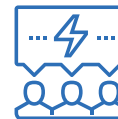


USING DATA FOR GOOD

2015 CORPORATE RESPONSIBILITY REPORT



Data



People



Community



Environment

ALL FOR
good



Alliance Data

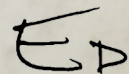
MESSAGE FROM OUR CEO

2015 was another solid year for Alliance Data's financial performance, and we couldn't be more proud of the business success that our management team and associates helped fuel for all of our stakeholders.

In today's business environment, the measurement of success extends beyond a company's financials. Being among the world's elite top-performing companies comes with expectations. Clearly, companies must operate responsibly, but the expectation is increasing to embrace sustainable practices that result in positive outcomes, not just for our business, but for society as a whole. Investing in our communities and associates remain top priorities. Making investments in our communities strengthens our local economies. Making investments in our associates leads to a highly engaged and committed workforce. The right thing to do is now the expected thing to do. And our 15,000 associates have high expectations for us. In a recent associate survey, 79% of associates said that their jobs allow them the opportunity to do challenging and interesting work. And 82% are proud to work for Alliance Data.

When we outlined our three-year corporate responsibility goals in 2014, we were bold in our plans. These were challenges we were willing to take on. Looking at our 2015 results, I am pleased with our progress. While we've come a long way, we will continue to forge ahead in our commitments.

Sincerely,



Ed Heffernan

The
measurement
of success
extends beyond
a company's
financials.



Trust, integrity, and transparency have been part of the foundation of Alliance Data's success and have allowed us to maintain our record performance and growth since we went public in 2001.



These tenets are part of what makes us a great place to work and a great company to partner with. We began publicly reporting on our corporate responsibility performance in 2014 and will report on our performance every year, sharing both challenges and successes as we continue on our journey. In 2015, we were added to the Fortune 500. Being included in this leading benchmark index for financial performance also comes with greater expectations around being a responsible corporate citizen — and we are well-positioned and ready to meet them.

This report shows the progress we've made against our baseline environmental, social, and governance performance, as well as the goals we set for ourselves in the areas deemed most material for us in 2015.

It includes key performance indicators from 2010–2015 where feasible and also includes our goals for 2016 and beyond. The scope of the report reflects the entire enterprise, including Alliance Data's corporate headquarters and all three businesses: Epsilon®, LoyaltyOne®, and Alliance Data's card services business. This report includes our newest acquisition, Conversant, acquired at the end of 2014, which is part of Epsilon. BrandLoyalty, our Netherlands-based business in which we have a majority stake, will be included in future reports, as we continue to increase our ownership.

In each section of this report where we discuss our performance, we provide a self-assessed rating of the level of progress made against each goal, rationale justifying each rating, and an assessment of reasons for the level of performance achieved.

We also discuss next steps for areas where we didn't meet our goals, or where we want to continue to strengthen performance because we know the area is particularly material for us to address.

This report was prepared in accordance with the core option of the Global Reporting Initiative's (GRI's) G4 Sustainability Reporting Guidelines. If you have any feedback for us on this report or our corporate responsibility strategy in general, we'd love to hear it. Contact us at allforgood@alliancedata.com.

ABOUT ALLIANCE DATA

What We Do

Alliance Data's three businesses touch nearly every consumer in the United States. While not a household name by design, these three businesses stand behind major brands such as Hilton, Kraft, J. Crew, Pottery Barn, and Bank of Montreal, building data-driven loyalty and marketing programs that drive sales and engender repeat business for the Fortune 1,000. Consumers in the U.S. may carry a store-branded credit card backed by Alliance Data's card services business or receive relevant marketing communications or offers powered by leading marketing agency Epsilon®, while consumers across Canada and Brazil may earn points for everyday purchases through LoyaltyOne's AIR MILES® Reward Program or the dotz coalition loyalty program, respectively.

Headquartered in Plano, Texas, Alliance Data (NYSE: ADS) has outperformed the market by more than 2,200% since its IPO and is ranked in the top 1% of companies in terms of shareholder return. With 2015 revenues of \$6.4 billion and a market cap value of \$17 billion, the company earned inclusion in the S&P 500 in December 2013 and earned a spot on FORTUNE Magazine's World's Most Admired List in 2014. Reflective of this reporting period, Alliance Data's three businesses employ more than 15,000 associates across nearly 100 locations worldwide.

Alliance Data's three businesses include: Alliance Data's card services business, a leading provider of marketing-driven credit card solutions, serving more than 100 of North America's best-known retail brands; Epsilon®, a leading provider of multichannel, data-driven technologies and agency marketing services; and LoyaltyOne®, which owns and operates the AIR MILES® Reward Program, Canada's premier coalition loyalty program, in which two-thirds of all Canadian households actively participate, and dotz, Brazil's largest and fastest-growing coalition loyalty program. Altogether, these three businesses create and increase customer loyalty by connecting millions of customers each day across multiple touch points through traditional, digital, mobile, and other emerging technologies to the brands they know and love.

To learn more about who we are and what we do, please refer to our website at www.AllianceData.com. Our website also hosts quarterly and annual financial reports and U.S. Securities and Exchange Commission (SEC) filings with additional facts, figures, and analysis.



OUR CORPORATE RESPONSIBILITY STRATEGY

In 2015, we continued to place an emphasis on our four areas of focus: data, people, community, and the environment. We know our associates, clients, consumers, and other key stakeholders look to us to take a leadership role in continuing to advance these shared priorities, and we are committed to doing just that.

Data

Be a leader in the secure and responsible use of consumer data.



People

Create a workplace where associates can grow and contribute to the success of the company.



Community

Protect and nurture the vitality of our communities by investing in programs that demonstrate a measurable impact.



Environment

Respect the impact that our operations have on the environment and strive to measurably reduce our carbon footprint through operational efficiencies and engaging our associates.



In 2016, we plan to update the materiality assessment we conducted in 2012/2013 using the recommended process in GRI G4 and will adjust the contents of our report, our focus, and our approach as required. We will also set new goals and targets for the next reporting period, including some shorter-term objectives and some longer-term goals (generally three–five years) related to key risks and opportunities that we are facing. These will help us drive our long-standing organizational strategy forward, enhance our competitive position, and demonstrate our commitment to continual improvement to our stakeholders.

ENGAGING OUR STAKEHOLDERS

In the dynamically changing business environment in which we operate, our stakeholder universe continues to evolve as well. It's imperative that we continue to place the biggest emphasis on the interconnectedness of our associates, clients, and the end consumer. Our business must also closely manage relationships with our investors, suppliers, government officials, and the local communities in which we operate. These groups are fundamental to our continued success, and it's essential that we continue to mature our approach to how we proactively manage these partnerships.

In the early stages of developing our corporate responsibility strategy, it was natural that we placed the most emphasis on engaging our associates by seeking their input and perspectives through our annual associate survey and tapping into their innovative thinking to inform how we approach the business.

As we have begun to more proactively share information and progress about our corporate responsibility activities with all of our stakeholders, through the development of our corporate responsibility website and report, we've seen an increased interest for more transparent communication. The number of requests we receive from our clients to participate in the Carbon Disclosure Project (CDP) and for other information related to our non-financial performance is increasing. We view this as a growing trend and will continue to aim to exceed their information needs.

In an effort to ensure we continue to meet expectations of our growing stakeholder universe, as stated previously, in 2016 we plan to update our materiality assessment (last conducted in 2012/2013). This assessment will include outreach to external stakeholders to request specific feedback related to our corporate responsibility strategy and performance. The outcomes of that assessment will be shared in our next report.



Examples of more current stakeholder engagement, including our responses, are shown below.

Associates

In direct response to our annual associate survey, we launched two new initiatives in 2015:

- We rolled out paid bonding leave for dads, adoptive parents, and long-term foster parents.
- In response to the request for additional training that associates could fit into their busy schedules, we introduced 90-minute training courses.

Consumers

As we strive to increase our level of transparency and provide consumers with access and choice to how their data is being used, we enhanced Epsilon's online Knowledge Center, a website that gives consumers information about Epsilon's marketing practices, consumer privacy, and ways to protect consumer personal information. Consumers can request access to a summary of the information that Epsilon has in our databases and even opt out of the various services we provide. Additionally, we created the Fair and Responsible Banking Team, the goal of which is to enhance consumer protection where we can for more vulnerable and distinctive populations. Examples include the elderly, who are often victims of identity theft, and the military, for whom we ensure leniency during deployment.

Clients

An increasing number of clients have asked us to respond to the Carbon Disclosure Project (CDP) and complete supplemental supply chain questionnaires.

- In 2015, we received our first CDP submission score of 69 (above the supply chain average of 60).
- In 2016, we will complete our third CDP questionnaire.

Supply chain questionnaires highlighted a gap in our supplier diversity efforts, driving us to begin to identify processes to more effectively measure and monitor our diversity spend. Results of the improved measurement efforts are detailed below.

Supplier Diversity Metrics

Moving forward, we will continue to actively measure, manage, and report on our supplier diversity spend. In 2016, we will outline a road map to improve our ability to respond to client inquiries for diversity spend and develop a more formal program. These new processes help ensure that we create a culture of inclusion both internally with our associates and externally with our suppliers.

Diverse Suppliers	PERCENTAGE OF DIVERSE SUPPLIERS			PERCENTAGE OF DIVERSE SUPPLIER SPEND		
	2014	2015	2015 vs 2014	2014	2015	2015 vs 2014
	% of Total	% of Total	% Change	% of Total	% of Total	% Change
Minority Owned	3%	2%	-1%	2%	2%	—
Woman Owned	6%	7%	1%	5%	3%	-2%
Veteran Owned	1%	1%	—	1%	1%	—
Disadvantaged	1%	1%	—	2%	1%	-1%
Labor Surplus	15%	16%	1%	27%	26%	-1%
Small Business	48%	48%	—	26%	24%	-2%
Total Diverse	74%	75%	1%	63%	57%	-6%

GOVERNANCE

Our Corporate Responsibility Leadership Council is an enterprise-wide team of dedicated change-agents who help to set direction, gain buy-in, implement programs, and measure progress. Each business has representation on the Council and works together to ensure commitments are met while retaining some level of autonomy. This enables each individual business to meet enterprise-wide corporate responsibility goals while maintaining local and cultural relevance that's most meaningful to their population.

A group of senior executives within each business provides guidance, oversight, and accountability for the strategy and performance outcomes, and at the highest level, we have full support of our CEO and the presidents of all three businesses. This group of senior executives reviewed the progress we made against our 2015 goals and helped shape our new goals.



ACTING ETHICALLY

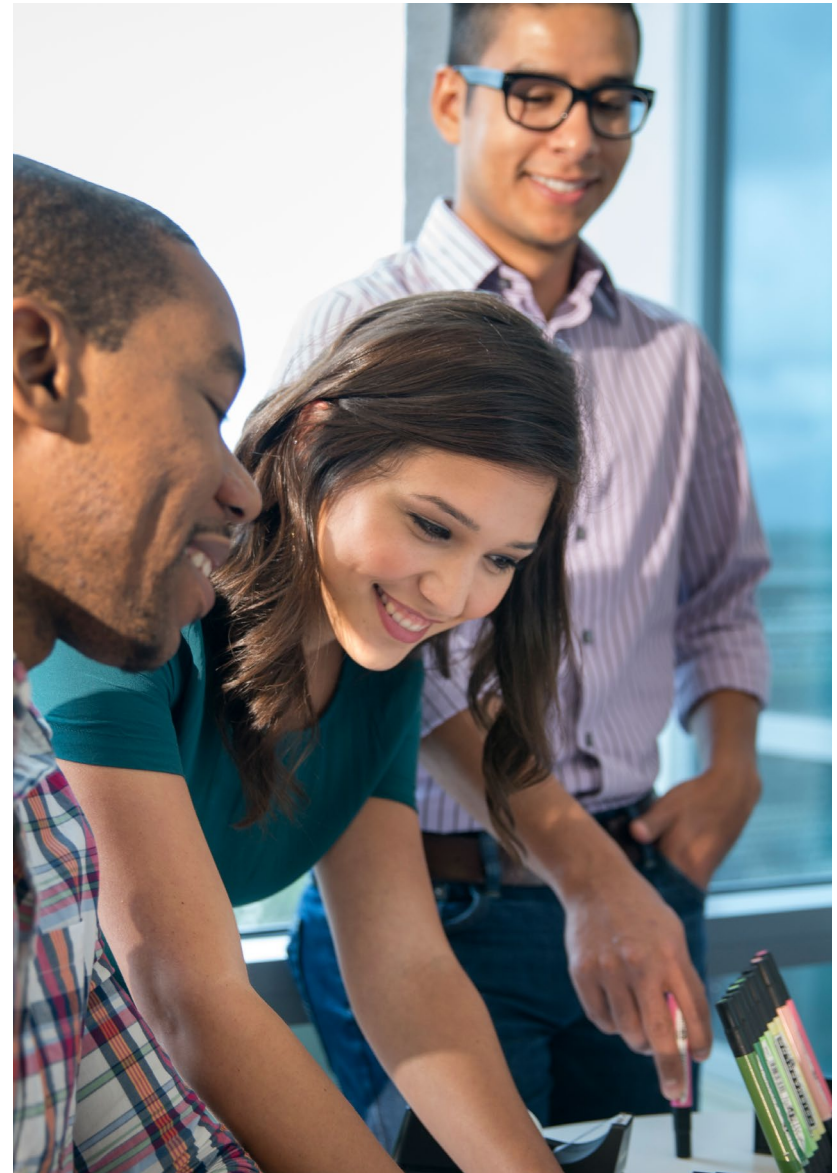
We have long cultivated a culture that adheres to a strong code of ethics and ensures personal accountability of our associates at all levels. Our Code of Ethics has received one of the highest ratings (A-) by ethics and compliance expert NYSE Governance Services. Annually, our associates must certify they have read and agree to adhere to the Code and biannually complete additional mandatory training on the Code, anti-harassment, and non-retaliation. Our Senior Director of Corporate Ethics conducts focus group meetings with many of our associates around the globe to determine what the ethical culture is like at their specific location. He also conducts supervisor and manager training sessions that are geared to all managers and, in particular, people managers. The training sessions focus on the criticality of their roles, especially as first-line responders to associate concerns, and address non-harassment, non-retaliation, and our Code of Ethics policy. During the training, statistical data is shared that we receive through the Ethics Helpline. In addition, we conduct a biannual Ethics Week to reinforce our strong ethical culture and make our associates aware of the various ways they can report any ethical violations.

