

POWERING FINANCIAL INCLUSION

2022
ESG REPORT



ABOUT THIS REPORT

We are pleased to present Pathward Financial, Inc.'s third annual Environmental, Social and Governance (ESG) Report. It documents our progress in implementing plans, programs and policies in support of our ESG strategy that builds on our company's culture and purpose to power *Financial Inclusion for All™*.

Disclosures in this report align with the Sustainability Accounting Standards Board (SASB) Commercial Banks and Consumer Finance standards. We also note where disclosures address the Global Reporting Initiative (GRI) Standards. The information cited corresponds with our 2022 fiscal year ending September 30, 2022 unless otherwise denoted.

This report encompasses Pathward Financial, Inc. (Nasdaq: CASH), formerly Meta Financial Group, Inc., a U.S.-based financial holding company. Through our subsidiary, Pathward, N.A., we strive to increase financial availability, choice and opportunity across our strategic Banking as a Service and Commercial Finance business lines. These strategic business

lines provide end-to-end support to individuals and businesses. All financial information is presented in U.S. dollars. Unless otherwise stated, information shared is based on internal company results.

We have included select ESG performance data throughout the text. Please see our [ESG performance table](#) at the end of the report to view a comprehensive data set.

Please send questions or comments about this report to esg@pathward.com.

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ABOUT PATHWARD FINANCIAL, INC.

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

At Pathward, we believe banking should be accessible to everyone. This commitment to financial inclusion means we offer solutions for underserved populations and industries, helping build and distribute products that expand financial access and promote economic mobility. We use our national bank charter to empower partners and our financial expertise to deliver solutions across two main business lines: Banking as a Service (BaaS) and Commercial Finance.

In 2022 we changed the name of our company to Pathward to better reflect our purpose and role in today's economy. Our new name evokes the financial path forward we offer individuals and businesses toward achieving economic stability and growth. Pathward provides partners and third-party providers with services to help:

- ▶ Navigate complex compliance requirements
- ▶ Deliver financial products that serve the underbanked
- ▶ Activate flexible capital solutions for small- and medium-sized enterprises
- ▶ Develop scalable, innovative solutions for fintech clients

Pathward proudly provides these services in market segments that require our specialized expertise to develop solutions that mitigate complexity and risk.

Banking as a Service (BaaS)

Our BaaS solutions span these business lines:

PAYMENT SOLUTIONS

Pathward has more than 20 years of experience and expertise in the payments industry. Working with fintech and finserv clients, this service line provides the banking infrastructure needed to develop innovative technology and banking programs that offer consumers and businesses solutions to expand financial access offering money movement (ACH, Wire settlement and push to debit), merchant acquiring sponsorship and ATM sponsorship.

ISSUING SOLUTIONS

Our experience in issuing solutions allows us to take complex program innovations from ideas to reality with each partner individually. Paired with solutions that include demand deposit account (DDA) sponsorship, prepaid sponsorship and agent bank solutions, our knowledge and infrastructure allow us to develop customer-preferred programs.

CREDIT SOLUTIONS

We support partners through our credit solutions business line, offering benefits like flexible partnership models, program management built for scale, and strong risk management infrastructure. As the lender of record, we support a path to offering partners secure lending solutions for their customers.

TAX SOLUTIONS

Pathward's Tax Solutions works with more than 30,000 independent tax preparation providers in the U.S. to provide the solutions and tools needed to stay competitive in their markets. We offer tax refund transfer services, refund advance programs, prepaid card solutions, merchant services, credit card processing services and tax office business loans.

Commercial Finance

Our Commercial Finance line of business helps businesses by providing flexible finance solutions that support business growth and keep them operational and efficient. Our experience, strong relationship-building skills and creative execution allow us to offer timely, cost-efficient finance solutions to businesses of all sizes in many industries. Programs include:

WORKING CAPITAL

Financing that is secured by business collateral (assets) such as accounts receivable, inventory and equipment for working capital.

EQUIPMENT FINANCE

Financing for business capital expenditures in the form of various products such as leases and loans.

STRUCTURED FINANCE

Financing to meet complex funding needs and requirements; includes U.S. Small Business Administration (SBA) and U.S. Department of Agriculture (USDA) loans.

INSURANCE PREMIUM FINANCE

Short-term financing to facilitate the purchase of property, casualty and liability insurance policies.

2022 HIGHLIGHTS

Employee & Board Demographics¹

TOTAL EMPLOYEES

1,154

WOMEN

56%

MEN

44%

WOMEN IN LEADERSHIP ROLES

47%

(INCLUDES SENIOR AND PEOPLE LEADERS)

MEN IN LEADERSHIP ROLES

53%

(INCLUDES SENIOR AND PEOPLE LEADERS)

ETHNIC MINORITIES

17%

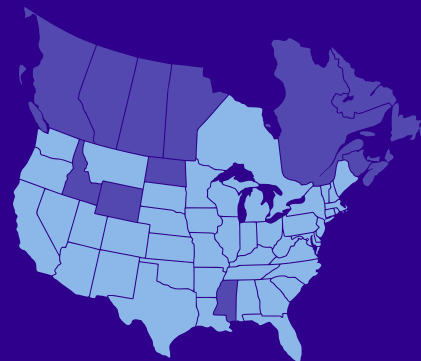
FEMALE DIRECTORS ON THE BOARD OF DIRECTORS

37.5%

EMPLOYEE LOCATIONS

40

(STATES, DISTRICT OF COLUMBIA, ONTARIO)



FY22 Financial Performance

NET INCOME

\$156.4M

(UP 10% YEAR OVER YEAR)

EARNINGS PER SHARE

\$5.26

(UP 20% YEAR OVER YEAR)

TOTAL REVENUE

\$601.1M

(UP 9% YEAR OVER YEAR)

Community Impact²

TOTAL CHARITABLE INVESTMENTS

\$1,001,682

PAID TIME OFF FOR VOLUNTEERING
HOURS TAKEN BY EMPLOYEES

MORE THAN

2,200

TOTAL EMPLOYEE VOLUNTEER
HOURS TRACKED³

MORE THAN

6,500

Environmental Impact

LEED-CERTIFIED
OFFICE SPACE

3

OF 9 BUILDINGS

YEAR OVER YEAR PHYSICAL
OFFICE SPACE REDUCTION

20%

OPERATIONAL EMISSIONS
YEAR OVER YEAR

4%

REDUCTION

¹ Source: Pathward internal records for FY22.

² Data are rounded to the nearest whole number.

³ Total is based on hours self reported by employees.

PATHWARD IN THE COMMUNITY



▶ [Watch our Scholars Fund video](#)

Through our Pathward Scholars Fund, we focus on helping students get to a position of greater earning power and economic stability by providing financial support and removing barriers that prevent students from completing their degrees. Watch this video to learn more.



▶ [Watch our Disaster Relief at Work \(DRAW\) video](#)

Pathward's Community Impact Program is one way we support nonprofit organizations in our employees' communities. Learn more about how we support disaster relief for communities that need it most in this video.

MESSAGE FROM BRETT PHARR, CEO

It is a pleasure to share our latest ESG Report—the first presented under the banner of Pathward Financial—and to mark another year in the successful evolution of our ESG strategy and the growth of our company.

As Pathward's chief executive officer, it is my responsibility to facilitate sustainable performance as we deliver on our purpose of powering *Financial Inclusion for All*™. That means keeping strategy, operations, our people, the needs of our customers, investors and other stakeholders, as well as trends in the economy, policy and society top of mind. If we keep all of those things in alignment, we'll be successful.

As I look back on 2022 and think about what's ahead, it's encouraging to see how our ESG endeavors support that alignment. It underscores that ESG is not a bolt-on program at Pathward; it's at the heart of who we are.

There were many significant sustainability highlights and advances in fiscal year 2022 that I'll touch on briefly.

Foremost was our rebrand. A key outcome of that is having our brand, purpose and mindset in sync—our name reflects that we provide a path forward for people who need access to our products and solutions. In parallel, we also undertook an exercise to reaffirm and restate our values, settling on four touchstones that define us: Lead by example; Find a better way; Help others succeed; Dare to be great. These touchstones are core to our ESG messaging.

At a program level, we made significant strides in our Diversity, Equity and Inclusion (DEI) strategy with the launch of our DEI curriculum. We're also getting better at measuring our DEI performance and deepening our understanding of where we are, which is fundamental to getting where we need to be in this area.

The past year also brought notable economic and policy developments in which we see potential opportunities. The differentiators for us are our purpose and expertise in helping people and businesses reach the next stage of their financial journey.

Rising interest rates, for example, have hampered access to Small Business Administration loans. Yet because our target customers include small businesses that find it difficult to access capital, we've been able to develop alternative ways to keep serving that market.

“As I look back on 2022 and think about what's ahead, it's encouraging to see how our ESG program's elements support that alignment. It underscores that ESG is not a bolt-on program at Pathward; it's at the heart of who we are.”

Macroeconomic conditions are prompting some financial players that only cater to low-income or alternative-energy markets when times are good to pull back. However, we will continue to serve those markets in an effort to power financial inclusion.

To hone our performance, we launched a series of company-wide strategic initiatives that are designed to support our business performance and, in turn, maximize the return on our ESG programs.

Sincerely,



Brett Pharr
Chief Executive Officer



MESSAGE FROM ANTHONY SHARETT, PRESIDENT

Fiscal year 2022 was an exciting, transformational year at Pathward as we rebranded.

Changing our name was merely one part of the story. The rebranding was a grassroots, bottom-up exercise involving the entire company. It included a re-examination of our values and unfolded in tandem with the creation of a new operating model in which several divisions of the company were united under our banking-as-a-service (BaaS) team.

The goal: to simplify our business structure, improve product innovation, boost knowledge sharing and strengthen our culture under the umbrella of a brand that embodies our purpose of powering *Financial Inclusion for All*™.

This was also a year in which Pathward demonstrated an unwavering commitment to ESG despite growing concern about the economy. This resolve is a direct result of the close alignment of our ESG strategy with our purpose and business goals.

After formally launching that strategy in 2021, we continued to implement and expand on it in fiscal year 2022. I want to highlight two areas in particular.

First, in support of our commitment to DEI, we launched a DEI curriculum to provide regular education and opportunities for our employees. The initial program will run through 2023, covering topics such as unconscious bias and inclusive leadership in sequence. For each, the curriculum starts with the executive team, then people leaders and finally, all employees enterprise-wide. This approach ensures that our C-suite is a

catalyst for the program and that people leaders are equipped to answer questions from team members or know where to direct them for more information after each curriculum session.

The second is how we've delivered on our commitment to prioritize measurement and accountability to ensure our ESG program's effectiveness as it matures.

