

2024

Sustainability Report





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Introduction





About This Report

About This Report

Thank you for your interest in Bread Financial's 2024 Sustainability Report. We are pleased to share our commitments, progress to date, and aspirations on topics that matter most to our company and stakeholders.

In preparing this report, we have referenced established sustainability reporting frameworks, standards and recommendations such as Sustainability Accounting Standards Board (SASB) Consumer Finance Standard, Task Force on Climate-Related Financial Disclosures (TCFD), and Global Reporting Initiative (GRI).

Our 2024 Sustainability Report primarily covers data and metrics from January 1 to December 31, 2024, unless otherwise noted. The Sustainability Report covers office locations under our operational control and includes Comenity Bank and Comenity Capital Bank, which we refer to in this report as our "banks" or "bank subsidiaries." Three years of data have been provided where available; however, some metrics are newly added and may not have readily available data from prior years. Metrics presented in this report have been generally rounded for clarity and simplicity. The degree of rounding may vary across different figures. All financial information is presented in U.S. dollars, unless otherwise noted. This report, which speaks only as of its date and is not required to be updated, is not comprehensive, and for that reason, should be read in conjunction with our most recent Annual Report on Form 10-K, our subsequent reports on Forms 10-Q and 8-K, and other filings made with the U.S. Securities and Exchange Commission (SEC). This report represents our current policy and intent and is not intended to create legal rights or obligations. This report may contain links to other internet sites or references to third parties. Such links or references are not incorporated by reference to this report and we can

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For more information about Bread Financial, please read our [2024 Annual Report](#) or [2025 Proxy Statement](#) or visit our website. For additional information on our sustainability initiatives, visit our investor relations website or contact communityrelations@breadfinancial.com.





A Message from Our President and Chief Executive Officer

A Message from Our President and CEO

At Bread Financial, our responsible and transformative business practices define how we serve our stakeholders and create long-term shareholder value. Sustainability is ingrained in everything we do, from our products and services, to how we manage our operations. This holistic approach creates positive impacts for our customers, brand partners, associates and communities while driving sustainable and responsible growth.

The strength of our business model enabled us to deliver strong financial performance in 2024 in the face of economic and regulatory headwinds. We forged new partnerships with iconic brands, fortified our technology infrastructure, increased retail deposits and paid down parent debt—actions that further strengthened our balance sheet and will enable us to continue capitalizing on future growth opportunities. At the same time, we made significant progress on our goals of reducing our environmental impact, making positive investments in our communities, and cultivating a strong workplace culture that attracts and retains top talent.

One of the ways that we drive responsible growth is through our relentless focus on operational excellence. We consistently seek new ways to drive continuous improvement, create efficiencies and discover better ways of working. By empowering our associates to identify and implement solutions that support those objectives, we instill in our organization a mindset of continual improvement that delivers favorable outcomes for our business and stakeholders.

As a tech-forward financial services company, our initiatives to enhance the digital customer experience align with our objectives to minimize waste. Our technology transformation and operating model aim to bolster resiliency and achieve faster speed-to-market. As we integrate emerging technologies such as artificial intelligence (AI) to drive business improvements, we are committed to doing so responsibly and ethically.

Bread Financial's sustainability principles are rooted in our business strategy and critical to how we will drive profitable, sustainable performance in 2025 and beyond. By striving to do right by our associates, customers, investors, communities and the planet, we are building a more resilient business that creates value for all stakeholders.

Ralph Andretta
President and Chief Executive Office



RECOGNITION OF OUR EFFORTS



Benchmark Portal
Center of Excellence



Great Place to Work
Certification (USA)



Great Place to Work
Certification (India)



Great Place to Work Best
Workplaces in Fintech India 2024



Newsweek America's Most
Responsible Companies 2024



Newsweek Most Trustworthy
Companies in America 2024



Plan Sponsor of the Year 2024



Healthy Business Council of
Ohio Healthy Worksite Gold
Level Employer 2024

Additional recognitions include:

- Fortune 1000
- Newsweek America's Greatest Workplaces for Parents and Families
- Newsweek Excellence 1000 Index: Excellence in Financial Services, Customer Service, Sustainability, and Social Responsibility
- Purpose Jobs' Best Culture in the Midwest
- TIME America's Best Midsize Companies
- TIME World's Best Companies
- U.S. News & World Report's Best Companies to Work For: Overall, Financial Services, and In the Midwest