Our approach to ethics further underscores our culture of open communication. It is publicized and encouraged that any business irregularities or misconduct be reported confidentially through our Ethics Helpline or online through our 24-hour Ethics and Compliance Helpline, managed by a third-party, EthicsPoint. We also have a strong open-door policy for all of our associates and encourage communication with managers and/or supervisors if they have issues or concerns.

The integrity and principles around which Alliance Data was formed comes from the top, but it's imperative that all of our associates understand the expectations of ethical conduct. It's at the heart of who we are and how we behave every day.



MANAGING OUR RISKS

Our Enterprise Risk Management Policy provides each business with a framework for identifying and managing risks recognized as material to the success of the enterprise's operations. This framework encompasses and promotes the inclusion of economic, compliance, operational, and reputational risk factors in decision-making. All significant risks are documented in an enterprise risk register that is reviewed biannually by our Board of Directors. The risk register includes those risks identified to have the greatest potential impact to the organization. Select key risks noted in our risk register include: regulatory compliance, major security breach, privacy legislation, talent attraction and retention, market changes and competitive pressure, international growth, and supply chain.



AWARDS

Corporate

 <p>Best IR by a CEO (mid-cap) <i>IR Magazine Awards</i></p>	 <p>#4, 10 Best Workplaces for African Americans <i>Fortune</i></p>	 <p>#39, 50 Best Workplaces for Diversity <i>Fortune</i></p>	 <p>#94, 100 Best Workplaces for Women <i>Fortune</i></p>	 <p>#67, 100 Best Workplaces for Millennials <i>Fortune</i></p>	 <p>Plano #10, Best Places to Work (Mid-Sized Companies) <i>Dallas Morning News</i></p>
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Alliance Data's Card Services Business

 <p>Customer Care Centers ranked "Best in Class" by BenchmarkPortal <i>(10th year in a row; more than any other organization in our industry)</i></p>	 <p>Westminster #3, Denver's Top Workplaces (Large Employer) <i>Denver Post</i></p>	 <p>Lenexa #1, Best Places to Work (Large Company Category) <i>Kansas City Business Journal</i></p>	 <p>Rio Rancho #1, Best Places to Work (Extra Large Company Category) <i>Albuquerque Business First</i></p>	 <p>Columbus #3, Best Places to Work (Best Extra Large Company) <i>Columbus Business First</i></p>	 <p>San Antonio #10, Top Small Workplaces <i>San Antonio Express-News</i></p>
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LoyaltyOne



**One of Canada's
Greenest
Employers**
*Canada's Top 100
Employers*



**One of Canada's
Top Employers for
Young People**
*Canada's Top 100
Employers*



**Best Employers in
Canada
(Platinum Level)**
Aon Hewitt




**Canada's 10 Most
Admired Corporate
Cultures
(3rd consecutive win)**
Waterstone Human Capital


Epsilon



**#61, Top 100
Most InDemand
Employers**
LinkedIn



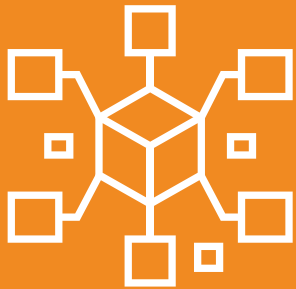
**Epsilon named to
OTA Honor Roll**



**Best
Employers**
Forbes



**People's
Voice**
*Webby Award for
Advertising & Media for
Public Service & Activism*



Data

Our commitment:

Be a leader in the secure and responsible use of consumer data.

In 2015, the Data Driven Marketing Institute valued the data-driven marketing economy at

\$202

BILLION U.S. DOLLARS

966,000

JOBS IN THE U.S.

Technology has propelled us into an era that enables institutions to collect and process more data than ever before. Every day, our industry faces new threats and issues related to information security and consumer privacy. And every day, we examine our systems and protocols to see how we can further safeguard our operations. Due to our ongoing vigilance in this area, we had no data breaches in 2015. But security is only one part of what we do.

We are equally committed to consumer privacy. We believe that being transparent with the public about our use of data is not only the right thing to do, but it also sets the tone for the entire industry. As we lead by example, we're changing the face of big data. And this is only the beginning. As we look to the future, we'll expand our partnerships with nonprofit organizations, helping them use data to make good things happen. Data and how we use it — it's what defines us, what sets us apart from the crowd, and what is changing the world as we know it.

MANAGING OUR COMMITMENT

The Issue of Security

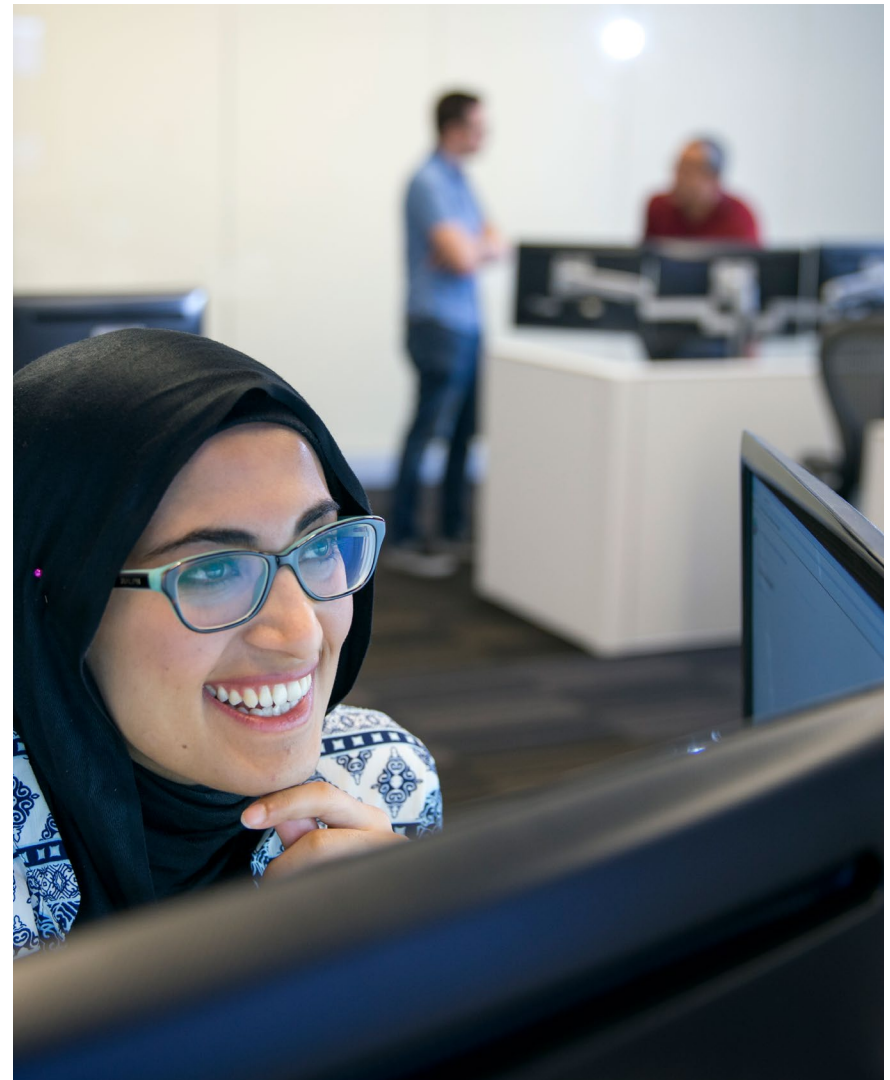
Data breaches remain a constant threat in our world. While we had no breaches in 2015, we fully appreciate that cyber terrorism and other threats can have a significant impact on our clients and consumers with a corresponding effect on our business' operations and reputation. Our vigilance will never waver. That's why our imperative to focus on information security and data privacy is ingrained in everything we do. We've made substantial investments in proactive measures to monitor and prevent data breaches. As new threats emerge, we continue to actively manage and be a leader in the secure and responsible use of consumer data.

Internal Governance

In 2014, we formed an enterprise-wide Threat Intervention and Response Team dedicated to actively identify, share, and uphold security activities across the organization. While we maintain dedicated teams within each line of business, this enterprise-wide team has added significant value and improved transparency and collaboration across the enterprise. In 2015, we continued to develop and cultivate this team. They are now an integrated part of our operations and will continue facilitating real-time threat intelligence monitoring and sharing. In addition, Alliance Data's card services business created the Fair and Responsible Banking Team to enhance consumer protection monitoring for more vulnerable and distinctive populations such as military service members and the elderly.

Consumer Privacy

Across the globe, new privacy laws and regulations are increasingly developing. The enactment of new or amended legislation or industry regulations pertaining to consumer privacy could have a material impact on our business. That's why we closely monitor evolving global privacy policy matters and how privacy-related policies might impact our business and consumers. In October 2015, the European Court of Justice of the European Union ruled that the EU-U.S. Safe Harbor Framework, an agreement setting forth standards by which U.S. companies could legally transfer personal data from the EU to the U.S., was invalid. As we move into 2016, we are preparing for changes to the anticipated EU-U.S. Safe Harbor (now EU-U.S. Privacy Shield), as well as the anticipated EU General Data Privacy Regulation adoption.



Data for Good

In addition to focusing on security and consumer privacy, we've begun harnessing the power of data to make good things happen. In 2015, we supported Children's Hospitals through the development of a databank architecture, which will allow providers and researchers to lead public health initiatives and enable collaborations through data sharing. Ultimately, this "big data" repository will help improve patient outcomes and the overall health of the community. We sponsored phase 1 of a ZIP code mapping project for TexProtects, (the Texas Alliance for the Protection of Children), which helps provide targeted resources for children at risk. Lastly, using Conversant's technology and analytics expertise, the Federation for Internet Alerts (FIA) issued 300 million AMBER Alert messages and 3 million tornado warnings across the U.S., helping recover missing children and reaching thousands of individuals to notify them of impending weather emergencies.

Education

As a leader in the digital marketing industry, we continue to educate and provide guidance to this stakeholder group to define industry best practices related to consumer privacy. In 2015, we offered insight to our peers and regulators on cross-device marketing and interspace advertising and also helped draft a mobile code of conduct for the industry with the Network Advertising Initiative (NAI).

We also recognize we have a role to play in helping raise awareness of how consumers can protect themselves and how our responsible collection and use of data results in relevant marketing messages — and tangible value — to consumers. In 2015, we enhanced Epsilon's online Knowledge Center. Consumers can now access the data we collect and exercise choice as to how it is used.



HIGHLIGHTS

USING DATA FOR GOOD

ISSUED **AMBER ALERTS** FOR NATIONAL CENTER FOR MISSING & EXPLOITED CHILDREN

WITH CONVERSANT'S TECHNOLOGY, HELPED FIA ISSUE **300 MILLION AMBER ALERT MESSAGES** TO ALL 50 STATES ACROSS TABLETS, SMARTPHONES, AND DESKTOP COMPUTERS

