

## Environmental Policy Statement

Bread Financial recognizes the importance of environmental stewardship and the risks that environmental challenges, including climate change, increasingly pose to our business, our associates, our clients, our customers and the communities we serve. Bread Financial understands we have a role to play in protecting and preserving the environment, and is committed to addressing environmental risks by adopting sustainable and responsible practices throughout our business, including those related to climate change, energy efficiency and resource conservation.

### **Bread Financial's Commitment**

Bread Financial is committed to responsibly managing the environmental impact of our operations, incorporating environmental stewardship considerations throughout the business and promoting awareness among our stakeholders on sustainability and related initiatives. Bread Financial intends to honor this environmental commitment through the following actions and efforts:

#### *Governance & Reporting*

- Provide effective governance and oversight over our environmental and climate-related risks, as well as our sustainability-related practices.
- Inform and educate the Nominating & Corporate Governance Committee of our Board of Directors, our Executive Leadership team, as well as key cross-functional leadership, on our climate-related risks, strategies, practices and mitigating actions.
- Adhere to our internally established Sustainability Framework, to ensure Bread Financial appropriately considers, assesses and manages its climate and environmental risks and opportunities.
- Proactively communicate our progress, actions and initiatives through accurate and transparent disclosure.

#### *Measurement, Assessment & Reduction*

- Continue to measure and analyze the company's greenhouse gas (GHG) emissions and overall carbon footprint to inform and guide our progress toward achieving the company's formally established reduction targets.
- Perform the necessary assessments to understand and evaluate our climate-related risks while taking the steps we believe are appropriate to mitigate those risks.

#### *Facilities*

- Aim to align our lease space with the size and scope of our operations, while prioritizing eco-friendly spaces that incorporate renewable resources or environmental certifications where feasible.
- Promote sustainability within our facilities by encouraging eco-friendly supplies, equipment and systems.

#### *Energy & Resource Management*

- Prioritize the use of renewable energy, as well as promote energy efficiency and conservation within our office buildings.
- Manage the consumption of energy, water, paper and other resources used in our day-to-day operations and implement initiatives with the goal of reducing the waste we generate, reusing resources and increasing recycling efforts.

#### *Products & Services*

- Seek opportunities to provide financial products and services that promote environmentally-beneficial business practices.
- Prioritize reusing, recycling, or repurposing electronics through donations and responsible disposal programs.

*Travel*

- Seek to minimize emissions from commuting through hybrid and work-from-home programs and associate adoption of sustainable commuter transport options, including electric vehicles, ride sharing and cycling to work.
- Endeavor to reduce business travel and promote alternatives when possible.

*Engagement*

- Work to incorporate environmental considerations into procurement processes and encourage our suppliers to operate in an environmentally responsible and efficient manner.
- Seek to identify and invest in sustainability initiatives that engage our associates and align our biggest impact areas.
- Regularly engage with both internal and external stakeholders – including our associates, investors, clients and other partners – to solicit feedback and understand their sentiments regarding sustainability matters believed to affect our business performance and long-term success. This engagement will enable us to identify, prioritize and validate our most material topics and related actions.