In fiscal year 2022, Pathward launched its first company-wide environmental assessment, working with an objective third party to measure our Scope 1 and Scope 2 greenhouse gas (GHG) emissions and energy consumption.

Capturing more data is central to moving forward with our DEI strategy. In addition to tracking employee demographics, hiring and advancement trends, in 2022, we began gathering information on DEI representation throughout our vendor community.

“This was also a year in which Pathward demonstrated an unwavering commitment to ESG despite growing concern about the economy. This resolve is a direct result of the close alignment of our ESG strategy with our purpose and business goals.”

Another area I'd like to highlight is how our Business Council, a cross-functional team of senior leaders established in fiscal year 2021, continued to prove its value in 2022. The Business Council acts as a center of excellence, helping us leverage common opportunities across the business and bringing rigor and discipline to our planning. As such, it played a key role in enhancing our BaaS operating model and creating two new functions that support integration throughout the enterprise: a Business Transformation Office and a BaaS product team.

Through this report, we want to convey how much ESG is embedded in our purpose and ultimately contributes to our stakeholders' success.



Anthony Sharett
President



OUR APPROACH

At Pathward, our ESG efforts begin with financial inclusion. That guides our policies, practices, commitments, and goals applied by us to benefit shareholders, customers, employees, our communities, and the environment. This company-wide commitment to our ESG strategy echoes our commitment to providing products and services that directly address the foundational financial needs of the people and businesses at the core of our economy.

Values

In 2022, we adopted a new set of company values. Resulting from a cross-functional effort, these values define our approach to achieving our purpose of financial inclusion by clarifying what we stand for and believe in as a company.

Together, we:

- ▶ Lead by example
- ▶ Find a better way
- ▶ Help others succeed
- ▶ Dare to be great

This report, structured in three sections—Governance, Social Impact, and Environmental Responsibility—highlights our ESG efforts and achievements to date and outlines our ambitions across five critical pillars: governance, customers, employees, the community and the environment.



MATERIALITY

The process of identifying, prioritizing and validating the material⁴ topics on which our current ESG strategy is based originated in 2020. That year, following an initial compilation of issues and topics considered most critical to our business and our stakeholders, we launched a formal materiality assessment, working with a globally recognized sustainability organization. We gathered our primary input from external and internal stakeholders from a cross-section of organizations and functions. We then supplemented that information by surveying two additional sets of internal stakeholders and consulting ESG reporting frameworks, including GRI, SASB and the Task Force on Climate-related Financial Disclosures (TCFD).

The results of that materiality assessment yielded a list of seven strategic priorities for Pathward, ranked of highest importance in terms of business success (by internal stakeholders) and external impact (by external stakeholders). Those topics are:

- ▶ Access to Finance and Affordable Products and Services
- ▶ Business Ethics
- ▶ Data Privacy and Cybersecurity
- ▶ Diversity, Equity and Inclusion (DEI)
- ▶ Environmental and Social Impacts from Lending
- ▶ Financial Inclusion
- ▶ Transparency, Accountability and Reporting

Notably, there was a significant overlap between the topics most important to the business and those most impactful to external stakeholders. DEI, data privacy and cybersecurity, financial inclusion, and access to finance and affordable products and services ranked in the top five priorities for both groups of stakeholders. These topics were strongly emphasized in the development of our ESG strategy.

Since the development of our ESG strategy, we have reviewed the results of the assessment and concluded that our ESG strategy continues to reflect our priorities. We will conduct our next materiality assessment within the next year.



⁴ In this report, we use the term “material” and “materiality” with respect to ESG and not as defined by the Securities and Exchange Commission, or by securities laws including, without limitation, as applicable to Pathward Financial, Inc. Unless otherwise noted, the boundary for the topics is enterprise wide.



ESG STRATEGY

At Pathward, we believe in financial inclusion, and our commitment to our customers is echoed in our commitment to ESG best practices. Our success is built on serving as a trusted partner in delivering social and environmental outcomes. We envision a world in which Pathward enables and promotes a digital and inclusive financial system for everyone; where we cultivate an engaged, diverse, equitable, and inclusive workforce; and where we invest in environmental sustainability.





Our strategic areas of focus include the following:

- ▶ Enabling an Inclusive Financial System
- ▶ Engaging Our Workforce
- ▶ Investing in Environmental Sustainability
- ▶ Building Trust through Good Governance



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations (UN) 2030 Agenda for Sustainable Development, adopted by all UN Member States in 2015, outlines 17 Sustainable Development Goals (SDGs), 169 targets and 232 progress indicators for action with the primary objectives of protecting the planet, ending poverty, and creating peace and prosperity for all. Pathward's ESG strategy most closely aligns with four SDGs—1, 7, 8 and 10—as described in the accompanying table.

SDG	SDG Sub-target	SDG Contribution
 <p>1 NO POVERTY</p>	<p>1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.</p>	<ul style="list-style-type: none"> ▶ Commitment to driving financial inclusion ▶ Products and services to underserved and underbanked individuals and businesses ▶ Pathward line of credit ▶ Small Business Administration loans
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p> <p>7.2.1 Renewable energy share in the total final energy consumption.</p>	<ul style="list-style-type: none"> ▶ Commercial financing for renewable energy infrastructure, including solar farm financing ▶ Community solar financing ▶ Alternative energy production equipment financing
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all.</p> <p>8.10.1 Number of commercial bank branches and automated teller machines (ATMs) per 100,000 adults.</p>	<ul style="list-style-type: none"> ▶ Pathward's lines of business encourage and expand access to banking and financial services ▶ Financial and volunteer support of nonprofit organizations, such as Junior Achievement and Local Initiatives Support Corporation (LISC) ▶ Sponsorship of more than 250,000 ATMs and sale of prepaid products through more than 1,100 financial institutions with more than 10,000 branch locations
 <p>10 REDUCED INEQUALITIES</p>	<p>10.2 By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p>	<ul style="list-style-type: none"> ▶ Commitment to and efforts to drive DEI, including an enterprise-wide DEI curriculum ▶ Commitment to driving financial inclusion ▶ Community Impact Program support of organizations that facilitate financial inclusion and family and individual empowerment through charitable investments and volunteerism ▶ Pathward line of credit

STAKEHOLDER ENGAGEMENT

As we build on our purpose and devote increased resources to our ESG efforts at Pathward, stakeholder engagement is essential to telling our story, communicating our ESG goals and actions, and enabling their success.

Among stakeholders, customers remain key. Standing alongside them, we also consider our employees, investors and analysts, government regulators and policy makers, suppliers, industry associations, communities and not-for-profit organizations as important stakeholders.

Publication of our annual ESG Report is an essential step in this engagement process that reaches many of these audiences. Our Annual Proxy Statement also includes a discussion of our ESG governance, priorities and actions.

In 2022, we also commissioned a research survey to help us gain a better understanding of the role of purpose-driven organizations in the financial sector as well as additional insights on what our partners and potential partners think about purpose-driven organizations.

Other ESG-related engagement activities include:

- ▶ Engagement with the Department of Treasury, the U.S. Federal Reserve and the Office of the Comptroller of the Currency.
- ▶ Reinforcing employee education about our relevant ESG policies, programs, benefits and activities for integrating the company's ESG efforts into the business and company culture. These steps include reinforcing our Employee Resource Groups efforts, linking DEI to Community Impact Program events, and employee participation in our DEI Steering Committee.
- ▶ Maintaining memberships in numerous industry organizations, including the following: American Bankers Association; National Minority Supplier Development Council; and Association of Corporate Citizenship Professionals.



GOVERNANCE

Good governance is more than part of our ESG strategy, it is at the core of our commitment to being a trusted partner to our customers, employees and investors.



ESG GOVERNANCE STRUCTURE

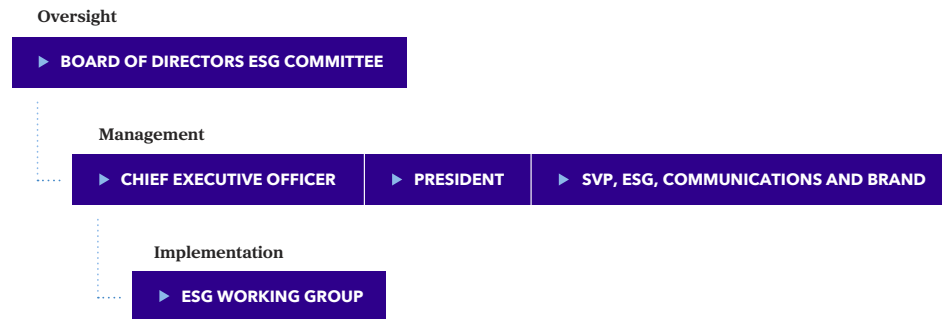
Pathward Financial’s ESG governance structure emphasizes Board of Directors and executive management oversight of our company-wide ESG implementation efforts.

In fiscal year 2022, there were no changes to the ESG governance structure, and the ESG Committee continues to be one of the four full committees of the Board. Starting in March 2023, the Committee’s Chair is Director Frederick Moore. The ESG Committee meets quarterly to discuss current and emerging ESG topics and provide oversight of our ESG policies, programs, strategies, and risks and opportunities.

The ESG Committee’s responsibilities are detailed in its [Committee Charter](#). They include oversight of the following: our ESG endeavors; charitable investment policies and programs; DEI; policies related to environmental sustainability, human rights and other social matters; relationships with external stakeholders; and our annual ESG Report.

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

ESG Governance



“I am delighted to chair our Board’s Environmental, Social and Governance Committee. We are dedicated to financial inclusion, effective environmental stewardship and the quality of life in the broader community. We are very proud of our corporate citizenship that is worthy of emulation.”

Frederick Moore, Pathward Financial Board of Directors and Environmental, Social and Governance Committee Chair

SELECT ESG-RELATED POLICIES, STANDARDS AND GUIDELINES

[Corporate Governance Guidelines](#)

[Code of Business Conduct](#)

[Community Reinvestment Act Strategic Plan](#)

[Community Impact Model and Program](#)

[Employee Handbook](#)

[ESG Strategy](#)

[Fair and Responsible Banking Program](#)

[People and Culture Policy](#)

[Privacy Policy](#)

[Whistleblower Protection](#) (see page 34)

ETHICS

Pathward's commitment to ethical business practices starts with the Board and the executive leadership team and extends throughout our company. Pathward assigns training on our Code of Business Conduct to all new hires and annually to all employees.

As a company in the financial services industry whose business is focused on powering financial inclusion, we believe we owe it to our customers, investors, shareholders and community to consistently act in a manner that will preserve the trust they have placed in us. We foster a culture of "see something, say something" that promotes and enables compliance, which our employees and potential talent respect and appreciate.