PROVIDED THE PUBLIC WITH **3 MILLION TORNADO WARNINGS**

RECIPIENT OF **2015 PEOPLE'S VOICE WEBBY AWARD** FOR ADVERTISING & MEDIA FOR PUBLIC SERVICE & ACTIVISM

ENHANCING SECURITY

ENHANCED DEFENSES AROUND EMERGING CLOUD-BASED TECHNOLOGY

IMPLEMENTED ENTERPRISE REAL-TIME PUSH-PULL **THREAT INTELLIGENCE SHARING TOOL**

FULLY INTEGRATED ENTERPRISE-WIDE **THREAT INTERVENTION AND RESPONSE TEAM** INTO OUR OPERATIONS

PROTECTING AND INFORMING CONSUMERS

UPDATED **EPSILON KNOWLEDGE CENTER**

CONSUMERS CAN **ACCESS THE DATA** WE COLLECT AND **HAVE A CHOICE** AS TO HOW IT IS USED

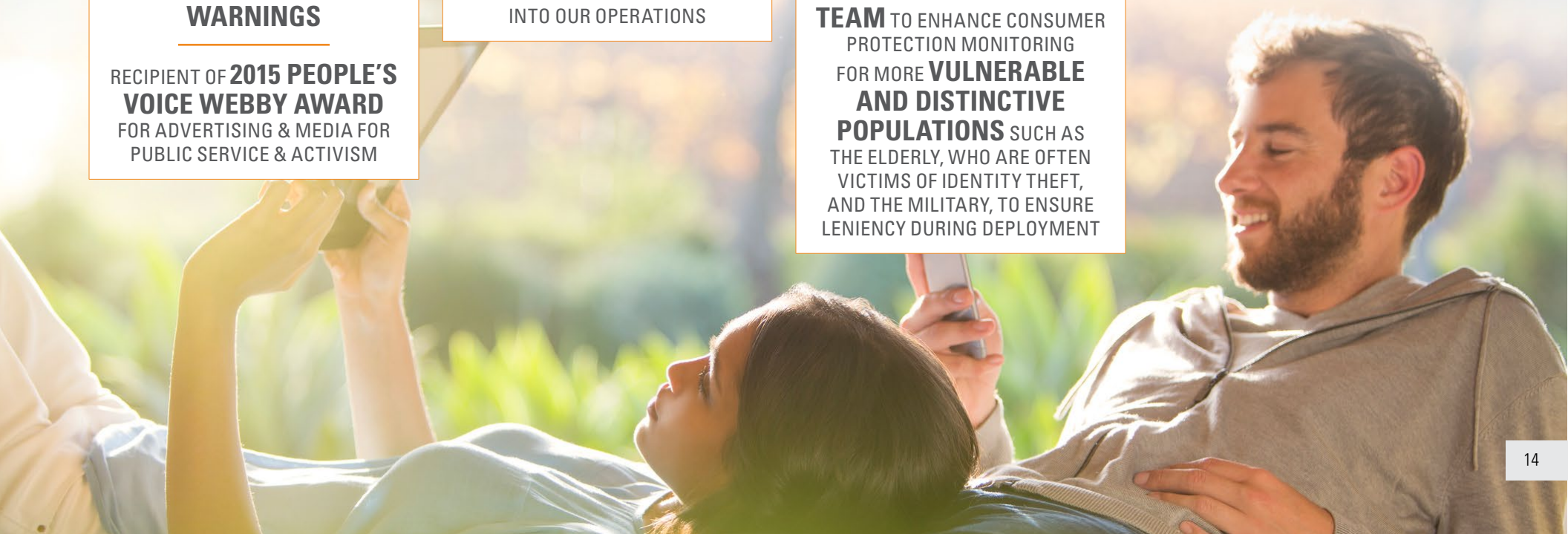
CREATED THE **FAIR AND RESPONSIBLE BANKING TEAM** TO ENHANCE CONSUMER PROTECTION MONITORING FOR MORE **VULNERABLE AND DISTINCTIVE POPULATIONS** SUCH AS THE ELDERLY, WHO ARE OFTEN VICTIMS OF IDENTITY THEFT, AND THE MILITARY, TO ENSURE LENIENCY DURING DEPLOYMENT

INFORMING THE INDUSTRY

DEVELOPED GUIDANCE FOR **CROSS-DEVICE MARKETING**

HELPED DRAFT A **MOBILE CODE OF CONDUCT**

ACTIVE MEMBER FS-ISAC, PCI SECURITY STANDARDS COUNCIL, AND ONLINE TRUST ALLIANCE





Spotlight:

Data for Good

When a child is missing or severe weather occurs, every second counts. Our brands' technology helps push millions of messages directly to those who need to know. Urgent information overrides online ads in geo-targeted areas to people impacted by an event. That's what using data for good is all about.

In 2015 alone, FIA issued alerts in all 50 states. This included 300 million AMBER Alerts and 3 million tornado warnings.

The **Federation for Internet Alerts (FIA)** was founded in 2013 by Conversant, now part of Epsilon. FIA began as a partnership between Conversant and the National Center for Missing and Exploited Children, when Conversant realized they could leverage their digital assets and expertise to save lives.

"It seemed Conversant had the perfect way to alert the public, because they can leverage the full potential and power of the internet to ensure online awareness of AMBER Alerts," explained Jason Bier, President, Federation for Internet Alerts. "Their technology could enable continuity of the messages, all while ensuring that they were updated and canceled automatically, all critical, since facts and situations change quickly when a child goes missing and an AMBER Alert is issued by the U.S. Department of Justice."

Here's how it works. When law enforcement issues an AMBER Alert, data is passed into FIA, including information about the child, where he or she was last seen and details about the suspect. Within seconds, the alert is geo-targeted to phones, tablets, and computers in the area where the child was last seen.

The same innovative technology is also used in life-threatening weather emergencies. FIA is able to alert families in the paths of devastating storms to prepare for danger and take cover. Users see the alert on their devices, click or tap the message, and are taken to the full warning and details on the National Weather Service website.

Today FIA consists of multiple partners and continues to increase their reach worldwide. In 2015 alone, FIA issued alerts in all 50 states. This included 300 million AMBER Alerts and 3 million tornado warnings. FIA also won the 2015 People's Voice Webby Award for Advertising & Media for Public Service and Activism.

"When we talk about driving relevant messages to people, it doesn't get more relevant than this," said Ric Elert, President, Conversant. "We deliver details and information about imminent hazards to life. Really, that's what Epsilon and Conversant are about, being intelligent and providing technology that has value. FIA is just another example of how Epsilon and Conversant are using big data for good and doing the right thing. Simply put, if we know you are in danger or someone in your area is in danger, and we can get you the information you need to save a life, then it's a sense of duty to help our community that takes over."

THOUGHT LEADERSHIP AND SPEAKING ENGAGEMENTS

Bricker & Eckler Regulatory and Compliance Conference

panelist *on the topic of Cybersecurity*

ACI Legal and Compliance: Cyber Security and Data Privacy & Protection

panelist *“Big Data in the Cyber Security and Privacy Protection Context: Aggregating Data, Data Analytics, Data Mining, and Privacy Rights”*

Computers, Privacy and Data Protection 2015

moderator *“Staying Ahead of the Wave: From Cyber Security to Cyber Resilience”*

OTA Data Privacy & Protection Day

panelist *“Beyond the Privacy Policy: Moving From Compliance to Stewardship”*

IAPP Global Privacy Summit

panelist *“How the Online Advertising Ecosystem Works and Where the Privacy Vulnerabilities Exist”*

NAAG Southern Region Meeting

panelist *“Big Data and Privacy: Striking a Balance”*

Conference Board: The Global Risk, Integrity & Reputation Annual Conference

confirmed to speak *with FTC Commissioner Maureen Ohlhausen on “Big Data: Rewards, Risk and Regulation”*

NAI Member Summit: Changing the Game

speaker *VIP dinner*

Digital Advertising Alliance Summit 2015

panelist *“Going Abroad” from a U.S. perspective on self-regulation, and its application and practice abroad (both DAA and broader Fair Information Practice Principles)*

ACI 16th Cyber Security and Data Privacy & Protection Conference

panelist *“Behavioral Advertising and Marketing Initiatives”*

Privacy Laws & Business’s 28th Annual International Conference

speaker *U.S. EU Safe Harbor*

ACI 17th Cyber Security and Data Privacy & Protection Conference

panelist *“Issues Surrounding Use of Aggregate Data, Third Party Vendor’s Use of Data, Data Analytics, and FTC’s Guidance on the Use of Big Data”*

PLI Tracking and Targeting Customers and Prospects Online, on Mobile Devices, and in Social Media

panelist *“Putting It Together: Running Programs on Social Media, Mobile and Apps” with Vinay Goel of Adobe and Alexis Goltra of Oracle*



Industry organizations and respective standards we adhere to, and in many cases, inform the development of:

- Direct Marketing Association (DMA) — Board member
- Network Advertising Initiative (NAI) — Board member
- Interactive Advertising Bureau (IAB) — Board member
- Voluntary adherence to the Network Advertising Initiative (NAI) Code of Conduct
- Digital Advertising Alliance (DAA) Principles
- Customer Advisory Board for a partner (IDMWorks) to provide advice, guidance, and direction on Identity & Access Management
- Columbus State Community College and Franklin University steering committee for the Cybersecurity degree/education program development

PARTNERSHIPS/MEMBERSHIPS

- Financial Services Information Sharing and Analysis Center (FS-ISAC)
- U.S. State Department's Overseas Security Alliance Council (OSAC)
- Protective Security Advisor Program (PSA) DHS program
- International Information Security Certification Consortium (ISC)²
- Information Systems Security Association (ISSA): Board membership
- ISACA
- CISO Executive Governing Body
- Forrester Information Security & Risk Council
- Online Trust Alliance
- B-Sides Security DFW: Sponsor
- Domestic Security Alliance Council
- North Texas Electronic Crimes Task Force (U.S. Security Service's Electronic Crimes group Cloud Security Alliance)
- PCI Security Standards Council: voting member
- The Lab: member




THREE-YEAR GOALS (ESTABLISHED IN 2014)




Our commitment: Be a leader in the secure and responsible use of consumer data.

GOAL	PROGRESS	2015 ACCOMPLISHMENTS
<p>Educate and provide transparency to consumers, lawmakers, and regulators about how we use and safeguard personal information.</p>		<ul style="list-style-type: none"> • Advocated for the highest responsible standards of self-regulation to demonstrate our commitment to the ethical and transparent use of data for marketing purposes. • Participated as knowledgeable expert at numerous industry events such as Online Trust Alliance Data Privacy & Protection Day, Network Advertising Initiative, and Digital Advertising Alliance Summit. • Created the Fair and Responsible Banking Team to enhance consumer protection monitoring for more vulnerable and distinctive populations such as military service members and the elderly. • Enhanced Epsilon’s online Knowledge Center, increasing the level of transparency with consumers by allowing them to access the data we collect and provide them choice as to how it is used. • Continued to be involved in determining how President Obama’s Executive Order (which promotes private sector cybersecurity information sharing) applies to our business and the industry.
<p>Collaborate and exchange information with industry peers and regulators about ongoing opportunities for privacy and security improvements.</p>		<ul style="list-style-type: none"> • Provided guidance on cross-device marketing and interspace advertising in partnership with the Digital Advertising Alliance (DAA). • Helped draft a mobile code of conduct for the industry with the Network Advertising Initiative (NAI). • Provided thought leadership and industry expertise through executive board level participation with organizations such as the Direct Marketing Association (DMA), Network Advertising Initiative (NAI), and Interactive Advertising Bureau (IAB). • Achieved certification as nationally recognized Certified Information Privacy Professionals (CIPP) by the International Association of Privacy Professionals (IAPP). • Our Alliance Data’s card services business participated in Auriemma Consulting Group’s Card Compliance Roundtables. Privacy and data security are regular topics discussed among the compliance professionals representing many of the largest card issuers in the United States.

 Some progress made

 Good progress made

 Excellent progress made

GOAL	PROGRESS	2015 ACCOMPLISHMENTS
<p>Understand and address the international regulatory landscape: what are the evolving issues and how might they impact our business and consumers.</p>		<ul style="list-style-type: none"> • Monitored for anticipated changes to U.S.-EU Safe Harbor (now EU-U.S. Privacy Shield), as well as EU General Data Privacy Regulation. • Continued to modify our information security standards to proactively address the dynamically changing information security landscape. • Collaborated with clients as a trusted partner and expert throughout the relationship to ensure the latest information security and privacy measures are proactively incorporated in everything we do.
<p>Conduct rigorous, ongoing associate training to continuously improve associate knowledge and minimize risks due to human error.</p>		<ul style="list-style-type: none"> • Conducted annual information security awareness campaign. • Had nearly 90% of associates and contractors complete information security and privacy training. • 100% of Alliance Data's card services business privacy compliance associates obtained the Certified Information Privacy Professional designation offered by the International Association of Privacy Professionals.
<p>Assess new evolving technologies/protocols to continually drive improvement and proactively protect our systems and information.</p>		<ul style="list-style-type: none"> • Enhanced our defenses around cloud-based technology by implementing tools to monitor and assess risks associated with cloud-based computing services. • Initiated a leading level of third-party assurance conducted by PwC. The AT 101 Privacy and Security report is designed to demonstrate operating effectiveness pertaining to the management, collection, and security for privacy of consumer data.








 Some progress made




 Good progress made

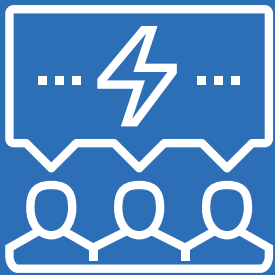
 Excellent progress made

2015 ACTIVITIES

These 2015 roadmap activities have all been achieved to their fullest extent and thus will not be included in future reports. We will continue to report on the above three-year goals.

GOAL	PROGRESS	2015 ACCOMPLISHMENTS
PEOPLE		
<p>Continue to develop and advance the enterprise Threat Intervention and Response Team, leveraging knowledge and resources across our businesses as a proactive means of threat management/mitigation.</p>		<ul style="list-style-type: none"> The team met monthly to assess emerging security developments as a means of ongoing proactive defense and prevention. This team is now an integrated part of our operations and will continue facilitating real-time threat intelligence monitoring and sharing.
<p>Build closer alignment with the enterprise risk management team to ensure IT-related risks are appropriately weighted, understood, and included on the enterprise risk register.</p>		<ul style="list-style-type: none"> In collaboration with the Enterprise Risk Management Team, IT Governance created the IT risk register to detail IT-related risks and establish handling protocol that can be measured to ensure risk is appropriately managed.
PROCESS		
<p>Align internal security requirements with “best practice” industry risk management and control frameworks.</p>		<ul style="list-style-type: none"> Actively participated in industry leadership groups such as FS-ISAC, PCI Security Council (voting member), and Online Trust Alliance (OTA). Continued deploying RSA’s Archer tool for Governance, Risk, and Compliance (GRC) management. Archer catalogs information security and compliance regulatory requirements, internal policies, control handling procedures, and issue resolution modules. Alliance Data’s card services business chief compliance officer co-presented with KPMG at the annual RSA Charge Summit on our successful launch of the compliance and risk management modules in Archer.
<p>Integrate acquired entities (specifically Conversant and BrandLoyalty) into protection protocols.</p>		<ul style="list-style-type: none"> Completed.
<p>  Some progress made  Good progress made  Excellent progress made </p>		

GOAL	PROGRESS	2015 ACCOMPLISHMENTS
TECHNOLOGY		
<p>Implement a threat intelligence tool for improved sharing and documentation of security threat issues.</p>		<ul style="list-style-type: none"> • Completed — Implemented enterprise real-time push-pull threat intelligence sharing tool.
<p>Deploy next generation endpoint security software, incorporating the most advanced early warning behavioral technology tools.</p>		<ul style="list-style-type: none"> • Continued to test and evaluate next generation endpoint security software. Additional exploration is scheduled for 2016 to firmly identify the best solution for the organization.
		