A Message from Our Chief Sustainability Officer

A Message from Our Chief Sustainability Officer

On behalf of my fellow associates, our leadership team and our Board of Directors, I'm pleased to share Bread Financial's 2024 Sustainability Report. Our 12th annual report reflects our decades-long maturation, continually improving and aligning to report on critical components of our business. Developing the report is truly a team effort that requires collaboration across virtually every area of our business, reflecting how sustainability threads throughout everything we do, and the initiatives contained therein. Over the last year, we have worked together to make significant progress in deepening our company-wide commitment to environmental stewardship, social progress and strong governance. This report demonstrates our dedication to providing transparency and accountability for our collective efforts.

Our sustainability strategy is deeply rooted in our business strategy and reflects priorities shared by our various stakeholders. Simply put, our success is driven by focusing on mitigating risk, creating opportunities, improving efficiencies, and creating long-term sustainable value for all those we serve.

Caring for our customers is at the heart of everything we do at Bread Financial. We aim to build trust and loyalty through a culture where our associates are committed to creating an exceptional experience for our customers. We support our customers' financial wellness through fair and responsible banking practices, providing access to financial education and resources, and maintaining controls that protect them in a digital banking environment.

In 2024, we mobilized to assist customers affected by the catastrophic hurricanes in the Southeast. These extreme weather events highlighted an opportunity to better support impacted customers and to create modern natural disaster response plans. We also supported our

brand partners in delivering on their own sustainability commitments, through sustainable plastic cards, cause marketing campaigns and other initiatives.

Delivering an exceptional customer experience would not be possible without the approximately 6,000 global associates who are the heart and soul of Bread Financial. An engaged and fulfilled workforce is essential to executing our business commitments and priorities, and we are committed to helping each associate achieve their personal best. We continue to strengthen our Associate Value Proposition and drive a flexible, collaborative workplace culture. Those efforts earned us high marks on associate engagement surveys in 2024 and helped cultivate a strong sense of belonging.

One of our core values at Bread Financial is to "be kind and pay it forward." That value comes to life in the way we give back to our communities through volunteerism and philanthropic financial investment. In 2024, we established a new methodology for assessing community impact to better ensure that the causes we fund result in measurable outcomes demonstrating the impact intended. We continued to advance our comprehensive support for nonprofit organizations by contributing to their missions through various means, including grants, volunteerism, and cause marketing campaigns, among other initiatives.

Our commitment also includes protecting the planet and doing our part to address the impacts of climate change. We embrace environmentally responsible business practices throughout our organization, from the way we manage our real estate to how we deliver our products and services. Last year, we established new greenhouse gas reduction targets that balance our aspirations with a realistic assessment of what is achievable. By collaborating with suppliers, advancing digitalization efforts and driving a

culture of environmental stewardship, we can continue to reduce our impact on the environment.

I'm proud of our progress over the last year in creating sustainable value for our customers, brand partners, associates, communities and the planet—while delivering strong returns for our shareholders. Responsible business practices go hand in hand with long-term financial success, and I'm excited to work alongside a team of equally committed colleagues to continue driving progress in 2025.

Dana Beckman
Chief Sustainability Officer





About Bread Financial

About Bread Financial

Bread Financial® (NYSE: BFH) is a tech-forward financial services company that provides simple, personalized payment, lending, and saving solutions to millions of U.S. consumers. Our payment solutions, including Bread Financial general purpose credit cards and savings products, empower our customers and their passions for a better life. Additionally, we deliver growth for some of the most recognized brands in travel & entertainment, health & beauty, jewelry and specialty apparel through our private label and co-brand credit cards and pay-over-time products providing choice and value to our shared customers.

To learn more about Bread Financial, our global associates and our sustainability commitments, visit breadfinancial.com or follow us on [Instagram](#) and [LinkedIn](#).

Mission, Vision and Values

Our mission is to challenge the status quo in financial services solutions by delivering simple, smart products backed by a seamless experience to our customers and partner base of approximately 100 brands and numerous online merchants.

