected from retaliation.	
GOVERNANCE			
GRI 102-18	Governance structure	Ethical Governance: Board of Directors Ethical Governance: Board Engagement on Corporate Responsibility Topics and Goals	Directors
STAKEHOLDER ENGAGEMENT			
GRI 102-40	List of stakeholder groups	Our key stakeholder groups include, but are not limited to: our clients, current and former Tyler team members and contractors; suppliers and vendors; the communities in which we operate; government and regulatory agencies; and investors.	
GRI 102-41	Collective bargaining agreements	See our SEC Form 10-K: Part I, Item 1. No Tyler employees are represented by unions.	



GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES	ADDITIONAL REFERENCE
REPORTING PRACTICE			
GRI 102-45	Entities included in the consolidated financial statements	Tyler currently has seven operating divisions. In accordance with ASC280-10, Segment Reporting, we report our results in two segments: Enterprise Software (ES) and Appraisal and Tax (A&T). Tyler’s corporate responsibility report covers all entities included in our financial statements.	SEC Form 10-K, Note 14: Segment and Related Information
GRI 102-46	Defining report content and topic Boundaries	<p><u>About This Report</u></p> <p>We determined the focus of this report through a combination of a streamlined sustainability materiality assessment conducted in 2020, and through ongoing engagement and consultation with our ESG Council and key advisors.</p>	
GRI 102-47	List of material topics	<p><u>Our ESG Priorities</u></p> <p>Tyler’s priority ESG topics include:</p> <p>Environmental</p> <ul style="list-style-type: none"> • Products and services enabling positive impact • Emissions, energy, and waste <p>Social</p> <ul style="list-style-type: none"> • Diversity, equity, and inclusion • Training and education <p>Governance</p> <ul style="list-style-type: none"> • Customer privacy 	
GRI 102-48	Restatements of information	Tyler is not reporting any restatements of information in this corporate responsibility report.	
GRI 102-49	Changes in reporting	<p><u>Our ESG Priorities</u></p> <p>As Tyler conducted a streamlined materiality assessment in 2020, this report presents our first disclosures related to the identified ESG topics.</p>	
GRI 102-50	Reporting period	Unless explicitly noted, the information included in this report covers the fiscal year 2020 (Jan. 1 — Dec. 31, 2020), and we provide multi-year trend data where available.	



GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES	ADDITIONAL REFERENCE
GRI 102-51	Date of most recent report	March 2020: Tyler Technologies 2019 corporate responsibility report	
GRI 102-52	Reporting cycle	Tyler plans to publish corporate responsibility reports on an annual basis.	
GRI 102-53	Contact point for questions regarding the report	Any questions regarding the report should be directed to media.team@tylertech.com.	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	We self-declare that our report is GRI-referenced only.	
GRI 102-55	GRI content index	This GRI Content Index Table.	
GRI 102-56	External assurance	The information disclosed in our report are not externally assured.	
SPECIFIC STANDARD DISCLOSURES - ECONOMIC			
TOPIC: ANTI-CORRUPTION			
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Ethical Governance: Standards for Ethical Behavior	
GRI 205-2	Communication and training about anti-corruption policies and procedures	Ethical Governance: Board of Directors Ethical Governance: Standards for Ethical Behavior Tyler requires 100% of our board members to complete anti-bribery/corruption training. Additionally, Tyler requires 100% of our employees complete online training on our Code of Conduct during the onboarding process to ensure the code is well socialized.	
GRI 205-3	Confirmed incidents of corruption and actions taken	Ethical Governance: Standards for Ethical Behavior If allegations of corruption are brought to our attention, we work to investigate and resolve them appropriately and disclose material, substantiated incidents as appropriate.	



GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES	ADDITIONAL REFERENCE
SPECIFIC STANDARD DISCLOSURES - ENVIRONMENT			
TOPIC: ENERGY			
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Our ESG Priorities Environmental Sustainability: Energy and Climate	Environmental Policy
GRI 302-1	Energy consumption within the organization	Environmental Sustainability: Energy and Climate While Tyler consumed solar-generated renewable energy for our Plano location, we currently do not have data regarding the exact amount consumed. Tyler did not sell any energy during the reporting year.	
GRI 302-3	Energy intensity	Environmental Sustainability: Energy and Climate	
TOPIC: EMISSIONS			
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Our ESG Priorities Environmental Sustainability: Energy and Climate	Environmental Policy
GRI 305-1	Direct (Scope 1) GHG emissions	Environmental Sustainability: Energy and Climate Tyler's greenhouse gas inventory is conducted in accordance with the World Resources Institute's (WRI) and World Business Council for Sustainable Development's (WBCSD's) GHG Protocol, including the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition), the Scope 2 Guidance and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Tyler defines the organizational boundary using the Operational Control Approach. Emission factors were sourced from the U.S. EPA and International Energy Agency (IEA). GWPs have been sourced from the Intergovernmental Panel on Climate Change Fifth Assessment Report (IPCC AR5) whenever possible. In the absence of IPCC SAR sources, GWPs have been sourced or calculated using information from the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 34. Gases included in the calculation include CO ₂ , CH ₄ , N ₂ O, and HFCs. Biogenic emissions are not relevant. As this is the first time we have undertaken a greenhouse gas inventory, 2019 represents our base year. Tyler's GHG inventory is not verified by an independent third party.	



GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES	ADDITIONAL REFERENCE
GRI 305-2	Energy indirect (Scope 2) GHG emissions	<p>Environmental Sustainability: Energy and Climate</p> <p>Tyler’s greenhouse gas inventory methodology is as referenced in 305-1. Gases included in the calculation include CO₂, CH₄, and N₂O. As this is the first time we have undertaken a greenhouse gas inventory, 2019 represents our base year.</p> <p>Tyler’s GHG inventory is not verified by an independent third party.</p>	
GRI 305-3	Energy indirect (Scope 3) GHG emissions	<p>Environmental Sustainability: Energy and Climate</p> <p>Scope 3 business travel emissions include air travel, car rentals, and hotel stays. Data was provided by our vendor and is reported in terms of CO₂. As this is the first time we have undertaken a greenhouse gas inventory, 2019 represents our base year.</p> <p>Tyler’s GHG inventory is not verified by an independent third party.</p>	
GRI 305-4	GHG emissions intensity	<p>Environmental Sustainability: Energy and Climate</p>	
TOPIC: WASTE			
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	<p>Our ESG Priorities</p> <p>Environmental Sustainability: Resource Efficiency</p>	Environmental Policy
GRI 306-2	Waste generation and significant waste-related impacts	<p>Environmental Sustainability: Resource Efficiency</p>	
GRI 306-2	Management of significant waste-related impacts	<p>Environmental Sustainability: Resource Efficiency</p> <p>Tyler is exploring opportunities to measure and monitor waste-related data.</p>	



GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES	ADDITIONAL REFERENCE
SPECIFIC STANDARD DISCLOSURES - SOCIAL			
TOPIC: EMPLOYMENT			
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Our ESG Priorities People and Culture: Inclusive Workplaces People and Culture: Team Member Development	
GRI 401-1	New employee hires and employee turnover	People and Culture: Inclusive Workplaces People and Culture: Team Member Development # of total new employee hires: 2019: 901 2020: 600 % of open positions filled by internal candidates: 2019: 15.51% 2020: 21.45% This data is not available prior to 2019 due to a change in internal hiring data collection tools.	
TOPIC: TRAINING AND EDUCATION			
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Our ESG Priorities People and Culture: Team Member Development Total dollars invested in employee training: 2019: \$364,995 2020: \$356,695 Total per employee in 2020: \$63.92 This data represents training tracked at the corporate level and does not include training budgeted at division, team, or manager levels.	



GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	LOCATION & NOTES	ADDITIONAL REFERENCE
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	People and Culture: Team Member Development	
TOPIC: DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Our ESG Priorities People and Culture: Inclusive Workplaces	
GRI 405-1	Diversity of governance bodies and employees	Ethical Governance: Board of Directors People and Culture: Inclusive Workplaces	
TOPIC: CUSTOMER PRIVACY			
GRI 103-1 to 103-3	Explanation of the material topic and its Boundary	Our ESG Priorities Ethical Governance: Standards for Ethical Behavior	Tyler Technologies, Inc. Privacy Statement
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2020, Tyler received no substantiated complaints from third parties or regulatory bodies concerning customer privacy.	