People

Our commitment:

Create a workplace where associates can grow and contribute to the success of the company.

Health and well-being, growth and development, and leadership skills are important both to our associates and to our business.

Our people make it happen. Our accolades, our success, our growth — we owe it all to our associates. To be the best company we can be, not only do we need to continue attracting the best talent, but to retain that talent, it's imperative that we invest in our people. That's why we give our associates the tools and resources they need to be successful and

productive, at work and at home. Alliance Data recognizes that health and well-being, growth and development, and leadership skills are important both to our associates and to our business. By investing in these areas, we'll be able to attract and retain the right people, create pride among our associates, and inspire healthy behaviors.

MANAGING OUR COMMITMENT

Associate Well-Being

Good health matters. We offer programs and tools to support associates, so they can be their best at work and at home. Some of these programs include an on-site Weight Watchers program, FreshStart smoking cessation program, and the Million Step Challenge that got associates up and moving. In 2015, we introduced Castlight Health, a personalized healthcare shopping tool that lets associates compare prices for doctors and procedures and get quality ratings. In addition, we expanded our popular fitness reimbursement benefit to include international associates. At LoyaltyOne, we offer a wellness subsidy that can be used for fitness, weight loss, and smoking cessation. We also rolled out an app, which pushes out travel security and safety alerts to associates and offers a 24/7 global help desk.

Leadership and Training

When associates told us they wanted additional training but had trouble fitting it into their busy schedules, we listened. In response, we partnered with The MindGym to introduce impactful, 90-minute, interactive training sessions. We also developed an Early Career Rotation program so new associates can learn all aspects of our business and develop the flexibility to take on different roles and tasks.

Culture of Inclusion

We put a renewed focus on diversity and inclusion in 2015. We formed a cross-line of business taskforce to create a more formal inclusion strategy. We refined and introduced an updated inclusion statement, and we also formed an associate-led Diversity and Inclusion Council at our Chicago Epsilon office. The seven-member council (elected by their fellow associates) meets weekly to discuss recruiting strategies and plan associate education campaigns about the importance of a diverse workforce, both from a retention and business perspective. In addition, we laid the groundwork for our first formalized resource group centered on military members and veterans.

Communicating the Vision

Ed Heffernan, President and Chief Executive Officer of Alliance Data, rallied approximately 83% of associates last year during his Mothership Road Show tour that visited 33 locations. Spending more than two hours at each location, Ed takes this time to ensure associates connect with the vision for the company and evoke a sense of pride in sharing our success. The Mothership Road Show gives associates a macro overview on the state of the economy and how it impacts Alliance Data, including how global trends and outside factors influence our business. This past year, he focused on our culture of giving back and announced that Alliance Data would donate more than \$650,000 to the local communities he visited.



HIGHLIGHTS

WELCOMING ASSOCIATES

SUCCESSFULLY
INTEGRATED
1,500 CONVERSANT
ASSOCIATES
INTO OUR COMPANY AS THEY
BECAME PART OF EPSILON

FOCUS ON FITNESS

4,069 ASSOCIATES LOGGED
MORE THAN 831 MILLION
STEPS (415,750 MILES) IN THE
MILLION STEP CHALLENGE —
THE EQUIVALENT OF
17 TIMES AROUND THE
WORLD

SAW JUMP IN UTILIZATION
OF **FITNESS**
REIMBURSEMENT BENEFIT
BY **375%**, **INCREASED**
THE AMOUNT BY 20%,
FROM \$250 TO \$300, AND
ROLLED OUT PROGRAM
INTERNATIONALLY

WEIGHT LOSS SUPPORT

PICKED UP
75% OF THE COST
FOR WEIGHT WATCHERS
MEMBERSHIP
800 ASSOCIATES
SUPPORTED EACH
OTHER AT ON-SITE MEETINGS
AND MET THEIR HEALTH GOALS



HIGHLIGHTS

KICKING THE HABIT

206 ASSOCIATES PARTICIPATED IN THE FRESHSTART SMOKING CESSATION PROGRAM

13% QUIT SMOKING

86% REPORTED SMOKING LESS

ON-SITE HEALTH CHECKS AND SCREENINGS

34% OF ASSOCIATES RECEIVED **FREE ON-SITE HEALTH CHECKS**

ALLIANCE DATA'S CARD SERVICES BUSINESS OFFERS **ON-SITE MOBILE MAMMOGRAMS** TO OUR ASSOCIATES ONCE A YEAR

176 ASSOCIATES RECEIVED A MAMMOGRAM WHILE AT WORK AND ON PAID TIME (34% INCREASE OVER 2014)

OVERALL WELLNESS

LOYALTYONE LAUNCHED **STRIDE PROGRAM**

SET PERSONAL WELLNESS GOALS AND **TRACK PROGRESS WITH AN EASY-TO-USE ACTIVITY TRACKER** OR THROUGH CONNECTING OWN TRACKER OR PHONE APP

CONNECT WITH COLLEAGUES WITH **SIMILAR INTERESTS**

FIND AND PARTICIPATE IN **WELLNESS EVENTS** AT THE OFFICE AND IN THE **COMMUNITY**

PARTICIPANTS REWARDED WITH **AIR MILES** WHEN THEY HIT THEIR **WELLNESS GOALS**

ANYTIME, ANYWHERE HEALTHCARE

PROMOTED THE USAGE OF **MDLIVE, OUR 365/24/7 TELEMEDICINE PROGRAM,** USED BY 26% OF OUR U.S. ASSOCIATES



HIGHLIGHTS

SURVEY RESULTS

82% SAID I AM PROUD TO WORK
FOR ALLIANCE DATA
(UP 1% FROM 2014)

76% WOULD RECOMMEND ALLIANCE DATA
AS ONE OF THE BEST PLACES TO WORK
(UP 1% FROM 2014)

SHARING OUR SUCCESS

MADE DISCRETIONARY RETIREMENT CONTRIBUTION TO ALL ASSOCIATES —
EVEN THOSE NOT ENROLLED IN THE PLAN

FOR THE THIRD YEAR IN A ROW, PROVIDED A
DISCRETIONARY CEO BONUS TO MORE THAN 10,000 ASSOCIATES
WHO ARE GENERALLY NOT ELIGIBLE FOR OTHER INCENTIVE COMPENSATION PROGRAMS

RECOGNITION

PASS IT ON PROGRAM
USED SOCIAL MEDIA-LIKE PLATFORM TO CELEBRATE SUCCESS AND PRAISE COWORKERS

231,234 RECOGNITIONS —
AVERAGE OF 18 RECOGNITIONS RECEIVED PER ASSOCIATE AND 12 RECOGNITIONS SENT PER ASSOCIATE



HIGHLIGHTS

TRAINING AND DEVELOPMENT

SPENT MORE THAN
\$5.5 MILLION
ON TRAINING AND DEVELOPMENT
PROGRAMS, RESULTING
IN MORE THAN **328,000**
HOURS OF TRAINING

DIVERSITY AND INCLUSION

FORMED AN ASSOCIATE-LED
**DIVERSITY AND
INCLUSION COUNCIL**
AND LAID THE GROUNDWORK FOR
FIRST FORMALIZED RESOURCE
GROUP FOR MILITARY MEMBERS
AND VETERANS

RECOGNIZED BY
FORTUNE MAGAZINE
FOR CULTURE OF INCLUSION

50 BEST
WORKPLACES FOR **DIVERSITY**

100 BEST WORKPLACES
FOR **WOMEN**

100 BEST WORKPLACES
FOR **MILLENNIALS**

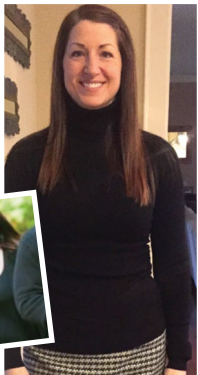




Spotlight:

Health and Wellness

We're committed to making Alliance Data a great place to work. That includes giving associates tools to live their best life. Our aim is to promote healthy living, provide healthy benefits, and inspire healthy behavior.



JILL STOKES

After Jill Stokes, Senior Manager, Client Sales at Alliance Data's card services business, had her first child, her health took a back seat. Between juggling responsibilities as a mom, wife, and professional, she had little time left over to focus on her own well-being. Then she found Weight Watchers. In nine months, Jill lost more than 60 pounds and four dress sizes. She's working out three times a week and has reached her goal weight. "It's a great feeling knowing I'm not in it alone and having the support at work," said Jill. "And I've now got the energy to keep up with an active toddler!"

Alliance Data picks up 75% of the cost for our no-pressure, work-at-your-own pace Weight Watchers program. In 2015, 800 associates joined the program and reached their weight goals.

But good health is about more than just losing weight. That's why we held the Million Step Challenge to encourage associates to form a team, have fun, and get fit. The goal was for teams to collectively walk 1 million steps or more, and the top three teams scored Pass It On points. 4,069 associates logged more than 831 million steps in the challenge — the equivalent of 17 times around the world.

For Tezlyn Reardon, Lead Consultant Portfolio Insights, Alliance Data's card services business, the challenge appealed to her competitive nature. "This challenge really got me to do something that I need to do, which is get up from my desk and walk

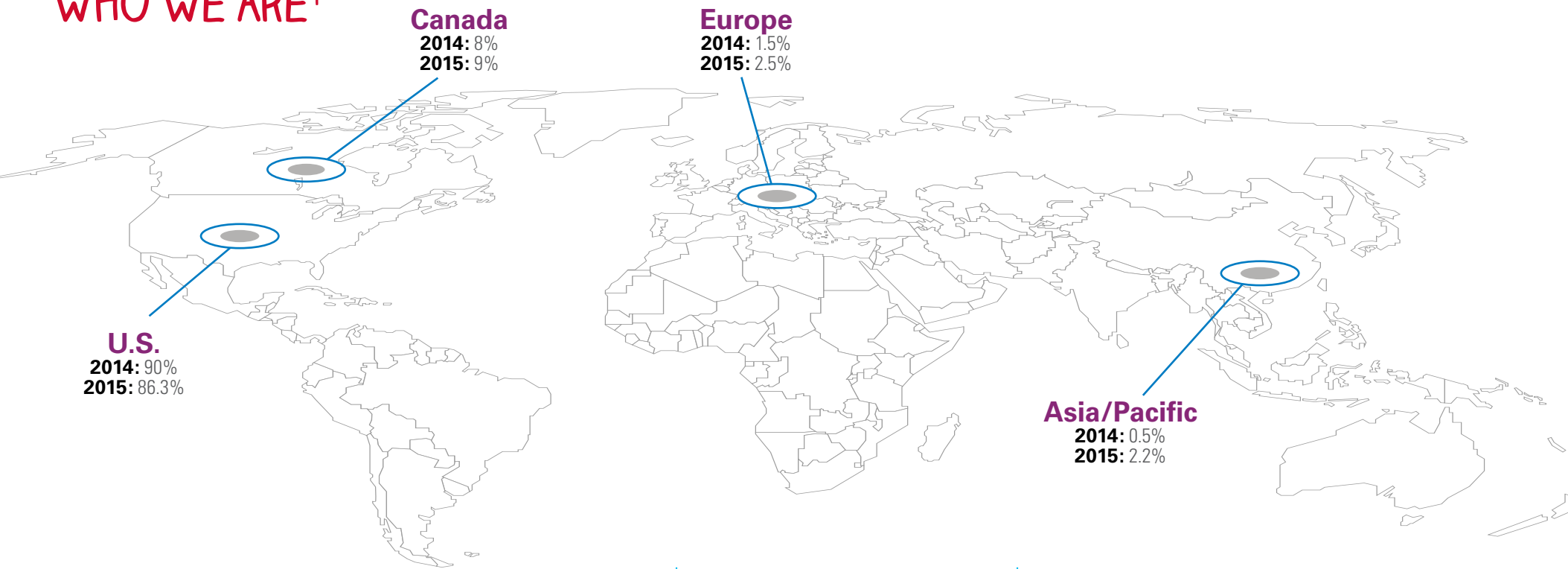
periodically," she said. "It was crazy to see my competitive nature come through, even just within myself, to walk further a little more each day." And it gave her whole family a new health perspective. "My 7-year-old son was obsessed with my Fitbit," Tezlyn explained. "Since the challenge has ended for us, I have passed mine off to him, and we are giving him goals to reach every day to get him out of the house and off his Kindle! So far, so good!"

LoyaltyOne held a sister challenge called Stride. This program connected colleagues with similar interests and helped them share tips, tricks, and ideas to stay healthy. Associates could set personal wellness goals and track progress, as well as find and participate in wellness events at work and at home.

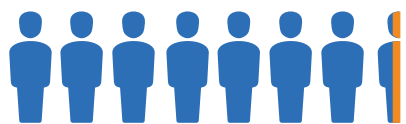
Safety and Mental Health

Supporting our associates' overall well-being means turning our attention to areas that are sometimes overlooked. In 2015, we put a renewed focus on mental health and physical safety. Our Alliance Data card services business actively promoted awareness and resources to associates who might be effected by domestic violence, helping provide them a path to safety. LoyaltyOne held a mental health awareness week, with a focus on a healthy mind and body. Outside speakers and special manager training helped increase awareness around how to address mental health issues.