We believe in fair and responsible banking and leverage robust risk-based origination decisions to help ensure consumers have the appropriate level of credit access and credit limits that are within their capacity to repay. This allows us to meet our obligations and adhere to our values as a responsible lender.



MISSION

We challenge the status quo to enable satisfaction and happiness through simple, smart financial solutions created for all.



VISION

To think outside the bank as the leading tech-forward financial solutions provider serving people and their passions for a better life.



VALUES

- Be real
- Be courageous
- Be nimble
- Be dependable
- Be kind & pay it forward



PRIMARY PRODUCT OFFERINGS



PRIVATE LABEL AND CO-BRAND CREDIT CARD LENDING

Private label and co-brand credit card programs that assist many well-known brands and retailers in driving sales and loyalty.



DIRECT-TO-CONSUMER CARDS

General purpose credit cards include Bread Cashback® and Bread Rewards™ American Express® credit cards with a number of lifestyle benefits.



BREAD PAY™

Our payment technology solution for pay-over-time products, which includes both our installment loan and “split-pay” offerings.



BREAD SAVINGS™

Online platform providing direct-to-consumer deposit products, primarily in the form of certificates of deposits and high-yield savings accounts, including traditional and Roth Individual Retirement Accounts.

SERVICES SUPPORTING OUR PRIMARY PRODUCT OFFERINGS



RISK MANAGEMENT, ACCOUNT ORIENTATION AND FUNDING SERVICES

We process millions of credit card applications each year using automated proprietary scoring technology and verification procedures for responsible risk-based underwriting and origination decisions when approving new accounts and establishing credit limits.



CREDIT CARD AND OTHER LOAN PROCESSING AND SERVICING

We manage and service the loans that we originate for private label and co-brand credit card programs, as well as our direct-to-consumer credit cards and Bread Pay™ products.



FRAUD PREVENTION

We monitor our customers' accounts to help prevent, detect, investigate and resolve fraud across the various products we offer.



MARKETING, DATA AND ANALYTICS

Through our integrated marketing services, we design and implement strategies that assist our partners in acquiring, retaining and expanding customer engagement to drive a more loyal, frequent shopper that increases customer lifetime value.



DIGITAL AND MOBILE CAPABILITIES

We are constantly seeking to improve our digital and mobile capabilities in order to support and enhance our product offerings, drive growth for our brand partners and improve the customer experience.



Governance

Sustainability Strategy and Governance

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Sustainability Strategy and Governance

Our sustainability strategy is representative of the responsible business practices that are integrated in every facet of our enterprise operations. Additionally, it reflects routine feedback from our key stakeholders to ensure we appropriately prioritize the critical aspects of our business that enable achievement of our long-term financial and reputational goals. Management's approach to sustainability focuses on ethics and integrity, risk management, and seeking out proactive initiatives that add value for our business, stakeholders and communities in which we operate. We take a deliberate and principled stakeholder-driven approach that serves as the underpinning of our sustainability strategy. We hold ourselves accountable to our stakeholders and the pillars of that strategy, while also aligning with relevant global frameworks. Our mission is to challenge the status quo in financial services solutions by delivering simple, smart products backed by a seamless experience to our customers and partner base.





Strategy

We believe our ability to create lasting value for our stakeholders is directly tied to our commitment to managing risks and opportunities through responsible business practices. Therefore, our sustainability strategy takes a holistic approach designed to help ensure the needs and expectations of our stakeholders are addressed and prioritized with the appropriate attention and resources. This is reflected within our strategic focus areas and culture-building tenets, which incorporate the fundamental operating requirements that drive our business and support an engaged workforce. Our most recent materiality assessment is core to informing both our business and sustainability strategies, as the two are intrinsically linked. For more information, see the [Materiality Assessment](#) section of this report.

We have continuously advanced the integration of sustainability within our overall strategic planning and management processes, and we will continue to embed these priorities into our day-to-day operations and decision making. In 2024, we made great strides in advancing this objective, such as furthering our efforts to incorporate sustainability into our supplier assessments. One of our organizational goals is to execute responsible and transformative business practices, which includes integrating sustainability strategies in all that we do—reinforcing our view that a sustainable approach is essential to driving responsible, long-term growth.