Code of Business Conduct

The Code of Business Conduct (the Code) sets the highest standards of ethics and integrity for all employees. It is a comprehensive document published on the company website that addresses Pathward's purpose, vision and values; the responsibilities of team members, Board members and managers; commitments and rights in working with colleagues, consumers and partners; work in the community; work with the government; commitments to shareholders; and disclosure and reporting procedures, including whistleblower protection and investigations.

The Code of Business Conduct was refreshed and rewritten in fiscal year 2020, with only minor changes in fiscal year 2021. In fiscal year 2022, under the leadership of Pathward's Ethics Officer, the Code was updated with our new brand and company name. We also engaged a third-party firm to benchmark our Code to best practices determined by its experts and compared to our peer group.

Ethics Training

In fiscal year 2022, we created new training on the Code of Business Conduct by highlighting critical aspects of the Code and requiring a correct answer in at least nine of the 10 questions asked in a quiz. All employees and contractors are required to complete annual Code training and successfully pass a quiz, and new hires must meet this requirement within 60 days of employment.

Board members received training on the Code with a course focused on those aspects most relevant to the Board. This training also contained many "in the news" examples to illustrate the concept and help to make the training more effective.

Reporting Hotline

Our toll-free ethics hotline is managed by a third-party vendor to preserve the anonymity of reporters. Reports are monitored by our Chief Ethics Officer and our Chief Legal and Administrative Officer. Other Pathward personnel are automatically notified of any ethics hotline reports, including our Chief Legal and Administrator Officer.

Employees who have questions about the Code are encouraged to raise them with our Ethics Officer who tracks inquiries received to help us measure our effectiveness in fostering our "see something, say something" culture.

RISK AND COMPLIANCE

Managing risks and complying with legal and regulatory requirements are essential to the integrity of our business. The scope and nature of Pathward's operations, and our roles as a founder of the prepaid industry and an industry leader in payments, have enabled us to develop policies and programs in these areas that are key differentiators in the financial services marketplace.

Enterprise Risk Management

Our Enterprise Risk Management (ERM) program is designed to promote sound corporate governance principles to ensure that risk-taking activities align with our strategic objectives, risk appetite and regulatory requirements.

Oversight of our ERM program and processes rests with the Pathward Financial and Pathward Boards of Directors, while senior management and other employees put them into operation. The ERM program is applied in strategy setting across the enterprise and works closely with the lines of business to appropriately identify risks and manage them within the predetermined risk appetite level.

Pathward's risk management system comprises its policies, processes, employees and control systems utilized to identify, measure, monitor and control enterprise risks. To facilitate a comprehensive system, Pathward has adopted a Three Lines of Defense model. The three lines are frontline business units, ERM and Internal Audit.

In 2022, ERM established the Center of Excellence. This rotational program was developed to bring in talent and allow them to spend time in all the risk departments within Pathward's Governance, Risk and Compliance (GRC) structure. This intent is to develop well-rounded risk professionals with cross-functional knowledge who can fill positions within GRC and throughout the organization as they become available.

Third-Party Risk

Our comprehensive third-party risk management efforts are designed to provide oversight and assurance that third parties are appropriately identified and classified and that risks associated with third-party relationships are appropriately controlled and mitigated.

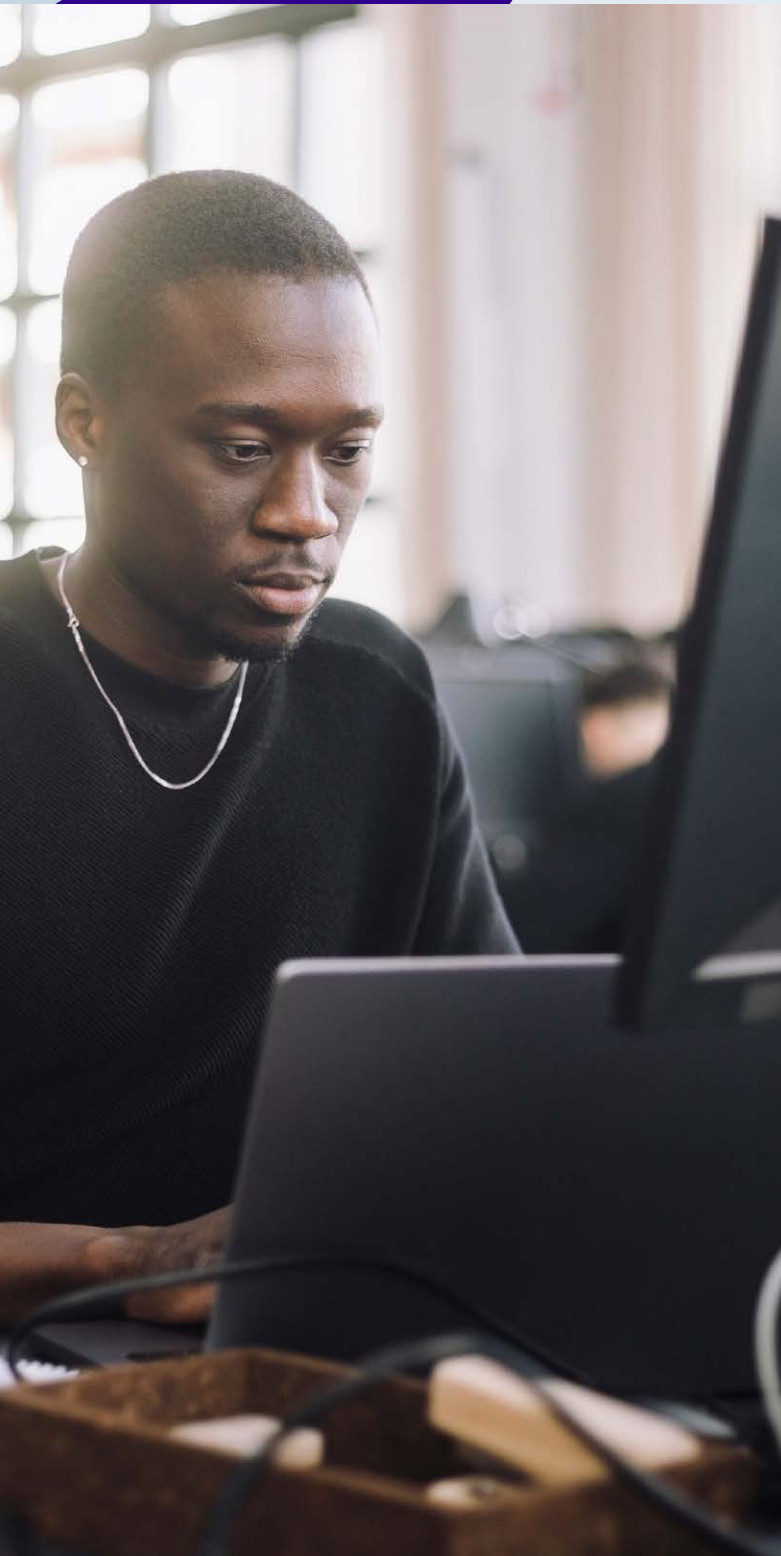
Pathward's third-party risk department practices a structured and disciplined approach to third-party risk management to establish risk-based controls designed to minimize potential loss and capitalize on emerging opportunities. Our policy and strategy encourage us to:

- ▶ Protect our company from avoidable risk and provide value-added service to business units
- ▶ Monitor third-party activities
- ▶ Report risk events and material information in an effort to mitigate risk

Business Continuity Management

Pathward's Business Continuity Management (BCM) maintains appropriate standards and testing requirements designed to provide Pathward with operational resilience. Our standards comply with Federal Financial Institutions Examination Council (FFIEC) and Office of the Comptroller of the Currency (OCC) guidance. The BCM team employs a variety of controls to ensure our processes and applications are being adequately reviewed and tested. BCM maintains transparency through consistent periodic reporting to our Business Continuity Working Group.





Bank Secrecy Act/ Anti-Money Laundering

Pathward is firmly committed to protecting our customers, partners and our company from the risks of money laundering, terrorist financing and other illicit activity. Our Bank Secrecy Act (BSA), Anti-Money Laundering (AML) and Sanctions compliance programs include internal controls designed to address ongoing compliance with the BSA, U.S. Sanctions, and other relevant rules and regulations. This consists of a Customer Identification Program, Information Sharing Procedures, Suspicious Activity Monitoring and Reporting, and List Screening, among others.

Pathward has a robust team dedicated to creating and maintaining effective enterprise-wide AML and Sanctions programs. Many of those team members are certified in AML. Pathward employees are required to complete annual AML and sanctions training.

Pathward verifies the identity and performs due diligence of customers and third parties. The information collected and verified helps Pathward gain a solid understanding of expected activity and helps us identify unusual activity. We utilize sophisticated monitoring systems to identify potentially suspicious customers and activities. Our Financial Intelligence Unit conducts targeted reviews of identified activity, reports suspicious activity to appropriate authorities and closes accounts as needed to prevent further suspicious activity.

To address Sections 314(a) and 314(b) of the USA Patriot Act (USAPA), we screen customers against 314(a) lists and report positive matches as required, and actively participate in the voluntary information sharing provisions set forth in Section 314(b). These measures help Pathward provide timely and useful information to law enforcement. Pathward performs risk-based monitoring, testing and review of business lines as part of our BSA/AML and Office of Foreign Assets Control programs. We also conduct ongoing reviews of third parties for compliance with our requirements.

Compliance

Our Compliance Management System (CMS) provides oversight and assurance that material compliance risks arising from applicable laws and regulations are adequately identified and mitigated. Our trained personnel in the CMS area have subject matter expertise that assists in maintaining an effective program in a dynamic regulatory environment.

Our comprehensive CMS is designed to:

- ▶ Adhere to our compliance policies, standards, guidelines and processes
- ▶ Promote compliance awareness among all staff through ongoing training

Significant compliance processes are formally documented, with clear lines of authority and responsibility, and communicated to our employees and external partners.

Credit

Pathward uses a combination of quantitative and subjective decision-making methodologies to guide our processes in developing credit strategies and solutions offerings, evaluating the creditworthiness of the partners we work with, and monitoring the performance and integrity of our credit portfolios. As first principles, we emphasize credit quality and seek to avoid undue concentrations of loans and leases to a single industry or based on a single class of collateral.

Our loan portfolio spans four areas: commercial finance, consumer lending, tax services and corporate. As a bank committed to financial inclusion, we champion creative solutions to offer consumer solutions to underserved markets and leverage our marketplace lending model to reach underserved communities. We design our credit program relationships to achieve three high-priority outcomes: liquidity, credit protection and risk retention by the program partner.

Internal Audit

As noted, Pathward uses a Three Lines of Defense risk management framework. The Internal Audit function represents the third line of defense within this framework. Internal Audit independently and objectively assesses the adequacy of risk management and control activities within the first (frontline business units) and second (ERM) lines of defense.