WHO WE ARE¹



NUMBER OF SALARIED ASSOCIATES



Increased by **1,920** (9,476 total)

NUMBER OF HOURLY ASSOCIATES



Increased by **611** (6,004 total)

TOTAL WORKFORCE: 15,480

WORK-FROM-HOME ASSOCIATES

1,667 work-from-home associates helped reduce our environmental footprint

ASSOCIATE ENGAGEMENT² SURVEY SCORE



78%



79%

ASSOCIATE ENABLEMENT³ SURVEY SCORE



69%



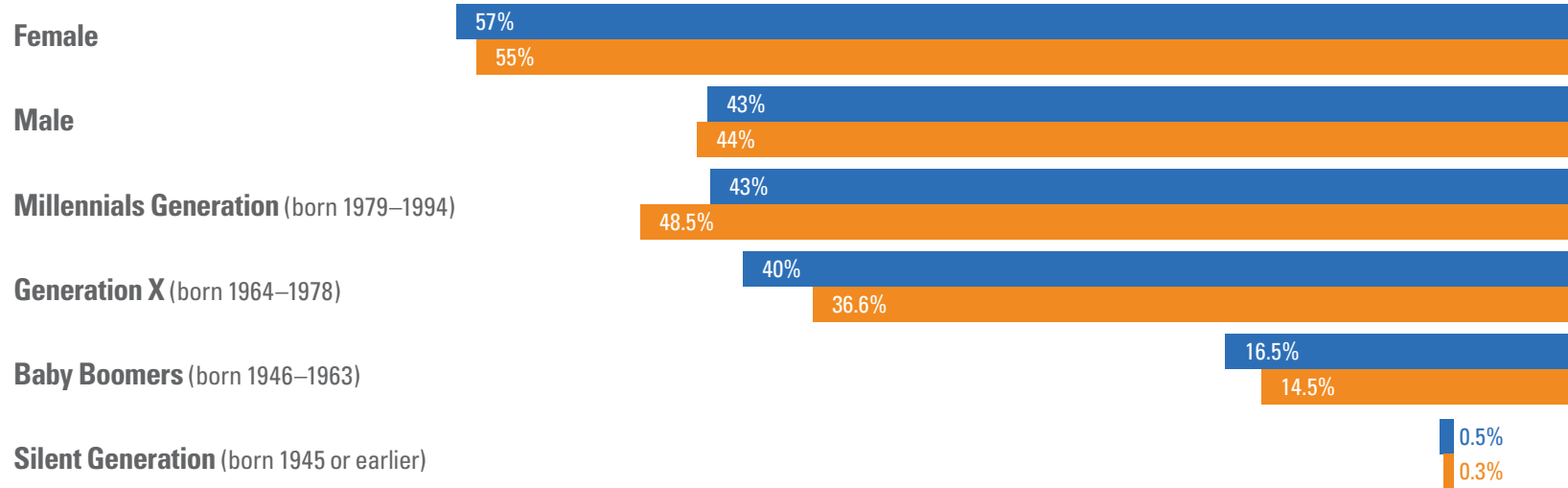
72%

¹Numbers do not include BrandLoyalty.

²Associate engagement refers to an associate's commitment to the organization and willingness to go above and beyond the job requirements (the "will do").

³Associate enablement refers to how well-positioned associates feel they are for success and if they're being effectively utilized (the "can do").

ASSOCIATE DEMOGRAPHICS¹



VOLUNTARY TURNOVER²



(15% in 2014)

SALARIED
13.4%
(12% in 2014)

HOURLY
20.8%
(20% in 2014)

VOLUNTARY TURNOVER BY SEGMENT



¹1% of associates did not self-indicate gender and 0.1% of associates did not self-indicate a birth date.

²Voluntary turnover rates do not include temporary associates or contractors or associates in newly acquired BrandLoyalty. 2014 numbers have been corrected and updated.

2014

2015



Spotlight:

Training and Development

Growing our people is one of our top priorities. Each of our businesses takes a targeted approach to training, tailoring it for their associates and their business needs. Here are a few of the new training programs we implemented in 2015.

Through our annual associate survey, associates commented that they wanted additional training in leadership, communication, and providing feedback. The challenge: fitting it into their busy schedules. So we partnered with The MindGym to introduce impactful, 90-minute, interactive training sessions. 590 associates participated in the initial trainings, and it continues to roll out across other areas of the business.

Bridgette Vinton, Senior Director of Corporate Accounting at Alliance Data, took a Soft Skills training class. This class helps associates with people skills, such as communication and empathy. "I'm an introvert by nature, so confrontation and communication don't come naturally to me," she said. "These training classes helped push me out of my comfort zone and encouraged me to really manage and lead those around me. And I've even taken these skills home with me and applied them to interactions with family and friends!"

All of our businesses offer specialized training. For Epsilon, the Early Career Rotation program was developed to give high-potential associates who are just starting out in their careers the opportunity to learn all aspects of our business. During the program, associates cycle through four different cross-functional job rotations. The goal: to help them step outside their comfort zones and learn additional skill sets, gaining the flexibility and creativity needed to be a leader.

Along the way, associates also get mentoring and coaching and take on supplementary project work. At the end of the program, associates rank their top choices and then transition into new roles.

EARLY CAREER SAMPLE ROTATION

SALES SUPPORT
SPECIALIST



PROJECT BSA,
HEALTHCARE






STRATEGIC
CONSULTANT





ACCOUNT
EXECUTIVE,
FINANCIAL SERVICES


THREE-YEAR GOALS (ESTABLISHED IN 2014)

Our commitment: Create a workplace where associates can grow and contribute to the success of the company.




GOAL	PROGRESS	2015 ACCOMPLISHMENTS
ENGAGE ASSOCIATES AND DEVELOP LEADERS WHO ARE PASSIONATE ABOUT THE COMPANY.		
<p>Launch formalized training protocol for new people managers to ensure they have the necessary management skills to lead, motivate, and empower our growing workforce.</p>		<ul style="list-style-type: none"> • More than 328,000 total training hours. • More than \$5.5 million invested in training. • Strong leadership focus on developing our people, goal setting, and ongoing manager feedback. • Emphasis on improving business acumen — ensuring leadership and individuals understand how their individual efforts contribute to the success of the company. • Developed job rotation program to encourage creative, adaptable, and collaborative thinking. • Rolled out 90-minute training courses in direct response to associate feedback (“I want training, but I don’t have time”).
<p>Reduce voluntary turnover rates by 1% annually.</p>		<ul style="list-style-type: none"> • Annual voluntary turnover rates: <ul style="list-style-type: none"> • 2015: 16.3% • 2014: 15% • 2013: 15%
		





GOAL	PROGRESS	2015 ACCOMPLISHMENTS
<p>Increase engagement and enablement scores by 2%.</p>		<ul style="list-style-type: none"> • Associate engagement <ul style="list-style-type: none"> • 2015: 79% (up 1% from 2014) • 2014: 78% • 2013: 78% • Associate enablement <ul style="list-style-type: none"> • 2015: 72% (up 3% from 2014) • 2014: 69% • 2013: 70% • 82% of associates are proud to work for Alliance Data. • 79% said they feel motivated to go beyond their formal job responsibilities. • 76% would recommend Alliance Data as one of the best places to work. • 79% agree that their jobs provide them the opportunity to do challenging and interesting work. • 71% said conditions in their jobs allow them to be as productive as possible.

 Some progress made

 Good progress made

 Excellent progress made

GOAL	PROGRESS	2015 ACCOMPLISHMENTS
SUPPORT OVERALL WELL-BEING OF THE "WHOLE ASSOCIATE."		
<p>Continue to provide access to premier health benefits and wellness programs that improve the health of our associates and their families.</p>		<ul style="list-style-type: none"> • 95% of associates (only asked of Alliance Data associates) agree Alliance Data provides benefits that meet their needs (up 2% from 2014). • Emphasis on assessing and enhancing programs to ensure they remain competitive and meet the needs of our growing global population. • Introduced a new online tool, Castlight Health, to help associates research and make more informed decisions about their healthcare providers. • Increased fitness reimbursement benefit by 20% (from \$250 to \$300) for self-selected health programs not covered by the company. • Promoted the usage of MDLIVE, our 365/24/7 telemedicine program, used by 26% of U.S. associates.
<p>Explore and establish programs with a focus on financial security.</p>		<ul style="list-style-type: none"> • Continued to share the company's success with associates through financial rewards at all levels within the organization: <ul style="list-style-type: none"> • Discretionary CEO bonus, for those generally not eligible for other incentive programs. • Discretionary 401(k) contributions for all associates — even if not enrolled in the plan. • Increased short-term disability benefit to 100% for up to 8 weeks. • Introduced paid bonding leave for dads, adoptive parents, and long-term foster parents. • Saved 2,419 workdays with Backup Care — 80 hours of free dependent care for those can't-be-everywhere-at-once days. • Nearly 9,000 active 401(k) participants; more than 7,000 taking full advantage of the 5% company match. • 787 associates benefited from College Coach — a free resource helping families successfully navigate the college-prep landscape. • Developed guidelines for establishing associate assistance program.
<p>Examine and ensure proper protocol and procedures are in place to uphold a safe and secure workplace.</p>		<ul style="list-style-type: none"> • Enhanced our associate travel management system through the launch of new Guardly technology, providing more effective two-way communication through alerts and 24/7 global help desk. • Created campaign promoting awareness and resources to empower associate victims of family violence, providing a path to safety.

GOAL	PROGRESS	2015 ACCOMPLISHMENTS
BUILD A CULTURE OF INCLUSION WHERE WE CELEBRATE AND RECOGNIZE THE TALENTS, INDIVIDUALITY, AND ACHIEVEMENTS OF A DIVERSE WORKFORCE.		
Create an enterprise-wide steering committee to define a more formal framework for acquiring diverse talent and maintaining an inclusive work environment.		<ul style="list-style-type: none"> • Assembled cross-line of business taskforce to research the creation of a more formal inclusion strategy. • Formed an associate-led Diversity and Inclusion Council. • Introduced redefined inclusion statement.
Establish ground rules for creation of affinity groups.		<ul style="list-style-type: none"> • Created foundation and parameters for first formalized resource group centered on military members and veterans.
Promote diversity on leadership team and Board of Directors.		<ul style="list-style-type: none"> • Women make up 55% of total associate population. • Women compose nearly 35% of our Senior Leadership Team. • Appointed first woman to Alliance Data Board of Directors.
		

PLANNED ACTIVITIES FOR 2016 AND BEYOND

- Continue to assess the needs of our workforce to ensure programs meet the needs of our growing global population.
- Leverage workforce data to better manage and predict turnover.
- Continue to enhance our reward and recognition programs so that associates at every level can share in the company's success.
- Explore opportunities to offer programs that would provide financial assistance to certain segments of our population.
- Continue roll out of training and leadership development programs.
- Roll out affinity groups.



Community

Our commitment:

Protect and improve the vitality of our communities by investing in programs that demonstrate measurable and meaningful impact.

Ultimately, investing in the community creates a stronger, more engaged workforce and a vibrant, more sustainable society.

Giving back is a big part of who we are. Our success has enabled us to address global challenges affecting the communities where we live and work by investing time, talent, and treasure in organizations impacting the most critical issues. These investments are driven by a desire to improve lives in

our communities that ultimately lead to a healthier economy. We also take pride in our ability to unite our associates with causes and organizations that help them feel connected to a greater common purpose, even giving them a chance to learn new skills through volunteerism.

Ultimately, investing in the community creates a stronger, more engaged workforce and a vibrant, more sustainable society.

MANAGING OUR COMMITMENT

Focusing on Key Areas

Our associates play an active role in shaping and defining our culture of giving back. Our community investment is intentionally focused in three key areas, which were largely defined by associate input:

- **Education** — Helping children and students of all ages acquire the skills and knowledge they need to achieve their highest potential and helping them become productive members of society.
- **Children** — Promoting, protecting, and improving the lives and health of children.
- **Independent living** — Maximizing the independence and self-determination of those in need.

Updated Giving Guidelines

In 2015, we updated our giving guidelines to better govern our giving process and make sure our funds are being used and managed responsibly. These guidelines include detailed eligibility requirements, an overview of the selection process, and expectations around how we are measuring and tracking the impacts of our investments. At a minimum, contributions must meet the following requirements:

- Align with our business goals and focus areas (education, children, and independent living)
- Program/organization must address demonstrated community need
- Deliver measurable results (outcomes and impact)
- Organization must be financially sound and have high standards of accountability and transparency
- Provide an opportunity to engage employees through volunteerism

We also implemented a new external grant application process that helps guide nonprofits through the request for funding from Alliance Data.

Increasing Investment

We created a five-year financial road map for our community investment. We're working toward a "best in class" giving benchmark of 1% EBITDA, and our goal is to invest \$50 million in the community over the next five years. In 2015, we increased our community investments by 84%, for a total of \$9.4 million enterprise-wide.

Associate Engagement

We have a culture of giving back. In our associate survey, 83% of associates said they believe that Alliance Data actively helps make the communities in which it operates better places to live and work.

We inspire volunteerism. We increased our volunteer hours by 36% from 2014. We also donated and matched \$71,000 for 7,100 hours through the Volunteer Rewards program — a 140% increase from 2014.

We support programs with a purpose. We continue to build associate awareness and utilization of cornerstone enterprise programs like our volunteer match program mentioned above, our 1:1 matching gifts program, and our internal grant program that awards four \$10,000 grants to associate-driven causes and a \$5,000 Fan Favorite grant chosen by associates. Last year, through our matching gifts program, our generous associates registered 4,524 gifts, and we paid out a record \$938,000 in matches, a 28% increase from 2014.