Additionally, we continued to build out programs within each pillar of our **Sustainability Strategic Framework**. We have accelerated our progress by deepening cross-functional engagement and setting realistic objectives for measuring our efforts and related impact. You can read more about our progress in subsequent chapters of this report.

Consumers and Sustainability

In 2024, we conducted our annual Brands + Corporate Responsibility Survey to gauge the role that environmental and social efforts play in consumers’ decisions to engage with retailers and brands. The survey involved 2,074 respondents aged 18–78 with an interest in at least one environmental or social issue.

Research indicates that consumers expect companies, including retail brands, to uphold environmental and social responsibilities. However, macroeconomic factors, such as inflation, are affecting consumers’ willingness and capacity to spend.

Key survey findings included:

- 77% of consumers believe companies have an overall responsibility to “do the right thing,” consistent with our 2023 survey (76%).
- Consumers are becoming more price sensitive, with 59% reporting that price often discourages them from purchasing products from retailers that support environmental or social responsibility, up from 55% in 2023.
- Shoppers preferred a passive approach to supporting brands’ cause-related efforts (e.g., brands just donating to environmental or social causes), rather than an active approach (e.g., contributing a portion of shoppers’ purchases to environmental or social causes).
- Initiatives like using eco-conscious shipping materials or bags show shoppers that brands are “doing the right thing,” particularly while the influence of support-with-purchase efforts remains limited.

SUSTAINABILITY STRATEGIC FRAMEWORK



Managing Our Business Responsibly

Integrating sustainable and responsible business practices into our overall governance, risk management, business strategy and priorities.



Empowering Our Customers

Empowering customers through inclusive, responsible access to a variety of financial solutions.



Engaging Our Associates

Promoting an inclusive, engaged culture that empowers associates through opportunities to grow, develop and lead.



Creating Possibilities for Our Communities

Making bold, strategic investments that empower our communities and create possibilities.



Protecting Our Planet

Accelerating our actions and investments to address the impact of climate change while driving resource efficiency.