Internal Audit seeks to be viewed as a trusted advisor within Pathward. Internal Audit representatives attend key company meetings, are involved in critical strategic planning activities and stay apprised of organizational changes. Likewise, Internal Audit has a unique view of the organization and shares trends or concerns with various stakeholders, including executives and senior management, the Board, Pathward's external audit firm, and the company's regulators.

The results of Internal Audit's assessments of the organization in fiscal year 2022 indicate the organization's control environment is strong and continues to improve. Our management team's commitment to resolving audit issues is strong with most audit issues in fiscal year 2022 meeting their initial target resolution date within that quarter.

Internal Audit is proud of our continued commitment to workforce diversity. Sixty-seven percent of the team members are women and 43% are ethnically diverse. Of our eight people leaders, 50% are women and 50% are ethnically diverse. With all people leader openings, we do not begin the interview process until we have a group of finalists who are ethnically and gender diverse.

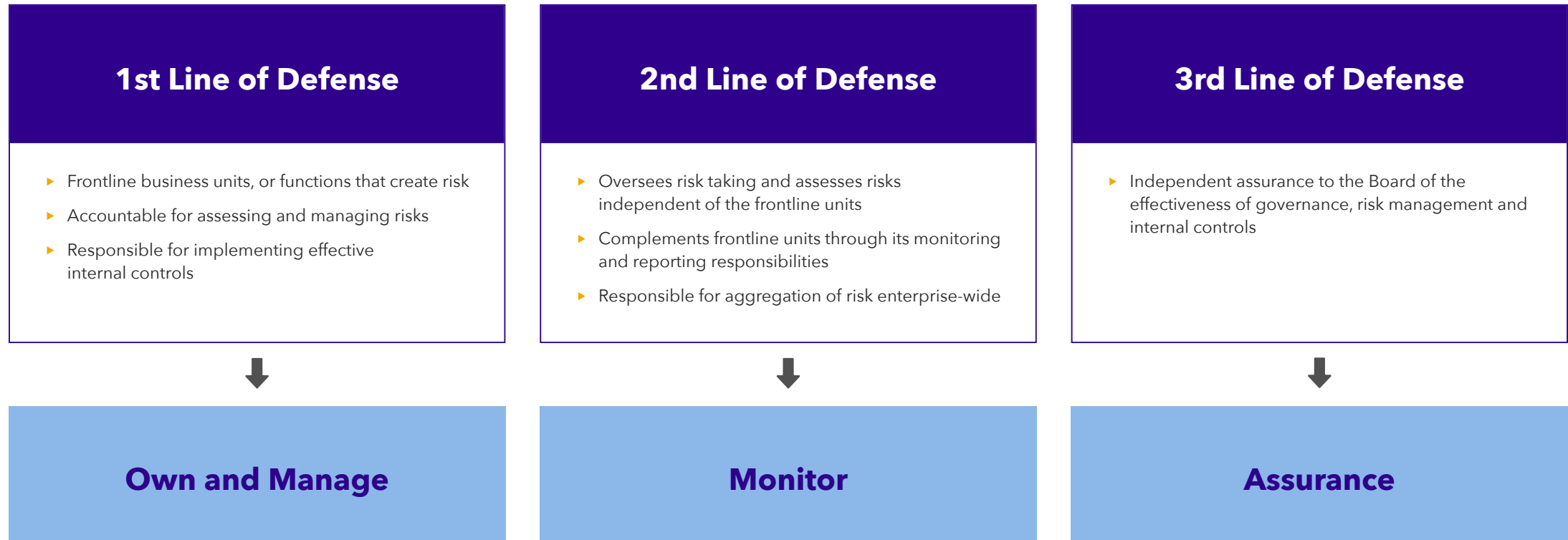
2022 INTERNAL AUDIT HIGHLIGHTS

- ▶ The Internal Audit department received the highest rating in an external quality assessment performed by an external third party.⁵ This assessment is a requirement of all internal audit departments and measures the function's conformance with industry standards and best practices
- ▶ Audit continues to be a feeder to the organization, with at least three members, or 10% of our team, transferring into other departments each year
- ▶ Post-audit survey responses average 91%, meaning most respondents answer "Mostly Agree" or "Strongly Agree" to each survey question about the audit team's performance during an audit engagement
- ▶ Internal Audit's engagement score was 84% within the company-wide employee engagement survey, representing an increase from the prior year

⁵ Based on professional practice of Internal Audit standards published by the Institute of Internal Auditors.

Three Lines of Defense

At Pathward, our approach to risk management follows the Three Lines of Defense framework.



DATA PRIVACY AND CYBERSECURITY

Data privacy and cybersecurity are at the forefront of Pathward's growth and innovation strategy. As digital innovation continues to play a role in financial services and the risks of cyberattacks grow, data privacy and cybersecurity remain top priorities.

Data Privacy

As a trusted financial institution, Pathward collects and processes personal information and financial data every day. As part of our continued efforts, we have built and continue to build processes to manage that data in accordance with applicable laws, rules and regulations. We take a multi-faceted approach to addressing privacy and data protection risks, including establishing policies for handling personal information and deploying appropriate technology.

In 2022, we built a dedicated data privacy team that manages privacy requirements and provides regular training and awareness to our workforce, not only on core privacy obligations and how to meet them but also on emerging risks, trends and new developments. We have also revamped our privacy policies, which provide information on how we collect, process, use, and disclose personal information, as well as rights that individuals may have with respect to their personal information and how to exercise them.

Our Privacy Policy is posted on our company website, and responsible use of data, data privacy and cybersecurity are specifically cited in our ESG strategy pillar: Build Trust through Good Governance.

Cybersecurity

We strive to protect the privacy and security of the sensitive information entrusted to our care, and our executive and senior management teams devote significant time and attention to cybersecurity risks. Our approach ensures that we maintain cybersecurity and privacy policies, management oversight,

accountability structures, and technology design processes to protect confidential information, including personally identifiable information.

Our cybersecurity program includes strategy, framework, policies, and standards to support the confidentiality, integrity, and availability of our information assets, using a risk-based methodology consistent with applicable regulatory requirements. This program is overseen by executive management and the Pathward Board. Pathward's Information Security Working Group provides executive management with an understanding of pertinent technology-related topics, including cybersecurity and associated risks.

To ensure organization-wide attention to cybersecurity issues, we conduct mandatory annual employee training on cybersecurity. We also provide ongoing cybersecurity education and awareness for employees, such as online training classes, mock phishing attacks and cybersecurity awareness materials. In addition, we use independent third parties to perform penetration testing of our infrastructure to help us better understand the effectiveness of our controls and improve defenses. These third parties also conduct assessments of our cybersecurity program for compliance with regulatory requirements and industry guidelines.

Our incident response program enables a coordinated response to mitigate the impact of, and recover from, any cyberattacks and facilitate communication with internal and external stakeholders. We had no material data breaches in fiscal year 2022.

“We educate, train and test all our employees on how to identify potential cybersecurity risks, protect Pathward's resources and information, and report any unusual activity or incidents. In addition to internal capabilities, we leverage external resources to strengthen our defenses. Our cybersecurity controls, governance and practices are based on recognized industry best practices.”

Charles Ingram, Executive Vice President and Chief Technology & Product Officer



PUBLIC POLICY

Pathward's public policy team works to advance the company's mission and vision with Congress, the Administration, regulators, and other national industry stakeholders. Pathward believes that responsible corporate citizenship includes engagement in the legislative and rulemaking process.

Through comprehensive understanding of the federal policy and regulatory process, Public Policy works to:

- ▶ **Educate:** By driving awareness of Pathward's mission and unique business lines
- ▶ **Advocate:** By promoting our positions on public policy that impact our business's continued success and aim to transition stakeholders from opposition or neutral to neutral and supportive
- ▶ **Influence:** By obtaining positive outcomes on new and emerging public policy topics that support Pathward's mission and strategic goals

Pathward PAC

Public policy decisions at all levels of government affect the way we run our business and impact our industry. To help elected officials understand the complex challenges and opportunities facing Pathward and our industry, we created Pathward's political action committee (PAC).

The Pathward PAC allows us to support candidates and policy makers who align with Pathward's purpose and business goals, and with the best interests of our customers, partners, employees, and shareholders.

Pathward's PAC is funded through voluntary contributions by eligible employees. Senior company leaders comprise the Pathward PAC board that approve where and to whom those contributions are directed. In deciding to support a candidate, Pathward balances the company's business priorities and values, considering a variety of factors, including the following criteria:

- ▶ The candidate's membership on key committees of interest for Pathward's business
- ▶ The candidate's leadership position within Congress
- ▶ The candidate's thought leadership on issues of importance to Pathward
- ▶ The presence of Pathward facilities and employees in the candidate's state or district
- ▶ The candidate's demonstrated leadership or potential for leadership
- ▶ The candidate's demonstrated commitment to principles of diversity and inclusion
- ▶ The competitiveness of the candidate's election and the candidate's need for financial support
- ▶ Balance between candidates of the two political parties
- ▶ Recommendations from Pathward PAC members

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



EXECUTIVE COMPENSATION

Pathward operates in a highly competitive industry for executive talent, so we structure our executive compensation program to attract and retain the critical senior leadership we need to deliver on our business strategy.

Oversight of the executive compensation program rests with the Board's Compensation Committee, working closely with the executive management team. The Compensation Committee believes that executive compensation should reward workplace performance and a culture of compliance and integrity. Thus, the Compensation Committee attempts to strike a balance between rewarding both short-term performance and behaviors and performance that enable long-term sustainability. The Compensation Committee has engaged Pay Governance LLC (Pay Governance) as its independent consultant to assist with executive and non-employee director compensation. Pay Governance helped the Compensation Committee prepare for the fiscal year 2022 executive compensation decisions by reviewing the pay peer group, assessing executive officer and non-employee director pay against the peer group, analyzing the annual cash and equity incentive award plans, and summarizing current market trends.

In 2022, 77% of target compensation for the CEO and 66% of target compensation (on average) for the other Named Executive Officers was performance-based and at-risk. Please see Pathward's 2022 Proxy Statement for additional information on our executive compensation.

In 2020, we implemented a formal clawback policy for the adjustment or recovery of incentive-based compensation awards to our officers in the event of an accounting restatement due to fraud, intentional misconduct or other detrimental conduct by the officer. Having a clawback policy is a best practice that underscores our commitment to ethics, compliance and protecting our employees, customers and shareholders.