Spotlight:

Children's Health

Alliance Data is committed to making a difference in the communities where our associates live, work, and play. One of the best ways we can do this is by investing in health services to serve children in the community and our associates' own families.

When Joe Gilani's daughter, Caroline, was diagnosed with cancer at age 6, he had never felt more alone. "I remember sitting in the emergency room just trying to comprehend the shattering news," said Joe, Director of Cobrand Product Development, Alliance Data's card services business. "We're so lucky that the care that Caroline (and our family) received from Nationwide Children's Hospital was the best we could have possibly imagined. Children's guided us and supported our family on every step of our journey, in hundreds and hundreds of ways."

And what really touched Joe was knowing that Alliance Data was directly supporting his family and others in similar situations. Over the past 15 years, we've sustained an unwavering commitment to children's health and safety. In 2015, we expanded our focus on children's health by donating more than \$1 million to children's hospitals across this country, including \$410,500 to Nationwide Children's.

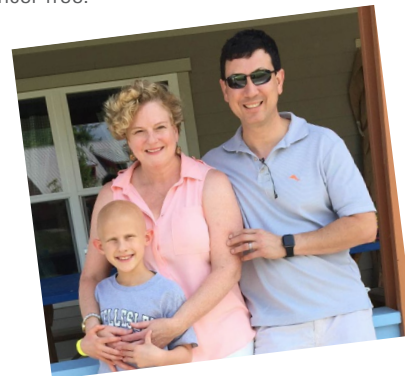
"Alliance Data's gift makes us so proud and grateful," said Joe. "It truly lifts our hearts. Alliance Data associates are so lucky to be a part of an organization that believes in building a caring community, and this gift is a way for associates to know that they have worked to make a better life possible for so many kids."

A large portion of the gift will help Nationwide Children's build data architecture that links all pediatric and research data sources. The ability to integrate large amounts of data bolsters the hospital's ability to deliver more effective patient care and improve research outcomes, ultimately ensuring every patient gets the right diagnosis and the right treatment at the right time.

The gift also supported the hospital's family and volunteer service programs. Joe recalled that this program brought incredible joy to his daughter, Caroline. "Treatment is a long and arduous process and keeping a 7-year-old entertained is difficult," he said. "One of

the things she looked forward to when she would go for extended visits was the art cart that would come around. From painting to clay work, it just brightened her day. It's the little things that sometimes make the biggest difference in the day-to-day trials these children go through."

Today Caroline is just a normal third-grader — intensely curious and active. She still has scans every three months and will continue these for seven years, but her prognosis is excellent. In July, she will celebrate one year of being cancer-free.



HIGHLIGHTS

CHILDREN'S HEALTH

DONATED MORE THAN
**\$1 MILLION TO
CHILDREN'S HOSPITALS**
ACROSS THE NATION

\$410,500 TO NATIONWIDE
CHILDREN'S HOSPITAL COLUMBUS

\$250,000 TO CHILDREN'S
MERCY HOSPITAL KANSAS CITY

\$250,000 TO
CHILDREN'S HEALTH DALLAS

\$150,000 TO CHILDREN'S
HOSPITAL COLORADO

\$25,000 TO CHILDREN'S
HOSPITAL OF MICHIGAN

COMMUNITY INVESTMENT

INVESTED **\$9.4 MILLION** IN
THE COMMUNITIES WHERE WE
LIVE AND WORK

AN INCREASE OF 84%
FROM 2014

\$1 MILLION TOWARD A **NEW
UNIVERSITY-STYLE
CAMPUS** (THE FIRST OF
ITS KIND) FOR ADULTS WITH
SPECIAL NEEDS THROUGH
MY POSSIBILITIES

SENT **300 MILLION AMBER
ALERTS** AND GAVE **\$50,000**
TO NATIONAL CENTER FOR
MISSING AND EXPLOITED
CHILDREN

FLOOD RELIEF
EFFORTS IN INDIA

COMMUNITYONE WEEK

OVER A 1-WEEK PERIOD, MORE
THAN **1,000 LOYALTYONE
ASSOCIATES** VOLUNTEERED
IN **8 COMMUNITIES**
AROUND THE WORLD

4,000 HOURS

40 CHARITIES

3,500 INDIVIDUALS FED

MORE THAN
200 TREES PLANTED

75 DISABILITY RAMPS BUILT



HIGHLIGHTS

AIR MILES

AIR MILES DONATED MORE THAN **9.7 MILLION MILES** — THE EQUIVALENT OF **\$1 MILLION** — TO CHILDREN'S CHARITIES

MAJORITY WAS DONATED THROUGH THE **BETTER BONUS PROGRAM**

FOR EVERY BONUS MILE A SHOPPER/COLLECTOR RECEIVED USING A COUPON, **AIR MILES DONATED A MILE** TO THE PARTNER'S CHARITY OF CHOICE

UNITED WAY

ASSOCIATES CONTRIBUTED **\$1.35 MILLION**

FOR FIRST TIME, COMPANY MATCHED CONTRIBUTIONS DOLLAR FOR DOLLAR FOR A TOTAL CONTRIBUTION OF **\$2.6 MILLION**

SUPPORTED **UNITED WAY** CHAPTERS IN **30 COMMUNITIES** ACROSS THE COUNTRY

FUNDING EQUIVALENT WILL ALLOW **24,320 STUDENTS** TO PARTICIPATE IN INTERACTIVE STEM PROGRAMS

SURVEY RESULTS

86% OF ASSOCIATES SAID THEY BELIEVE THAT ALLIANCE DATA IS A **GOOD CORPORATE CITIZEN**

83% OF ASSOCIATES SAID THEY BELIEVE THAT ALLIANCE DATA ACTIVELY HELPS MAKE THE COMMUNITIES IN WHICH IT OPERATES **BETTER PLACES TO LIVE AND WORK**

85% OF ASSOCIATES SAID THEY FEEL THEY ARE ENCOURAGED TO **GIVE BACK** TO THEIR COMMUNITIES

HABITAT FOR HUMANITY

325 ASSOCIATES VOLUNTEERED **2,500 HOURS**

BUILT HOMES AT **9 LOCATIONS**

DALLAS, DENVER, SAN FRANCISCO, BOSTON, WILTON/WESTPORT, CONN., TORONTO, RIO RANCHO, COLUMBUS, CHICAGO



HIGHLIGHTS

5 YEARS, \$1 MILLION

OVER THE PAST 5 YEARS,
COMENITY BANK
(A WHOLLY OWNED BANK
SUBSIDIARY OF ALLIANCE DATA'S
CARD SERVICES BUSINESS)
HAS CONTRIBUTED
MORE THAN \$1 MILLION
AS PART OF ITS COMMUNITY
REINVESTMENT ACTIVITIES

**COMMUNITY
REVITALIZATION**, SMALL
BUSINESS DEVELOPMENT,
JOB TRAINING AND CREATION,
FINANCIAL LITERACY,
AFFORDABLE HOUSING,
EMERGENCY AND RENTAL
ASSISTANCE

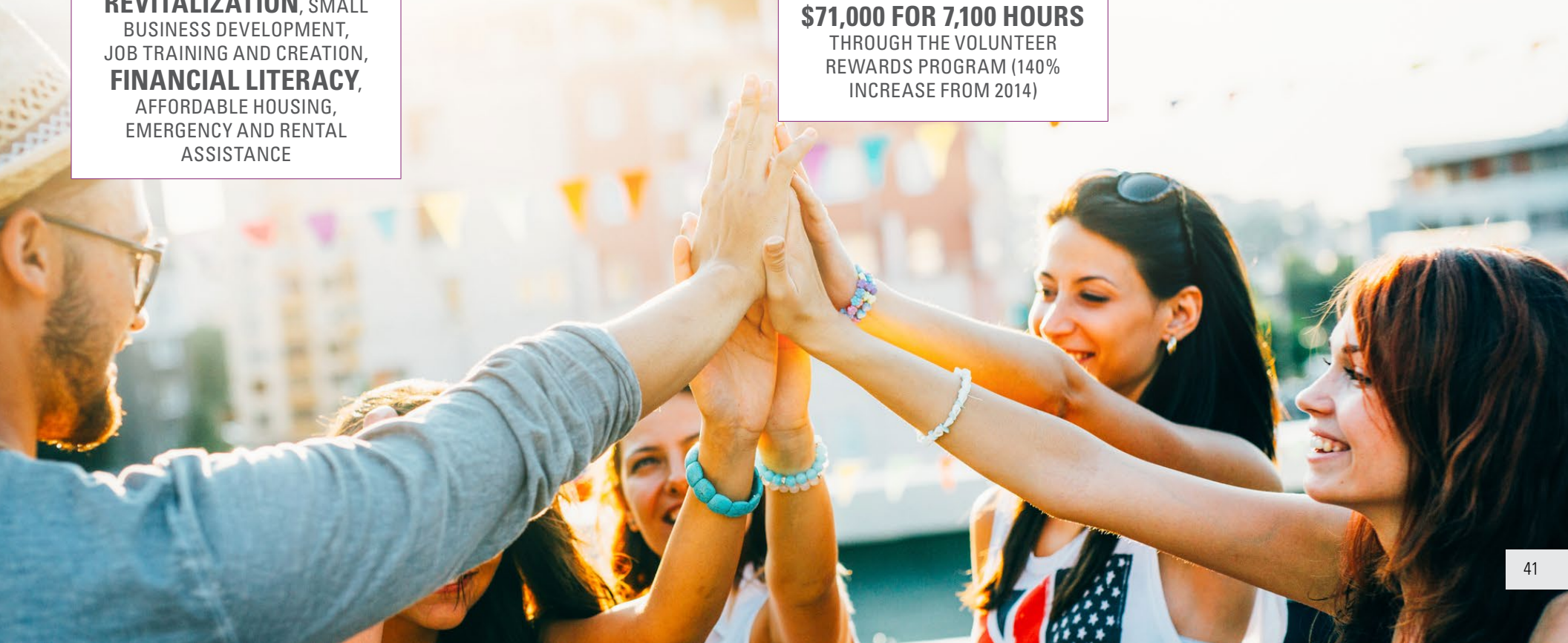
SUPPORTED VOLUNTEERS

ASSOCIATES LOGGED
25,000
VOLUNTEER HOURS
(AN INCREASE OF 36% FROM 2014)

PAID OUT **A RECORD**
\$938,000 THROUGH THE
MATCHING GIFTS PROGRAM (28%
INCREASE FROM 2014)

AWARDED **4**
\$10,000 GRANTS
TO ASSOCIATE-DRIVEN PROJECTS
THROUGH THE
**INTERNAL GRANT
REWARD PROGRAM**
AND ADDED A NEW \$5,000 FAN
FAVORITE GRANT CHOSEN BY
ASSOCIATES

DONATED AND MATCHED
\$71,000 FOR 7,100 HOURS
THROUGH THE VOLUNTEER
REWARDS PROGRAM (140%
INCREASE FROM 2014)



BY THE NUMBERS

Amount invested in the community

2013 = **\$4.5 million**

2014 = **\$5.1 million**



Number of total volunteer hours logged by our associates

2013 = **15,000**

2014 = **18,375**



Amount of associate donations matched through matching gifts program

2013 = **\$530,000**

2014 = **\$730,000**



Percentage of associates who believe Alliance Data and our businesses make communities better places to live and work

2013 = **80%**

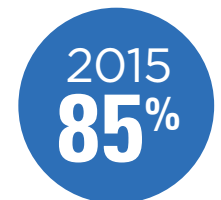
2014 = **85%**



Percentage of associates who feel they are encouraged to give back to their communities*

2012 = **82%**

2014 = **88%**



*An alternative question was asked in 2013: "Alliance Data is a good corporate citizen" = 92%.



Spotlight:

Better Bonus

Connecting our associates to a common purpose is the driving force behind our social responsibility programs. LoyaltyOne has a unique opportunity to take that connection a step further by engaging AIR MILES Collectors. When we can rally an entire community behind a common cause, we're able to achieve even greater results.

For one month last year, LoyaltyOne's AIR MILES Reward Program got Canadian shoppers involved to make a difference in the lives of children.

"We launched the Better Bonus Event because we know consumers expect companies they deal with to have a philanthropic focus and to give back," said Raymond Ludwin, Vice President Brand Strategy, LoyaltyOne. "We decided to do a standard promotion — use a coupon and get a certain number of miles. But we added a twist. For every bonus mile a Collector got using a coupon, AIR MILES donated a mile to the partner's charity of choice."

These charities give kids the tools they need to learn, succeed, and grow. When shoppers used coupons at participating stores, they supported charities such as Big Brothers Big Sisters, United Way, and the Children's Wish Foundation. The promotion issued

approximately 13 million bonus miles, and on average, Collectors earned about 70 bonus miles each.

After the three-week campaign ended, the AIR MILES Reward Program was able to

donate a total of 9.7 million miles to children's charities. About 500,000 of these miles went to Big Brothers Big Sisters — the largest corporate donation the charity had ever received. "When people supported Big Brothers Big Sisters, they supported






mentoring relationships for over 40,000 kids in Canada," said Karen Shaver, President and CEO of Big Brothers Big Sisters of Canada. "That improves not only the relationships they have with their families, but also strengthens relationships across Canada. The impact is immeasurable."








Rachel MacQueen, Vice President, Marketing, AIR MILES Reward Program, was thrilled with the outpouring of support from Collectors. "This outstanding contribution is a direct result of our Collectors' dedication to giving back to their communities," she said. "We're excited to continue to support Canadian causes through Programs like the Better Bonus Event, providing a simple, yet effective way Canadians can make a big impact, just by swiping their AIR MILES Card."



