Environmental Management System

Environmental Policy

Zix strives to manage its operations to minimize our potential impact on the environment. To identify and manage the potential environmental impact of Zix's operations, Zix has established this environmental management system with guidance from the Environmental Protection Agency. Zix and its employees will comply with this Environmental Management System policy, and to the extent possible, will work with vendors and suppliers that share these values.

Legal and Other Requirements

Zix will continue to comply with all applicable environmental laws and regulations. The Chief Legal & Compliance Officer Meets periodically with the Board to report directly on environmental risks and opportunities.

Environmental Aspects

Zix has broken down the environmental aspects into three different areas: consumption of supplies, consumption of energy and disposal. These environmental aspects and Zix's environmental policy and approach are described in further detail in Zix's Environmental, Social, and Governance Program.

Consumption of Supplies:

- Reduce paper consumption and purchase recycled products, when cost effective and feasible.
- Encourage staff to read and manage documents electronically, rather than printing documents when feasible.

Consumption of Energy:

- Strive to purchase energy efficient electronic equipment, when cost effective.
- Utilize technology like Zoom, Microsoft Teams, and conference calls to limit travel but without restricting inclusion in decision making processes.
- Reduce energy consumption for its data processing. Achieve this by evaluating the best mix of processing and storage at either its Data Center, service provider Cloud, or service provider Co-lo facilities, factoring power effectiveness and energy efficiency and seeking to reduce overall footprint.

GENERAL REQUIREMENTS

Zix Corporation is a security technology company located in Dallas, TX and is a leading provider of productivity and security solutions, trusted by the most influential institutions in healthcare, finance and government. This EMS is the foundation for Zix's commitment to improving its environmental impact.

Disposal:

- Recycle paper products, electronic waste, and any other materials feasible.
- Encourage employees to recycle their waste in the office and at home.

Objectives and Targets

We maintain a range of environmental goals designed to address significant environmental impacts of our operations. The Zix approach will focus on four pillars, starting from pillar 1 and extending to the others in a stepwise approach:

1. Focus on Zix activities to reduce its own emissions;

2. Focus on Zix activities to reduce value chain emissions;

3. Addresses the alignment of the Company's vision, strategy, value proposition, products and services to enable reduction and removal of customer and societal emissions;

4. Contribute beyond the Zix business.

Pillar 1. Zix Activities to Reduce its Own Emissions.

Zix will focus on implementing its environmental policy by continuing compliance with all applicable environmental laws and regulations, as well as reducing energy consumption for its data processing operations and across its business model generally. Zix expects this to be achieved by managing data center efficiency, consolidating data center facilities, inspecting and managing data center hardware, and expanding virtualization of services as technology permits. This pillar relates to scope 1 and 2 emissions.

Further environmental implementation involves using sustainable resources, and preparing for the impact of climate risk on business operations. Zix follows energy saving practices in both the design and operation of its core Data Center (Dallas), such as measures to: maximize energy efficiency and/or the use of renewable energy are implemented, as well as use of a closed loop water system to protect critical water resources.

Pillar 2. Zix Activities to Reduce Value Chain Emissions.

Value chain emissions are emissions from upstream (e.g., supplier material) and downstream (e.g., use of sold products) activities associated with Zix, and are referred to as scope 3 emissions. The primary source of Zix upstream emissions relates to Cloud processing and storage providers and co-location ("Co-lo") service providers. Zix will evaluate the best mix of processing and storage at either its Data Center, service provider Cloud, or service provider Co-lo facilities, factoring power effectiveness and energy efficiency and seeking to reduce overall footprint. For the most part, Zix's products are not delivered in tangible form, but are delivered in entirely electronic format and have no tangible end-of-life disposal concerns. Consequently, Zix has minimal downstream environmental impact.

Zix recognizes its responsibility for helping manage and assist individual employees in conducting efficient business operations. We balance this responsibility with desire to support employees with quality in-person interactions, providing inclusion in problem solving & decision making, assignments, and mentoring opportunities. We use teleconferencing tools like Microsoft Teams where appropriate.

Diagram of Data Center Closed Loop Water System
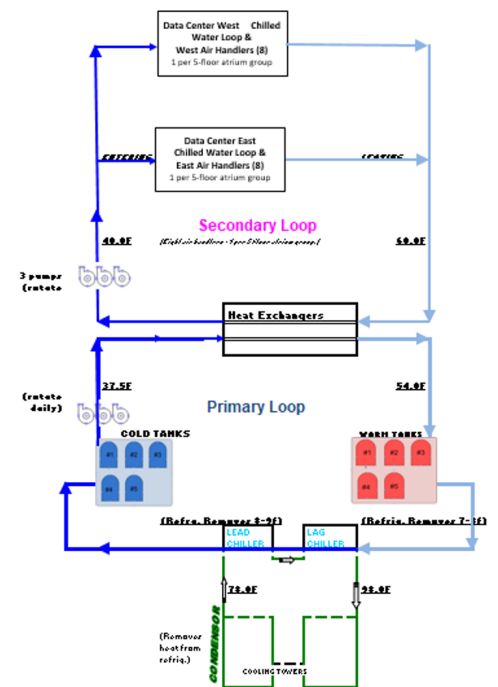
Pillar 3. Reduction and Removal of Customer and Societal Emissions.

The original vision underlying the first Zix encryption product was to replace physical mail and delivery—instead of sending a letter or box of documents, customers can "ZIX IT" across the globe with secure encryption. This vision carries through today as Zix security and other services makes the modern workspace secure for electronic communication, thus avoiding the underling environmental costs associated with physical mail and transportation. Zix includes a consideration for environmental impact in its product management process.

Pillar 4. Beyond the Zix Business.

As it grows, Zix will look for opportunities beyond the scope of its business to contribute to efforts against climate change.

Structure and Responsibility

Zix's EMS is executed by employees across the company. Its structure and programs are designed to integrate environmental considerations throughout operations.

Responsibilities.

- Management of Environmental matters in the Data Center under Pillar 1 and Conflict Minerals are the responsibility of the Zix Head of Operations.
- Management of Environmental matters in Zix office facilities are the responsibility of the Zix CFO.
- All other Environmental matters related to the Pillars discussed above are the responsibility of the Chief Product Officer.

Awareness and Communication

This EMS will be shared with all employees and relevant constituents to ensure cooperation with this plan.

Emergency Preparedness and Response

Like most businesses, Zix is subject to climate risk on operations. These risks include fire, flood, natural disasters, power loss or telecommunications failure, among others. Zix is committed to assessing the potential for accidents and emergencies, preventing those incidents and their associated environmental impacts, planning responses for such emergencies, testing those response plans, and mitigating the impact associated with such incidents.

Monitoring, Audit, and Review

Zix will periodically review that our EMS is operating as intended. Management will periodically review to ensure continual improvement.

Any non-conformances and the corrective and preventative remedial actions taken will be reviewed annually. Recommendations on the progress and related adjustments will be made to management. Those improvements will be incorporated into this EMS.

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