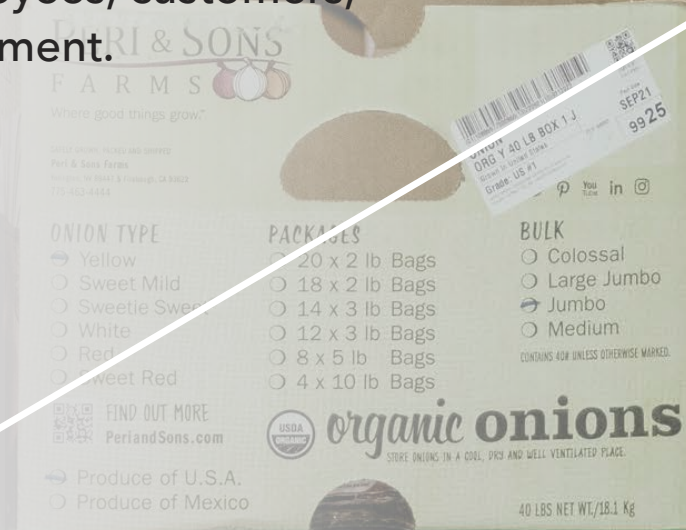
EXECUTIVE COMPENSATION PROGRAM HIGHLIGHTS

- ▶ Annual peer review analysis
- ▶ Compensation consultant partnership
- ▶ Mix of cash compensation and equity
- ▶ Performance-based pay metrics
- ▶ Robust clawback policy
- ▶ Stockholder engagement
- ▶ Strong minimum stock ownership requirements
- ▶ Decisive Say-on-Pay vote (97%) in 2022



SOCIAL IMPACT

Driven by our purpose of powering *Financial Inclusion for All™*, Pathward is committed to making positive impacts on our employees, customers, communities, and the environment.



EMPLOYEE ENGAGEMENT

At Pathward, we believe that team members who are involved in and wholeheartedly committed to their work and workplace contribute more meaningfully to our success. Fostering such engagement is a core aim of Pathward's people-centered programs and policies. This includes benefits plans and compensation, recruiting and training programs, as well as our DEI and Community Impact initiatives.

Annual Engagement Survey

In May 2022, we completed our annual employee engagement survey. The results of this survey are reviewed with our executive management team and used to prioritize employee programs, initiatives and communications. They are also used to track our progress year over year on our journey as a people-first organization.

Pathward's overall employee engagement score for 2022 was 78, slightly lower than our prior score yet still within one point of the engagement benchmark established by Perceptyx, our survey partner. We anticipated that our score might be impacted, given the amount of organizational change in the prior 12 months. As we look forward to our 2023 survey cycle, we are encouraged by the responses, particularly in our highest scoring areas.

Our three highest scoring areas were remote work, well-being, and manager relationship. This demonstrates that we have continued to navigate the transition to remote work while prioritizing the health and wellness needs of our teams. Overall, 85% employee participation in the survey was a strong indicator of engagement across Pathward.

78

EMPLOYEE
ENGAGEMENT SURVEY
SCORE

85%

PERCENTAGE OF
EMPLOYEES
PARTICIPATED

Follow-up Action

One of the takeaways from the engagement survey was that the employees wanted more communication from leadership. We took two follow-up actions in response. First, we committed to being more strategic and active in how we share information from the executive committee. Second, we launched an informal meet-up program called Coffee Connects. In those sessions, members of our executive team, including our CEO, gather with employees over coffee virtually to ask questions and share what's on their minds.

As well as responding at a company level, the People & Culture team distributes engagement survey results to people leaders on department or team levels so they better understand the specific experiences of employees in their areas. Along with the data, people leaders receive suggestions on how they can take relevant, customized steps in response to identified areas of opportunity.

“ At Pathward, our strategic business initiatives align with ESG concepts. Our focus on compliance and corporate governance helps us anticipate risk. We value operational simplification and support environmentally influenced business opportunities. We encourage community engagement to enhance a sense of belonging for our employees. Together with our purpose of financial inclusion, our strategic initiatives provide a clear path forward to all of us at Pathward.”

Nadia Dombrowski, Chief Legal and Administrative Officer



DIVERSITY, EQUITY AND INCLUSION (DEI)

We place immense value on the diversity of our employees, and we are proud of our commitment to treating them with dignity and respect through an inclusive work environment. We believe that diversity in our organization leads to more innovative solutions for our customers and partners as we seek to better understand the unique needs in the markets that we serve. All employees are expected to contribute to a culture of mutual respect and inclusion.

With the support of our Board and executive management, we have established more robust core tenets aligned to DEI with respect to our candidates, employees, business partners and the community.

Diversity: We prioritize cultivating a culture that promotes, supports and respects diversity among our employees, customers, partners and community, honoring their unique perspectives that enrich their experience at and with Pathward.

Equity: We prioritize designing a workplace experience that recognizes and meets people's individual needs, while establishing a structure and practices that facilitate equitable access to, and advancement in, areas important to them. For our customers and partners, we seek to identify ways we can work with people to increase their economic mobility.

Inclusion: We prioritize creating a culture where our employees, customers and partners have a sense of belonging and feel valued in the ways that most resonate with them.



DEI Strategy

In the past three years, the development of Pathward's DEI strategy has paralleled that of our ESG strategy.

DEI came to the forefront as a top priority in our 2020 materiality assessment. In 2021, we finalized our DEI strategy and increased management resources dedicated to advancing DEI, including adding DEI to our then Vice President of ESG's portfolio. Most significant, the ESG Committee of Pathward Financial's Board formally incorporated DEI into its oversight responsibilities. Since then, we have further expanded our DEI team and partnered with employees through our employee-led Employee Resource Groups.

The most significant development in our DEI program in fiscal year 2022 was the launch of our DEI curriculum to provide regular, ongoing educational and training opportunities for our people on a series of DEI topics. The initial program, scheduled to run through 2023, includes training on topics such as unconscious bias, inclusive leadership and being an ally or advocate. By the end of December 2022, we had completed the first three sessions. For each topic, training starts with the executive team, then people leaders and finally all employees enterprise wide.

In the past year, we also expanded the internal DEI metrics we track. We are in the early stages of gathering representation information from our vendors.

We continue to support our DEI efforts through our Community Impact Program by prioritizing charitable investments and company-sponsored volunteer opportunities for nonprofits that support communities and individuals who have been marginalized historically. That includes low-to-moderate income communities, people of color, people with disabilities, people who identify as LGBTQ+ and veterans. We also invite the charitable organizations we support to report on the demographics of the communities and individuals they serve and, more specifically, how our charitable investments impact and reach those we serve.

DEI is also one of the goals of our Talent Anywhere recruitment strategy. Recruiting from a geographically diverse pool of candidates allows us to diversify our workforce. At the end of fiscal year 2022, our employee footprint grew to 40 states, the District of Columbia and Ontario, Canada.



Employee Demographics

	2020	2021	2022
Average age	46	46	47
Average tenure	7	5.7	6
Total number of employees	1,026	1,133	1,154
Total percentage of female employees	57%	54%	56%
Total percentage of male employees	43%	46%	44%
Percentage of Hispanic or Latino employees	4%	5%	6%
Percentage of Black or African-American employees	4%	7%	7%
Percentage of Asian or Asian-American employees	2%	4%	5%
Percentage of employees of two or more ethnicities	1%	1%	1%
Percentage of employees who did not specify their ethnicity	0%	1%	1%
Percentage of White employees	87%	82%	80%
Total percentage of ethnic minority employees	11%	16%	17%
Percentage of disabled employees	5%	7%	7%
Percentage of veteran employees	2%	2%	2%

DEI Governance

Oversight

▶ BOARD OF DIRECTORS ESG COMMITTEE

Management

▶ CHIEF EXECUTIVE OFFICER

▶ PRESIDENT

▶ SVP, ESG, COMMUNICATIONS AND BRAND

Consultative Resource

▶ DEI STEERING COMMITTEE

Implementation

▶ ESG TEAM

▶ ESG WORKING GROUP

“I’m encouraged by the progress we’ve made through our ESG endeavors at Pathward. The work we’re doing helps position us to best serve our partners and customers—today and in the future—while fulfilling our purpose.”

Catherine McGlown, SVP, ESG, Communications and Brand

EMPLOYEE RESOURCE GROUPS

At Pathward, Employee Resource Groups (ERGs) are an important forum to promote and foster employee engagement and strengthen our DEI efforts.

We had five active, funded ERGs at Pathward in fiscal year 2022. Nineteen percent of our employee population participated in one or more ERG in 2022.

The groups are designed to provide employees with safe, inclusive spaces to bring their authentic selves to work. These voluntary, employee-led, executive-sponsored groups encourage cross-collaboration between and among affinity groups to leverage synergies, encourage knowledge transfer and fuel business objectives. In addition, each ERG engages in community impact efforts, including organizing donation drives and volunteer events.



ERGs at Pathward

As of fiscal year 2022



SCALE – SERVING COMMUNITIES AND LINKING EMPLOYEES (FORMERLY COMMUNITY IMPACT)

Pathward's SCALE ERG focuses on driving employee engagement through coordinated volunteer events, facilitating local engagement, and reviewing disaster relief and recovery funding requests.



MILITARY VETERANS NETWORK

Our Veterans Network supports and serves our employees, who are military veterans and their families, as well as allies.



PATHWARD GAMING NETWORK

Our Gaming Network brings gamers throughout the company together and gives them opportunities to meet others who share their interests and form positive relationships both in and out of the workplace.



NETWORK OF WOMEN

Our Network of Women encourages diversity and inclusion in the workplace and in our communities while empowering women at Pathward who seek professional and personal growth.



BELIEVE – BLACK EMPLOYEES LEADING IN INCLUSION, EXCELLENCE, VISION AND EDUCATION

BELIEVE supports Pathward's Black employees by fostering professional networking and development opportunities, advancing a diverse and inclusive work environment with a focus on Black people and their allies, providing cultural education of the collective African diaspora, and supporting corporate strategies to improve diversity, equality, equity and inclusion.

TALENT RECRUITMENT, TRAINING, ASSESSMENT

Our success as a purpose-driven company is made possible thanks to our dedicated and empathic team. Our corporate goals and vision are brought to life by our employees. This is why we strive to attract, grow, and retain top talent, seeking out those desiring to have an impact by enabling financial availability, choice, and opportunity for consumers and businesses in underserved niche markets.

Recognizing this, our Board, senior management and our people leaders continue to advance policies, programs and initiatives aligned with Pathward's evolution that foster a culture where those qualities thrive and enable us to acquire and nurture the talent we require.

Recruitment

Our talent strategy derives from our business model and business strategies and is designed to deliver the expertise and capabilities needed to support those objectives. As those needs are identified, our talent system is designed to identify or onboard talent through a combination of internal development and external hires.