THREE-YEAR GOALS (ESTABLISHED IN 2014)

Our commitment: Protect and improve the vitality of our communities by investing in programs that demonstrate measurable and meaningful impact.

GOAL	PROGRESS	2015 ACCOMPLISHMENTS
ENSURE FOCUS AND IMPACT OF OUR INCREASING CONTRIBUTIONS BUDGET GIVEN OUR EXPANDING GLOBAL AND PHILANTHROPIC FOOTPRINT.		
<p>Work toward “best in class” giving benchmark of 1% of adjusted EBITDA. Our goal is to invest \$50 million in the community over the next 5 years.</p>		<ul style="list-style-type: none"> • Increased community investments by 84% to \$9.4 million. • Created a 5-year financial road map to help ensure we stay on track toward the 2020 goal.
<p>Conduct a strategic philanthropy planning exercise to help us further focus our resources and competencies for maximum impact.</p>		<ul style="list-style-type: none"> • Kick off conducted through half-day session during annual corporate responsibility council summit. • Outcomes were compiled and delivered back to the council for feedback and validation. • Outlined indicators for grant decision-making in primary focus areas.
<p>Understand the impacts and unique requirements for developing and implementing a truly global philanthropy program, including exploration of international partnerships and areas of local need in new regions.</p>		<ul style="list-style-type: none"> • Supported international associate-recommended initiatives in India and the UK. • Established updated international payments protocol.
<p>Roll out updated giving guidelines and new grant application process to ensure transparency, clarity, and consistency in how we manage our funding process.</p>		<ul style="list-style-type: none"> • Announced updated giving guidelines internally and externally, including a link to a newly created external grant application.
<p>Implement new grant application and tracking tool to more efficiently manage increasing complexity of global philanthropy program (measurement/outcomes and nonprofit partnerships).</p>		<ul style="list-style-type: none"> • A technology for grant tracking was selected and implemented for the purposes of managing grant funding and measuring outcomes consistently across the business.

GOAL	PROGRESS	2015 ACCOMPLISHMENTS
IGNITE THE COMMUNITY PASSIONS OF OUR ASSOCIATES BY CONTINUING TO PROVIDE OPPORTUNITIES, ENCOURAGEMENT, AND PERMISSION FOR ASSOCIATES TO GET INVOLVED IN THEIR COMMUNITIES.		
Institute a recognized protocol for volunteer time off.		<ul style="list-style-type: none"> • Promoted culture of engagement where associates feel empowered to get involved and managers recognize and value the importance of allowing associates time off to volunteer. • The diversity of our workforce has made it challenging to create a universal volunteer time off policy. Each line of business manages their volunteer time off protocol in a way that meets the needs of their workforce.
Create and connect associates to a variety of volunteer opportunities including hands-on, skills-based, virtual, and voluntourism.		<ul style="list-style-type: none"> • Increased total volunteer hours by 36% for a total of 25,000 hours. • Created and captured new skills-based opportunities using our technical, legal, and creative expertise. • Piloted new virtual volunteer platform that allows associates to volunteer from their desks.
Research and implement communication tools that better connect and manage associate volunteerism.		<ul style="list-style-type: none"> • Explored options for using existing platforms (vs. introducing new community engagement technology) to help promote volunteerism and incentivize associate participation.
Increase participation in our matching gifts and volunteer reward programs — improve participation rates in each program by 5%.		<ul style="list-style-type: none"> • Exceeded goal. • Matching gifts program: Increased participation by 28% and matched \$938,000. • Volunteer reward program: Increased participation by more than 100% and matched \$71,000 for 7,100 hours.
<div style="display: flex; justify-content: space-around; align-items: center;"> <div data-bbox="300 1175 558 1213">  Some progress made </div> <div data-bbox="915 1175 1188 1213">  Good progress made </div> <div data-bbox="1503 1175 1839 1213">  Excellent progress made </div> </div>		

PLANNED ACTIVITIES FOR 2016 AND BEYOND

- Through communication and leadership endorsement, ensure associates feel they have the opportunity and permission to participate in volunteerism.
 - Identify a solution to better connect individual skills to the needs in the community, creating a more effective “skills-based” volunteer pipeline; research and begin to develop a plan for potential “voluntourism” experience.
 - Expand functionality of existing technology platforms to create a more sophisticated tool to better manage volunteer events, connect associates to volunteer opportunities, and track participation.
 - Increase participation rates in both matching gifts and volunteer reward programs to 10%.
 - Invest more than \$10 million in the community in 2016, to .6% of adjusted EBITDA.
 - Ensure responsible use of funds by collaborating with our businesses and individual communities to identify investment opportunities in defined impact areas.
 - Develop detailed budget matrix to address financial distribution across our businesses and locations.
 - Continue strategic exploration of new and reputable nonprofit partners and programs, both domestic and international, who match our mission and purpose.
-



Environment

Our commitment:

Respect the impact that our operations have on the environment and strive to measurably reduce our carbon footprint through operational efficiencies and engaging our associates.

We will continue to balance our growth, while striving to reduce our impact on the environment.

As we continue to grow, one of our biggest challenges is to manage that growth responsibly. It's what our customers, our associates, and our shareholders expect. Our two largest areas that impact the environment are the electricity consumed by our facilities (where the majority of our 15,000 associates work) and our paper use for

external purposes (direct marketing materials and statements), which is primarily driven by our clients' needs. We will continue to measure, monitor, and work to understand the best ways to balance our growth, while striving to reduce our impact on the environment.

MANAGING OUR COMMITMENT

Greenhouse Gas (GHG) Inventory

We completed our fourth GHG inventory with increased data accuracy, providing the information needed to better understand our impacts and allow our lines of business to manage those impacts in a relevant and targeted way. In 2015, we saw a 53% reduction in scope 1 and 2 emissions (those areas more directly in our control), largely the result of improved data collection.

This included:

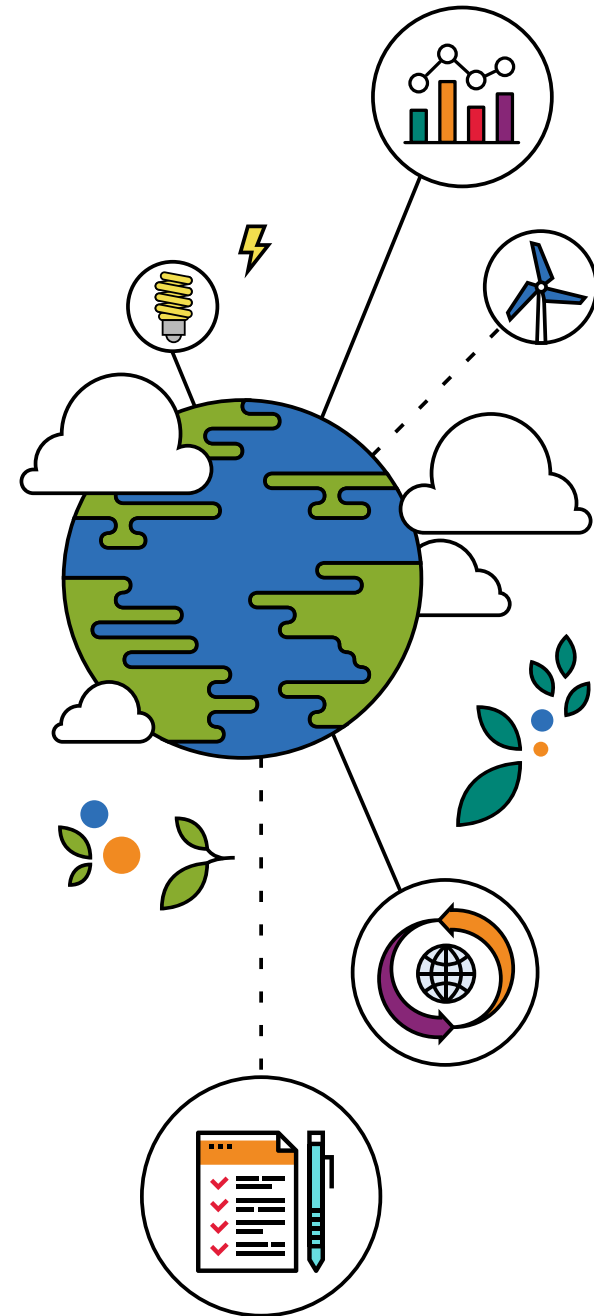
- Gathering actual energy consumption data for our buildings as opposed to generating estimates based on national averages.
- Implementing a new sustainability management software, SoFi, that has enabled improved accuracy in GHG quantifications (e.g. helped to identify and correct past misallocations of emission factors for rental vehicles used for business travel).
- Providing our lines of business with direct access to SoFi, which required them to input and manage their respective data points, resulting in higher accountability, improved efficiency, and accuracy.

Carbon Disclosure Project (CDP)

We prepared our second response to the CDP, a response based on increasing expectations of transparency from our clients, and received our first score. Our first scored response received an above average disclosure score:

- Alliance Data: 69
- CDP supply chain average: 60

CDP works with businesses to universally disclose their greenhouse gas emissions, including information on financial implications and other risks and opportunities for our organization to respond to climate change (e.g., tons of CO₂e, reduction strategies, investments, targets, and climate change risk assessment, amongst others). The information provided through CDP is further distributed through Bloomberg as a means of disclosing non-financial information to the investor community.



HIGHLIGHTS

GHG INVENTORY

COMPLETED OUR
4TH INVENTORY
(SPANNING JANUARY 1–
DECEMBER 31, 2015)

**IMPROVED
DATA ACCURACY**
BY INCREASING THE USE OF
ACTUAL CONSUMPTION DATA
AND IMPLEMENTING A
NEW TRACKING TOOL

53% REDUCTION
IN SCOPE 1 AND 2 EMISSIONS
FROM 2014 TO 2015

CDP RESPONSE

RESPONDED TO CDP FOR THE
SECOND TIME AND RECEIVED OUR
FIRST SCORE

ABOVE AVERAGE
DISCLOSURE SCORE

ALLIANCE DATA: 69

CDP SUPPLY CHAIN
AVERAGE: 60

WORK FROM HOME

CONTINUED TO GROW OUR
**WORK-FROM-
HOME PROGRAMS**
AT ALLIANCE DATA'S CARD
SERVICES BUSINESS AND
LOYALTYONE CARE CENTERS
— A UNIQUE AND INNOVATIVE
APPROACH FOR
A CALL CENTER SETTING

**1,667 WORK-
FROM-HOME**
CARE CENTER ASSOCIATES
HELPED REDUCE OUR
ENVIRONMENTAL FOOTPRINT

CELEBRATED EARTH DAY

ENCOURAGED ASSOCIATES
TO **MAKE GREEN
COMMITMENTS**
AT WORK OR HOME

ASSOCIATES PLEDGED
TO USE **REUSABLE
SHOPPING BAGS,**
OPT OUT OF PAPER BANK
STATEMENTS, AND
BIKE TO WORK

FOR EVERY ASSOCIATE WHO
MADE A GREEN COMMITMENT,
ALLIANCE DATA DONATED **\$10
TO AMERICAN FORESTS**

ALLOWED ASSOCIATES TO **VOTE**
FOR WHICH **CONSERVATION
PROJECT** WE WOULD SUPPORT

TOTAL DONATION OF **\$75,000** TO
AMERICAN FORESTS



HIGHLIGHTS

GOING GREEN AT WORK

REMOVED **3 TONS OF STYROFOAM PRODUCTS** AND REPLACED WITH ECO-FRIENDLY, REUSABLE ALTERNATIVES AT ALLIANCE DATA'S CARD SERVICES BUSINESS LOCATIONS

INVESTIGATED **UTILITY INVOICE MANAGEMENT** SYSTEMS

ALLIANCE DATA'S CARD SERVICES BUSINESS **CONSOLIDATED UTILITIES VENDOR** FOR ALL OHIO LOCATIONS (ESTIMATED **\$140,000 SAVINGS**)

OUR **ELECTRONIC INVOICING SOFTWARE** SAVED THE EQUIVALENT OF:

20 TREES

69 POUNDS OF AIR POLLUTANTS

ENOUGH ENERGY TO RUN A HOME FOR **7 MONTHS**/FUEL A CAR FOR **1,456 MILES**

3 CUBIC METERS OF LANDFILL

PREVENTED **873 TONS OF CARBON EMISSIONS** FROM BEING EMITTED INTO THE ATMOSPHERE BY PURCHASING **BULLFROG GREEN ENERGY** AT LOYALTYONE OFFICES IN CALGARY, MISSISSAUGA, AND TORONTO

MISSISSAUGA CUSTOMER CARE CENTER GENERATED ITS **1 MILLIONTH KW OF SOLAR POWER**

LOYALTYONE VOTED ONE OF **CANADA'S GREENEST EMPLOYERS** 6TH YEAR IN A ROW





Spotlight: Earth Day

From our Greenhouse Gas (GHG) inventory, we know our biggest impact on the environment is paper usage. That's why we've been taking proactive measures to reduce our impact, such as conducting energy audits. Another step we've taken is to increase our commitment to American Forests.

Since 2012, we have contributed more than \$100,000 to American Forests and planted 100,000 trees. In 2015, we committed to contribute an additional \$75,000 to American Forests.

On Earth Day, we launched a campaign to encourage associates to make a personal commitment to going green. Associates picked an environmentally friendly action to focus on at work or at home and then shared their commitments with other associates via a social media site. For every associate who made a commitment, Alliance Data would make a \$10 donation to an American Forests project. And after making a commitment, associates chose which project to support.