For the latter, our most important initiative is our Talent Anywhere recruitment strategy. Launched in 2020, as Pathward's business footprint was transforming into a more national base, we reimagined our recruiting strategy as one designed to identify candidates from a much wider geographic and demographic pool and appeal to them by presenting Pathward as a remote-enabled employer of choice. Thus, while many organizations' recent shift to remote work (in response to the COVID-19 pandemic) was temporary, we view it as an ongoing priority. As this remote-enabled strategy matures, our efforts are focused on further developing our recruiting team, systems and tactics to ensure we take full advantage of its potential.

From the onset, our Talent Anywhere strategy was well aligned with the evolution of our DEI Strategy. We've trained our internal recruiters to mitigate unconscious bias in the hiring process and assemble diverse candidate slates for open positions. Those practices, coupled with our ability to draw from a wider talent pool with Talent Anywhere, have led to an initial modest increase in the diversity of our employee base, a trend expected to continue.

While most roles in the organization are designed to be done from anywhere, as we evolve our Talent Anywhere practices, we are motivated to continue to attract talent in proximity to our office locations so employees may participate in onsite activities to help foster social connections and a sense of belonging.

Assessment and Development

Assessing talent and leadership development is critical to our talent growth and retention strategy. In 2022, we continued leveraging our enterprise talent assessment framework throughout the organization. This process allows us to better equip each department to identify the roles most critical to achieving Pathward's strategy, ensure there are succession plans in place for those roles, and ensure that we are building top talent to excel in those roles. The framework also helps us to have a clear line of sight on teams' strengths and opportunities in terms of skills, diversity, and leadership potential.

Our leaders work with their employees to create a plan for fostering their growth and track progress throughout the year. Those employees in high-impact roles may also be paired with an internal or external coach to target specific skills. As part of this process, we leverage a series of assessments and 360° feedback tools to offer insights that help inform the right development path. We will continue expanding our learning options with self-led online sessions, and instructor-led sessions, and by leveraging tools and technologies to support continued growth.



EMPLOYEE WELL-BEING

It is crucial that we attract, equip and retain a diverse talent pool as we advance financial inclusion through solutions, innovation and accessible options in the markets that we serve. We achieve that, in part, by making Pathward a safe and healthy workplace in which our employees' best efforts are supported by robust health and well-being programs.



Employee Health & Safety

Whether in the office or in a work-from-home environment, we want our employees to be healthy and to be able to bring their whole selves to the workplace. Accordingly, we continue to prioritize all facets of employees' health and safety by supporting them and their families with access to a variety of health and well-being programs.

Commitment to Human Rights

At Pathward, we value integrity, trust, inclusion, and respect for our employees and the people with whom we work. We expect our employees to uphold human rights for one another, our customers, our partners and our community by⁶:

- ▶ Prohibiting forced or compulsory labor
- ▶ Ensuring we neither utilize child labor nor support human trafficking
- ▶ Abiding by the National Labor Relations Act and respecting employees' right to freedom of association⁷
- ▶ Providing safe and human working conditions for employees and sharing workplace safety procedures
- ▶ Encouraging employee well-being through benefits and support for community engagement

Employee Benefits

Pathward offers a comprehensive benefits program to help eligible employees stay healthy, feel secure and maintain a good work/life balance.

Eligible employees are offered the following coverage and benefits:

- | | |
|-----------------------------------|--------------------------------------|
| ▶ Medical | ▶ Hospital care |
| ▶ Dental | ▶ 401(k)/employer match |
| ▶ Vision | ▶ Employee stock ownership |
| ▶ Flexible spending | ▶ Legal services/identity protection |
| ▶ Health savings | ▶ Pet insurance |
| ▶ Group term life/AD&D | ▶ Employee Assistance Program (EAP) |
| ▶ Short- and long-term disability | ▶ LifeGuides |
| ▶ Accidental injury | |
| ▶ Critical illness | |

Work/life balance provisions include:

- | | |
|---|-----------------------------|
| ▶ Accrued paid time off (20-35 days per year based on tenure) | ▶ Bereavement leave |
| ▶ Adoption assistance | ▶ Military differential pay |
| ▶ Be Well days | ▶ New-parent leave |
| | ▶ Paid holidays |

We also offer paid time off for volunteering, matching gifts and access to an Employee Assistance Program, which offers employees and their families information, referrals and short-term counseling for issues affecting their work or personal lives.

⁶ Pathward's approach to human rights aligns with the United Nations Guiding Principles on Business and Human Rights.

⁷ Pathward supports employee rights and is committed to adherence to local laws regarding the freedom of association and collective employee action. Most Pathward employees are not covered by collective bargaining agreements and no Pathward employees are subject to collective bargaining agreements. Pathward's Code of Business Conduct sets forth expectations for each employee, as well as providing principles in which we govern employee conduct with clients, customers, shareholders, and one another, as well as with the communities in which Pathward does business. Employees are encouraged to raise any concerns through multiple channels identified within the Code of Business Conduct.

COMMUNITY REINVESTMENT ACT (CRA)

As a federally insured depository institution, Pathward is subject to the Community Reinvestment Act (CRA), which requires banks to help meet the credit needs of their entire community, including low- and moderate-income (LMI) individuals and those located in LMI geographies within the bank's assessment areas.

We believe our core businesses are structured to serve LMI customers and small businesses. Our CRA strategy sets our community development goals in three performance categories: loans/investments, donations, and volunteer services.

Pathward is currently in a three-year (2021-2023) CRA Strategic Plan. In fiscal year 2022, Pathward met the Outstanding goal in all performance categories except for Assessment Area Investments, which is rated Satisfactory. Our final CRA rating for this period is pending examination by the OCC.

2022 CRA Strategic Plan Goals	Performance	Highlights
Community Development Investments in the Sioux Falls Assessment Area (AA)	\$2,200,000	<ul style="list-style-type: none"> ▶ Custom Mortgage-Backed Securities targeted at low- and moderate-income (LMI) borrowers
Community Development Donations in the Sioux Falls AA	\$172,000	<ul style="list-style-type: none"> ▶ Financially supported nine organizations that assist LMI individuals and families, including: <ul style="list-style-type: none"> ▶ Habitat for Humanity ▶ Veterans Community Project ▶ South Eastern Development Foundation (CDFI)
Community Development Volunteer Service Hours in the Sioux Falls AA	564	<ul style="list-style-type: none"> ▶ EMBE/Dress for Success ▶ Lunch is Served ▶ Habitat for Humanity ▶ Junior Achievement
Community Development Investments in the Broader Statewide Regional Area ⁸	\$59,000,000	<ul style="list-style-type: none"> ▶ Minnesota Housing Bonds ▶ Iowa Finance Authority (IAFA) ▶ Custom Mortgage-Backed Securities targeted at LMI borrowers

⁸ Broader Statewide Regional Area includes the following states: SD, ND, MS, IA, NE, KS, MO.

COMMUNITY IMPACT PROGRAM

Launched in 2021, our Community Impact Program partners with organizations that provide resources for unbanked, underbanked and historically marginalized populations. Through corporate giving, employee volunteer activities, and charitable investments, the program delivers on our purpose of powering *Financial Inclusion for All™*.

The program is designed to elevate the effectiveness and scope of our corporate giving and employee volunteerism. For employees, it includes paid time off for volunteering, and matching gift and dollars-for-doers programs. We enable and encourage our employees to support the organizations and causes they care about.

The program is supported by our Community Impact Portal, allowing employees to search for volunteer opportunities, organize volunteer events, track their participation and make charitable donations.

Through the program, we direct our charitable investments to nonprofit organizations that align with our purpose and help advance work in at least one of the following areas:

- ▶ *Financial Inclusion:* Providing financial access, tools and support to low and moderate-income individuals and communities who are historically unbanked or underbanked, through education and coaching
- ▶ *Personal and Family Empowerment:* Supporting underrepresented individuals and families in overcoming homelessness, food insecurity, and other income-driven social disparities
- ▶ *Educational Support:* Acting as a conduit to support the success of entrepreneurs and businesses throughout the stages of development, building capacity through internship and scholarship programs
- ▶ *Disaster Relief:* Supporting the communities where Pathward operates and where our employees live with disaster preparedness programs and relief efforts following natural and human-made disasters

⁹ Based on *Independent Sector's* estimate of \$29.95 as the average value of hourly volunteer time.

¹⁰ Total is based on hours self reported by employees.

American Bankers Association Foundation named Pathward a winner of its 2022 Community Commitment Award, recognizing Pathward's Community Impact Program in the Volunteerism category.

In fiscal year 2022, our employees logged more than 2,200 hours of paid time off for volunteering valued at nearly \$78,000⁹. Overall engagement and participation rates continue to exceed our expectations and that of other benchmarked organizations of similar size.

TOTAL CHARITABLE INVESTMENTS

More than \$1M

TOTAL EMPLOYEE VOLUNTEER HOURS TRACKED¹⁰

More than 6,500

PAID TIME OFF FOR VOLUNTEERING HOURS TAKEN

More than 2,200

* Numbers reflect activity in calendar year 2022, rounded to the nearest whole number.

Disaster Relief

To help determine when and how Pathward responds in the event of a natural or human-made disaster, we employ a Disaster Relief and Response Scorecard. The scorecard, completed by members of our SCALE ERG, outlines criteria to consider when determining Pathward's response to those events. Completed scorecards are shared with our Community Impact team to bring forth recommendations to executive leadership. Built into this process is the inclusion of employee perspectives from varied geographies, departments and levels of management; collaboration is at the core.





PATHWARD 2022 VOLUNTEER OF THE YEAR

Pathward's Volunteer of the Year award recognizes one employee for their unwavering commitment to the betterment of their community through volunteerism. In 2022, a cross-functional team selected Scott Elkins for his long-standing commitment to Junior Achievement of South Dakota and other local nonprofits.

For more than 20 years, Scott has taught the importance of personal finance and entrepreneurship to youth as a volunteer with Junior Achievement of South Dakota. He teaches lessons about a broad range of financial topics, including the difference between spending money on "a need" versus "a want" and the importance of money management (earn, save, spend, and donate). Those lessons not only help set students up for success, but their success extends to the community. Scott regularly encourages his coworkers to become classroom volunteers and to share their experiences to inspire others to make an impact. Whether it's showing up for a Junior Achievement fundraiser or recruiting his colleagues to donate their time to Junior Achievement, Scott leads by example and helps others succeed while advancing the missions of Pathward and Junior Achievement.

"At Pathward we are fortunate to have opportunities to be involved in our communities through the volunteering program. Volunteering is not only supported but encouraged as part of our culture to help others succeed."