Projects supported included:

- Station Fire Restoration Project in Angeles National Forest, California
- Sumatran Orangutan Habitat ReLeaf Project in Gunung Leuser National Park, North Sumatra, Indonesia
- LaCroix Lake Restoration ReLeaf Project in Superior National Forest, Minnesota

Some of the commitments associates made included:

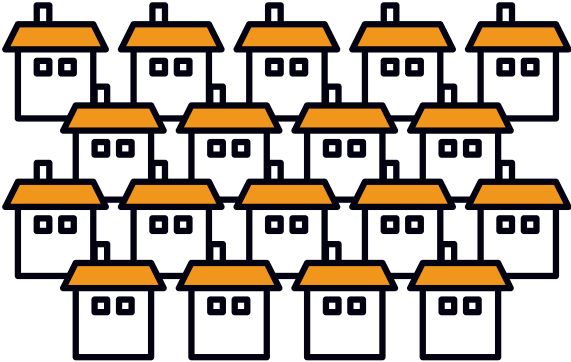
- "Start using reusable bags for all of my shopping, not just grocery shopping."
- "Stop buying cases of water and fill up my reusable water bottle."
- "Cancel paper bank statements and switch to online statements."
- "Walk or bike around the city this summer instead of driving."
- "Select plans to support the honey bee population and reduce the use of pesticides."
- "Transition to LED lightbulbs in my home."
- "Turn off my computer at the end of every day to save energy."



2015 DATA AND GHG EMISSIONS

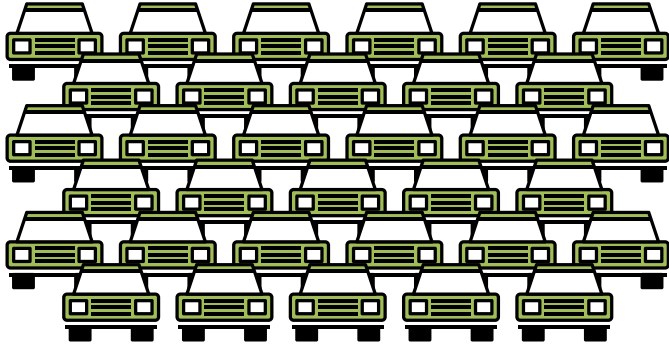
Putting our GHG emissions into perspective, 150,198 MT CO₂e is equivalent to:

**THE ANNUAL CO₂
EMISSIONS FROM
13,704 HOMES**
(16,654 IN 2014)



OR

**THE ANNUAL GHG
EMISSIONS FROM
31,621 CARS**
(38,426 IN 2014)



GHG EMISSIONS (MT CO₂E) BY SCOPE: FOUR-YEAR COMPARISON

		2015	2014	2013	2012	Percent Change from 2012 Baseline
Scope 1		Occur from sources that are owned, operated, and controlled by Alliance Data (i.e., emissions from combustion in owned or controlled boilers, furnaces, vehicles). Approximately 80 locations and 50 vehicles.				
1	Direct emissions	3,035	1,839	2,203	2,210	37.3%
Scope 2		Purchased electricity consumed by the company.				
2	Indirect emissions	35,480	80,393	75,419	72,238	-50.9%
	Total (MT CO₂e) Scope 1 & 2	38,514	82,232	77,622	74,448	-48.3%
GHG Intensity per Associate	Total associates	15,480	12,949	12,000	11,000	43.0%
	GHG/associate	2.5	6.4	6.5	6.8	-63.8%
	Percent change year over year	60.8%	1.8%	4.4%	No data	N/A
GHG Intensity per Revenue	Annual revenue	\$6.4B	\$5.3B	\$4.3B	\$3.6B	77.8%
	GHG/revenue	0.000006	0.000016	0.000018	0.000021	-70.9%
	Percent change year over year	61.2%	14.0%	12.7%	No data	N/A

GHG EMISSIONS (MT CO₂E) BY SCOPE: FOUR-YEAR COMPARISON

		2015	2014	2013	2012	Percent Change from 2012 Baseline
3	Indirect emissions not owned or controlled by the company	111,683	100,292	77,129	60,313	85.2%
	Total (MT CO₂e) Scope 1, 2, and 3	150,198	182,524	154,751	134,761	11.5%

Scope 3

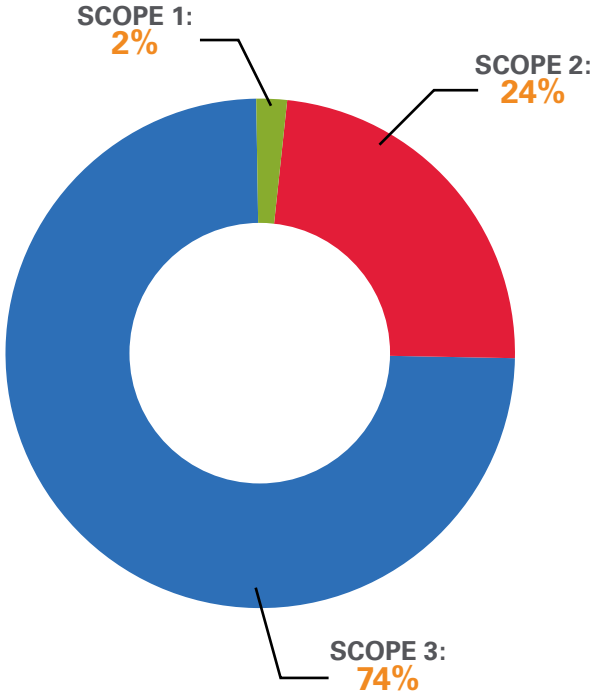
An optional reporting category.

Allows for the treatment of all other indirect emissions created as a consequence of the activities of the company, but occurs from sources not owned or controlled by the company.

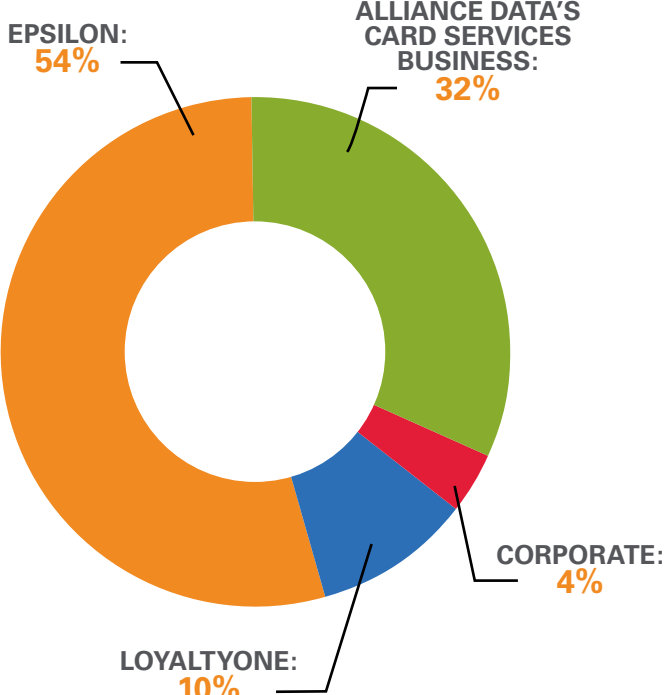
Examples: air and ground business travel as well as associate commuting to and from work, relevant upstream emissions (paper purchases driven by client demand) and downstream (freight and small parcel shipments with third-party carriers), and emission sources from material and energy flows.

Client demand fuels a consistent and high level of paper purchases for digital print operations.

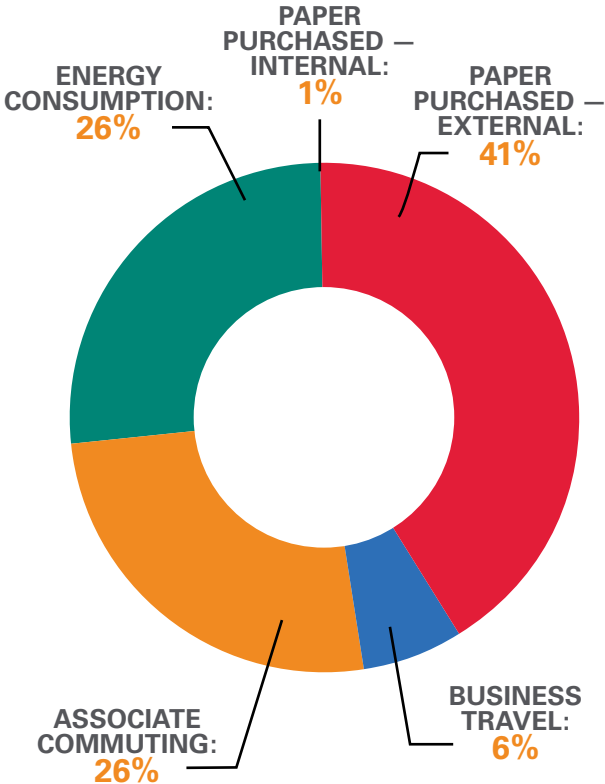
EMISSIONS BY SCOPE



EMISSIONS BY BUSINESS







EMISSIONS BY ACTIVITY




THREE-YEAR GOALS (ESTABLISHED IN 2014)

Our commitment: Respect the impact that our operations have on the environment and strive to measurably reduce our carbon footprint through operational efficiencies and engaging our associates.

GOAL	PROGRESS	2015 ACCOMPLISHMENTS
ENERGY, GHG EMISSIONS, AND WASTE: MEASURABLY REDUCE OUR CARBON FOOTPRINT BY ADVANCING ENVIRONMENTALLY RESPONSIBLE BEHAVIORS.		
Conduct fourth annual GHG inventory with improved accuracy.		<ul style="list-style-type: none"> Submitted first official response to CDP, receiving an above average disclosure score in our first scored response. <ul style="list-style-type: none"> Alliance Data: 69 CDP supply chain average: 60
Finish implementation on centralized sustainability data management software to improve the efficiency and accuracy of our annual GHG Inventory.		<ul style="list-style-type: none"> Completed implementation of SoFi tool, inclusive of historical data from previous three GHG inventories. Fourth inventory was completed entirely in SoFi. The tool has also supported the increased accuracy of data reflected in the CR report and CDP report (both internal and external benefits).
Implement centralized utility bill software management tool, inclusive of energy efficiency modules to ease tracking and management of utility bills.		<ul style="list-style-type: none"> On track to implement this software management tool in 2016, which will improve the efficiency and accuracy of our energy data collection. Increasing the frequency of collection (quarterly vs. annually) will improve data entry and management.
Achieve a 5% reduction (scope 1 and 2) in our carbon footprint.		<ul style="list-style-type: none"> Percent change since 2012 baseline year: 48% reduction. Percent change since 2014: 53% reduction.

GOAL	PROGRESS	2015 ACCOMPLISHMENTS
<p>Conduct energy audits in a select number of buildings and facilities to identify opportunities to reduce consumption.</p>		<ul style="list-style-type: none"> • A provider to conduct the audits was identified.
<p>Building on the results of the energy audit, we will create an energy awareness campaign to educate associates on ways to change behavior and reduce energy consumption.*</p>		<ul style="list-style-type: none"> • Launched Earth Day campaign to encourage associates to make a green commitment.
<p>Assign responsibility for energy reduction at the facility management level.*</p>		<ul style="list-style-type: none"> • Have designated facilities management experts across the enterprise to inform decision-making, identify, and implement future reduction plans related to energy management.
<p>Conduct waste audit in 2–3 production facilities to better understand opportunities for diversion and increase associate engagement activities related to waste reduction.</p>		<ul style="list-style-type: none"> • In 2015, we shifted focus from waste to energy management. This opportunity is still part of our long-term road map, but immediate resources will focus on energy and paper (in line with our impacts) vs. waste audits.



*We have targeted these areas because our buildings and facilities make up 50% of our carbon footprint.

PLANNED ACTIVITIES FOR 2016 AND BEYOND

- Receive our second score for our response to the CDP.
- Implement centralized utility bill software management tool to increase the efficiency and accuracy of our energy data collection.
- Conduct energy audits in a select number of buildings and facilities to identify opportunities to reduce consumption.
- Due to improvements in our collection process and increased data accuracy, adjust baseline year for our GHG inventory to 2015.
- Establish a more science-based reduction target in line with our revised 2015 baseline.
- Develop a more intentional road map and vision statement for our conservation and reduction efforts.

Conclusion

FOCUSING ON THE FUTURE

While this report captures the ongoing improvements our company has made, it also pulls back the curtain on areas where we still have work to do. We have a commitment to continually strive to do better and be the best we can be — for our associates, clients, consumers, shareholders, the community, and numerous other stakeholders. Of course, this is easy to say, but putting it into action requires a thoughtful, strategic plan.

In order to ensure our continued success, we must:

	OUR COMMITMENT	OUR FUTURE
	Data Demonstrate leadership in the secure and responsible use of consumer data.	<ul style="list-style-type: none">• The continued success of our company depends on it; this commitment will always be of great significance.
	People Advance our reputation as a great company to work for and partner with.	<ul style="list-style-type: none">• Our stakeholder universe continues to expand and evolve. Our associates, clients, and consumers will remain our top priority.
	Community Annually increase our giving budget at a pace that correlates with our growth and profitability.	<ul style="list-style-type: none">• We pledge to invest more than \$50 million in the community by 2020.
	Environment Measurably reduce our impact on the environment.	<ul style="list-style-type: none">• We will develop a more intentional road map and vision statement for our conservation and reduction efforts.

In our first report, we outlined the above four priorities as critical to our ongoing success. Though specific goals may change, our focus will remain the same. We know the quest to be a good corporate citizen is a constant journey, and the pride we have in our successes fuels our drive to be better and do greater things.

If you have comments or feedback about this report or our Corporate Responsibility efforts, please email allforgood@alliancedata.com.