Scott Elkins, VP FIU (Financial Intelligence Unit)

JUNIOR ACHIEVEMENT OF MIDDLE TENNESSEE

"Thanks to Pathward's commitment to financial inclusion and education support, approximately 177 Middle Tennessee students were empowered with financial literacy, workforce readiness, and entrepreneurship skills in May 2022. By partnering with Junior Achievement of Middle Tennessee (JA), Pathward helped make financial education more equitable for the entire eighth grade class at Croft Design Center Middle School (a Metro Nashville Public School). Each participating student experienced 20 instructional hours, including a four-hour simulation at JA Finance Park. Volunteers from Pathward came out to support these students as they navigated career exploration and personal financial planning through a realistic, on-site community. Over 55% of the students enrolled at Croft Design Center Middle School are from families considered to be low to moderate income. One of the largest barriers prohibiting student participation in JA is transportation costs. With the increased costs of bus rentals and the shortage of drivers in the Nashville area, Pathward filled this need by covering charter bus transportation for the days Croft Design Center Middle School eighth graders attended JA Finance Park. JA appreciates Pathward's commitment to creating a path forward for the unbanked, underbanked, and underserved members of our community!"

Dara Bacon, Senior Director of Development, Junior Achievement of Middle Tennessee

GROUP VOLUNTEERISM EMBEDDED IN REBRAND CELEBRATION

Activities to benefit 15 local nonprofit organizations across company locations in the U.S., held in conjunction with a week-long celebration by Pathward employees of the official launch of our new name and brand identity, were a highlight of our 2022 group volunteerism efforts. In total, more than 300 employees volunteered, assisting in packing food for those in need, sweeping and cleaning kitchens, building foundations for new construction projects, assisting with bike repairs, preparing classroom materials, and volunteering via virtual opportunities for our remote employees.

ENVIRONMENTAL RESPONSIBILITY

At Pathward, we are dedicated to minimizing the environmental impacts of our business operations by reducing waste, conserving resources and measuring and reducing our carbon footprint. We also leverage our core competency as a lender, carefully assessing our portfolio and strategy to mitigate our company's exposure to environmental risk.



ENVIRONMENTAL ASSESSMENT

In fiscal year 2022, Pathward launched its first company-wide environmental assessment. Not only is tracking and disclosing information on energy consumption and GHG emissions a fundamental best practice, but we also recognize that to develop programs and future goals to reduce these impacts, we need to know what they are.

In our GHG inventory, we calculated Scope 1 and Scope 2 emissions (metric tons of CO₂e) for all Pathward locations from 2019 through fiscal year 2021. We have also calculated a limited set of Scope 3 emissions data (non-financed) for 2021, and data for fiscal year 2022 was still being tabulated when this report was published.

Our assessment began with fiscal year 2021, then we worked back to 2019, setting that as our conceptual baseline. Where actual data was not available, we used custom intensity factors to produce estimates. Our assessment includes all 11 locations Pathward occupied at the start of the period; by the end of 2021, we had reduced our footprint to nine locations.

Looking ahead, we are now in a position to begin developing targeted programs to reduce emissions and track those reductions over time. We look forward to engaging our employees and external stakeholders in these efforts.

In addition to GHG emissions, our environmental assessment also calculated total energy and electrical power usage.

TOTAL ENERGY USED

6,897,277

TOTAL ELECTRICAL POWER USED

4,758,653

PERCENTAGE OF CONSUMED ENERGY FROM THE GRID

100%

GHG EMISSIONS IN OPERATIONS (SCOPE 1)

390

TONNES OF CO₂

GHG EMISSIONS IN OPERATIONS (SCOPE 2)

2,115

TONNES OF CO₂

OPERATIONAL EMISSIONS CHANGE YEAR OVER YEAR

4%

REDUCTION

HABITAT FOR HUMANITY: ENERGY-EFFICIENT HOUSING

Pathward is proud to have been a supporter of Habitat for Humanity of Greater Sioux Falls for nearly 20 years, assisting the organization in providing affordable housing options for local, low-income families through employee engagement and financial investments.

Recently, Pathward was pleased to participate in Habitat's "Sponsor a House" program, contributing to constructing a new, Energy Star-rated home in Habitat's Millard Acres development. Approved in 2020, the Millard Acres project will see 26 twin homes (13 structures) built to create a new neighborhood in northern Sioux Falls.

Besides enabling Pathward to help a local low-income family enjoy home ownership, this investment also allows us to support Habitat's commitment to energy-efficient construction in alignment with Pathward's environmental values. All Habitat homes are Energy Star-rated. To earn that standard, they must be at least 10% more energy efficient than those built to code and achieve a 20% improvement on average, while providing homeowners and residents with better quality, performance and comfort.

The homes in the Millard Acres development are slab-on grade and built using insulated concrete forms (ICF), which improves energy efficiency and weather resiliency. The project integrates low-impact development standards in partnership with the City of Sioux Falls and donors. This will allow for higher-density housing and a more environmentally friendly way of managing stormwater.

WORKPLACE

Consolidation of Workspaces

At the end of 2022, Pathward employees were located in 40 states, plus the District of Columbia and Ontario, Canada. An added benefit of our Talent Anywhere recruitment strategy is that as the proportion of our team working remotely grows, our need for physical office space decreases. We reduced our physical footprint by 55,000 square feet in the fiscal year 2022. The increase in employees working remotely contributed to this reduction significantly.

LEED-Certified Buildings

Pathward leases office space in three buildings certified for Leadership in Energy and Environmental Design (LEED). LEED provides a framework for healthy, efficient, and cost-saving green buildings. These buildings are in Addison, Tx., Newport Beach, Calif., and Franklin, Tenn.

Other efficiency measures applied in our workplaces include:

- ▶ **Electronic waste recycling.** In addition to recycling paper, plastic, metal and glass, our offices send their tech waste to our Sioux Falls location for disposal by a third party, Secure Enterprise Asset Management (SEAM). SEAM provides certified and compliant data destruction, electronics recycling and asset recovery of business technology equipment. In fiscal year 2022, we recycled more than 5,400 pounds of electronics, following the 6,000 pounds we recycled in fiscal year 2021.
- ▶ **Less paper.** We are committed to increasing our use of online data and document management and storage.

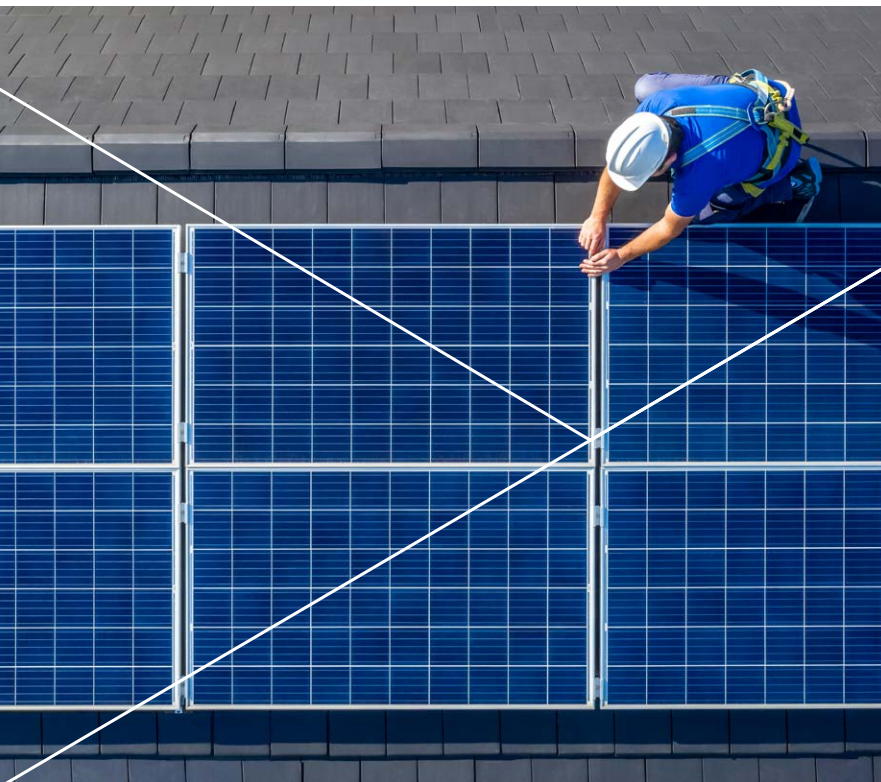


COMMERCIAL FINANCE

Pathward's Commercial Finance division puts a special focus on funding alternative and renewable energy projects, helping us meet unfilled needs in that area, particularly in the solar and biogas sectors.

In 2022, we funded 40 loans for solar and biogas projects, totaling \$302 million. Of these 40 loans, 31 were United States Department of Agriculture (USDA) Rural Energy for America Program loans, and three were USDA B&I loans, totaling \$235 million. Beyond being good for business, the projects funded are poised to have a powerful, positive environmental impact and reduce carbon emissions.

We continue to fund solar energy projects to meet growing demand. Our solar projects produced 1.1 billion kWh in 2022, which equates to enough power for 103,000 homes, per the most recent Energy Information Administration numbers.



Our alternative energy investments take various forms depending on which commercial lending service line executes the transaction:

- ▶ Our equipment finance group typically funds projects where a company needs financing to purchase and install power-producing equipment (e.g., a rooftop solar array or a microgrid) for use in their operations to reduce costs, cut emissions or lessen dependence on the grid.
- ▶ A second channel is our USDA Rural Energy for America Program platform, which is sometimes coupled with the USDA's Business & Industry Guaranteed Loan Program. Through this, we provide long- and short-term financing to help energy developers purchase, install and construct renewable energy systems.
- ▶ The third is our sale-leaseback product offering, where we provide project finance and structure it such that we buy the equipment from the developer and lease it back. We are then eligible to collect the tax credits and depreciation benefits in that transaction, and we are essentially an investor and an owner of the project.

In each case, a hallmark of our service is to provide flexible capital solutions that businesses can't easily get elsewhere. This can also translate into support for new technology or new applications.

RENEWABLE ENERGY FINANCING: BIOGAS

In 2022, Pathward financed the construction of two large anaerobic digester projects in Arizona. The digesters create biogas from organic materials, such as food and animal waste, providing financial benefits. According to the renewable natural gas (RNG) developer, the annual processing of manure from more than 60,000 cows is expected to generate more than 675,000 MMBtu per year of RNG for use as renewable transportation fuel. The RNG program captures most of the methane the cows produce, reducing carbon emissions equivalent to removing 8,000 cars from the road annually, eliminating the consumption of 4 million gallons of fresh water per day through integrated water treatment systems and closed-loop recycling processes, and maximizing benefits with minimal impact to dairy operations.

In addition to providing environmental benefits, the RNG developer shared that the project created hundreds of construction jobs within the community and will continue to provide supplemental income to the dairy farms hosting the facilities.

ESG PERFORMANCE

Data presented are as of the end of fiscal year unless otherwise noted.

Metric	FY2020	FY2021	FY2022	Notes	SASB Standards	GRI Standards
Financial Performance						
Net income	\$ 104.7M	\$ 141.7M	\$ 156.4M			201-1
Earnings per share	\$ 2.94	\$ 4.38	\$ 5.26			201-1
Total revenue	\$ 498.8M	\$ 549.9M	\$ 601.1M			201-1
Customers and Communities						
Total charitable investments	-	\$ 697,768	\$ 1,001,682	As of end of calendar year, December 31, 2022. Includes lines of business donations, matching gifts, and Dollars for Doers.		
Total number of Small Business Administration loans	-	27	29		FN-CB-000.B	
Total value of Small Business Administration loans	-	\$ 23M	\$ 18.7M	Value is the gross amount of SBA loans funded at origination date during the fiscal year.	FN-CB-000.B	
Total number of personal loans	-	725	890	Line of credit total without charged off, bankrupt, and closed loans for FasterMoney Lines of Credit.	FN-CB-000.B	
Total value of personal loans	-	\$ 294,795	\$ 883,137	FasterMoney Lines of Credit book value excluding charged off and bankrupt loans.	FN-CB-000.B	
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	For a description of related initiatives, programs and/or financial services, see pages 5, 11, 31 and 33.				FN-CB-240a.4	
Number of nonprofit organizations supported through CRA	11	11	9	As of end of calendar year, December 31, 2022.		
CRA-qualified volunteer hours	200	762	564	As of calendar year, December 31, 2022. Hours are tracked via Community Impact Portal and include volunteer hours that Pathward believes qualify under the Community Reinvestment Act (CRA) assisting low- and moderate-income individuals and families.		
CRA-eligible financial donations	\$ 324,247	\$ 149,900	\$ 172,400	As of calendar year, December 31, 2022. The 2022 and 2021 donations totals are specific to the Sioux Falls Assessment Area, outlined within Pathward's 2021-2023 CRA Strategic Plan.		
Total employee volunteer hours tracked	-	4,096	6,592	As of end of calendar year, December 31, 2022. Total is based on hours self reported by employees. Number is rounded to nearest whole number.		
Total volunteer time off hours tracked (paid time off for volunteering)	-	740	2,264	Hours are rounded to the nearest whole number and are self reported by employees in our time management system.		

Metric	FY2020	FY2021	FY2022	Notes	SASB Standards	GRI Standards
Environment						
Total value of Commercial Finance solar concentration portfolio	-	\$ 413M	\$ 377.4M	As of end of calendar year, December 31, 2022.		306-4
Electronic equipment recycled (lbs.)	4,743	5,989	5,407	As of end of calendar year, December 31, 2022. Includes peripherals, imaging devices and mixed electronics.		
Total energy used (kWh)	8,295,096	7,669,581	6,897,277			302-1
Total electrical power used (kWh)	6,001,510	5,527,756	4,758,653			302-1, 302-4
Percentage of consumed energy from the grid	100%	100%	100%			302-1, 302-4
Greenhouse gas emissions in operations (Scope 1) (mtons CO ₂ e)	417	389	390			305-1
Greenhouse gas emissions in operations (Scope 2) (mtons CO ₂ e)	2,681	2,217	2,115			305-2
Operational emissions change year over year	-4%	-16%	-4%			305-5
Governance						
Description of whistleblower policies and procedures				Code of Business Conduct (page 34)	FN-CB-510a.2	2-26
Total CEO compensation	\$ -	\$ 5,040,345	\$ 3,811,433			2-21
Ratio of CEO total compensation to the average employee compensation	-	60:1	45:1			2-21
Board of Directors Demographics¹						
Total number of directors on the Board	8	9	9			
Number of female Board of Directors members	2	3	3			2-9, 405-1
Number of male Board of Directors members	6	6	6			2-9, 405-1
Number of non-binary Board of Directors members	-	0	0			2-9, 405-1
Total percentage of ethnic minority Board of Directors members	-	11%	11%			2-9, 405-1
Percentage of Asian or Asian-American Board of Directors members	-	0%	0%			2-9, 405-1
Percentage of Black or African-American Board of Directors members	-	11%	11%			2-9, 405-1
Percentage of Hispanic or Latino Board of Directors members	-	0%	0%			2-9, 405-1
Percentage of Native American or Alaskan Native Board of Directors members	-	0%	0%			2-9, 405-1
Percentage of Native Hawaiian or other Pacific Islander Board of Directors members	-	0%	0%			2-9, 405-1
Percentage of White Board of Directors members	-	89%	89%			2-9, 405-1
Percentage of Board of Directors members of two or more races or ethnicities	-	0%	0%			2-9, 405-1
Percentage of Board of Directors members who have not specified their ethnicity	-	0%	0%			2-9, 405-1
Percentage of Board of Directors members who identify as LGBTQ+	-	0%	0%			2-9, 405-1
Employees²						
Total number of employees	1,026	1,133	1,154			2-7

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

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

Metric	FY2020	FY2021	FY2022	Notes	SASB Standards	GRI Standards
Employee Training and Development						
Percentage of employee population participating in Employee Resource Groups	-	25%	19%	Refer to page 28 for more information.		
Percentage of new hires who completed Code of Conduct training	100%	100%	100%	Code of Business Conduct training is tracked by calendar year.		2-24
Overall organizational employee engagement score	-	82%	78%	Refer to page 24 for more information.		
Total hours of training employees received via our learning management system	19,437	21,527	12,013	Pathward's learning system tracks time based on the length of time for which our learning application is open. In 2022, Pathward significantly condensed the amount of required training hours completed by our employees. Training is tracked by calendar year.		404-1
Employee Demographics						
Average age of employees	46	46	47			405-1
Average employee tenure (years)	7	5.7	6			
Total number of employees	1,026	1,133	1,154			
Female employees						
As a percentage of employees	57%	54%	56%			405-1
As a percentage of senior leaders	36%	29%	33%	Senior leaders are defined as employees on the executive committee; people leaders are defined as employees with direct reports; and individual contributors are defined as employees without direct reports.		2-7, 405-1
As a percentage of people leaders	47%	45%	47%			2-7, 405-1
As a percentage of individual contributors	59%	57%	59%			
Male employees						
As a percentage of employees	43%	46%	44%			405-1
As a percentage of senior leaders	64%	71%	67%			2-7, 405-1
As a percentage of people leaders	53%	55%	53%			2-7, 405-1
As a percentage of individual contributors	41%	43%	41%			
Ethnic minority employees						
As a percentage of employees	11%	16%	17%			405-1
As a percentage of senior leaders	9%	29%	17%			405-1
As a percentage of people leaders	10%	14%	12%			405-1
As a percentage of individual contributors	12%	16%	19%			405-1
Asian or Asian-American employees						
As a percentage of employees	2%	4%	5%			405-1
As a percentage of senior leaders	0%	14%	0%			405-1
As a percentage of people leaders	1%	2%	3%			405-1
As a percentage of individual contributors	2%	4%	5%			405-1

Metric	FY2020	FY2021	FY2022	Notes	SASB Standards	GRI Standards
Employee Demographics (continued)						
Black or African-American employees						
As a percentage of employees	4%	7%	7%			405-1
As a percentage of senior leaders	9%	14%	17%			405-1
As a percentage of people leaders	5%	8%	7%			405-1
As a percentage of individual contributors	4%	6%	7%			405-1
Hispanic or Latino employees						
As a percentage of employees	4%	5%	6%			405-1
As a percentage of senior leaders	0%	0%	0%			405-1
As a percentage of people leaders	3%	4%	2%			405-1
As a percentage of individual contributors	5%	5%	7%			405-1
Native American or Alaskan Native employees						
As a percentage of employees	0%	0%	0%			405-1
As a percentage of senior leaders	0%	0%	0%			405-1
As a percentage of people leaders	0%	0%	0%			405-1
As a percentage of individual contributors	0%	0%	0%			405-1
Native Hawaiian or other Pacific Islander employees						
As a percentage of employees	0%	0%	0%			405-1
As a percentage of senior leaders	0%	0%	0%			405-1
As a percentage of people leaders	0%	0%	0%			405-1
As a percentage of individual contributors	0%	0%	0%			405-1
White employees						
As a percentage of employees	87%	82%	80%			405-1
As a percentage of senior leaders	91%	71%	83%			405-1
As a percentage of people leaders	89%	85%	86%			405-1
As a percentage of individual contributors	86%	81%	78%			405-1
Employees of two or more races						
As a percentage of employees	1%	1%	1%			405-1
As a percentage of senior leaders	0%	0%	0%			405-1
As a percentage of people leaders	1%	1%	1%			405-1
As a percentage of individual contributors	1%	1%	2%			405-1

Metric	FY2020	FY2021	FY2022	Notes	SASB Standards	GRI Standards
Employee Demographics (continued)						
Employees who have not disclosed						
As a percentage of employees	0%	1%	1%			405-1
As a percentage of senior leaders	0%	0%	0%			405-1
As a percentage of people leaders	0%	0%	1%			405-1
As a percentage of individual contributors	0%	1%	2%			405-1
Disabled employees						
As a percentage of employees	5%	7%	7%			405-1
As a percentage of senior leaders	0%	14%	0%			405-1
As a percentage of people leaders	4%	5%	8%			405-1
As a percentage of individual contributors	5%	7%	7%			405-1
Veteran employees						
As a percentage of employees	2%	2%	2%			405-1
As a percentage of senior leaders	10%	14%	17%			405-1
As a percentage of people leaders	4%	3%	3%			405-1
As a percentage of individual contributors	2%	2%	2%			405-1



Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANT'S REPORT

To the Stakeholders of Pathward Financial, Inc.

We have reviewed Pathward Financial Inc.'s ESG Performance metrics identified below, which are included in the Pathward 2022 ESG Report on pages 38-42. The ESG performance metrics listed below are defined as the Subject Matter.

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

Pathward Financial, Inc.'s management is responsible for presenting the Subject Matter in accordance with the criteria set forth in the Notes column on pages 38-42 in the ESG Performance section of the Pathward 2022 ESG Report (the "Criteria"). Our responsibility is to express a conclusion on the Subject Matter based on our review.

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

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

Information outside of the ESG performance metrics identified above, was not subject to our review, including the other ESG performance metrics listed on pages 38-42 and other information within the Pathward Financial Inc.'s 2022 ESG report, and, accordingly, we do not express a conclusion or any form of assurance on such information. Further any information relating to periods prior to FY 2022 was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to the ESG Performance metrics, included in the Pathward 2022 ESG Report, which have been identified above, in order for it be in accordance with the Criteria.

Crowe LLP

South Bend, Indiana
July 13, 2023

(Continued)

WE WELCOME YOUR FEEDBACK.

Please send questions or comments about this report to esg@pathward.com.