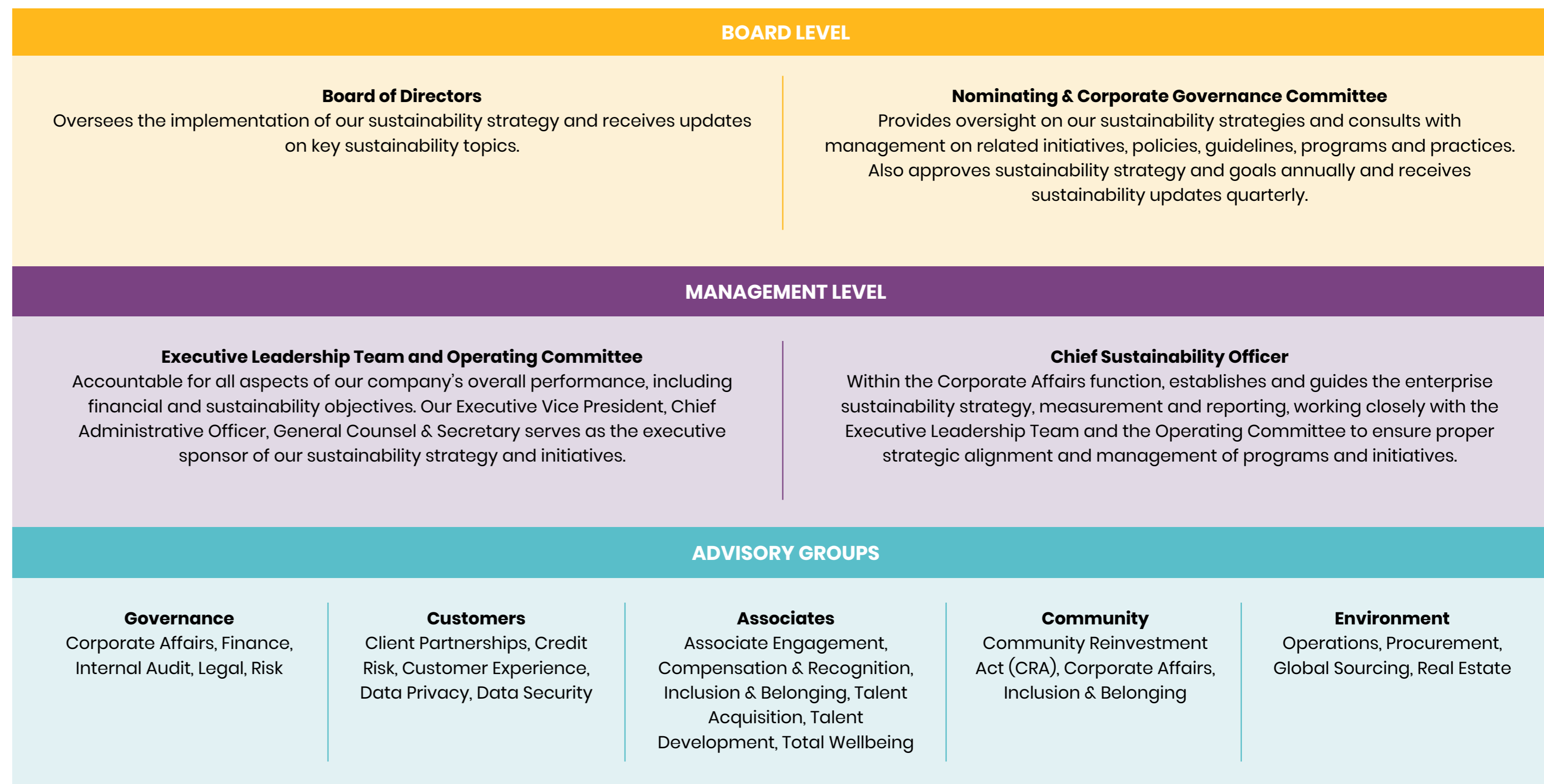
Governance and Management

Bread Financial recognizes the importance of strong corporate governance, including risk management processes, to promote the sustainability and resilience of our operations and our communities. The identification and management of enterprise risks, including environmental and social risks, is fundamental to our overall risk culture and is a cornerstone of how we strategize, manage and oversee our operations. Sustainability risks are incorporated within our Enterprise Risk Management Framework, which is discussed in the [Risk Management](#) section of the **Managing Our Business Responsibly** chapter.

As part of our commitment to responsible business practices, we take a multi-tiered approach to ensure comprehensive oversight of these issues. These tiers include oversight by the Board and its standing committees, as well as development and execution of strategies, policies and procedures to identify, manage and mitigate risk. For more information on the roles and responsibilities of the Board and its committees, see our [2025 Proxy Statement](#).

We continue to take additional steps to align our reporting and disclosures, ensuring that our Sustainability Report, Annual Report and Proxy Statement complement one another to provide a full picture of our business strategy and performance. Our Disclosure Committee is responsible for formally reviewing and approving our Annual Report and has established a subcommittee to specifically oversee our Sustainability Report and Proxy Statement.

SUSTAINABILITY GOVERNANCE STRUCTURE





Stakeholder Engagement

We continuously engage our stakeholders both formally and informally to ensure our sustainability strategy reflects their priorities. Our stakeholders include a variety of internal and external parties, including the following:

- **External:** Customers, brand partners (clients), investors, suppliers, industry groups and lobbyists.
- **Internal:** Parent Board of Directors, banks' Boards of Directors, executive team, senior leaders and associates.

Materiality Assessment

We completed our fourth materiality* assessment in 2023, conducted by a third party and aligned with the recommended process outlined in the GRI Standards. We engaged key internal and external stakeholders to understand and analyze which sustainability topics are of greatest importance to them. Results of the assessment were used to validate and inform both our business and sustainability strategies, identify and prioritize related risks and opportunities, and focus on those topics most meaningful to our stakeholders to maximize the company's impact.

Method

An anonymous online survey was sent to internal and external stakeholders asking them to rate the importance of 21 sustainability topics. Responses from the stakeholder groups were used to develop the materiality matrix.

Topics

The 21 sustainability topics were identified by reviewing peer materiality assessments and sustainability reports, leading

sustainability reporting frameworks, topics raised as important to stakeholders through other formal and informal engagements, the company's sustainability strategy and reporting, and topics identified by internal subject matter experts.

While not every topic presented is of equal importance, we believe all are relevant to our success as a business. We will continue to manage them in line with the expectations of our brand partners, investors, associates, customers and other key stakeholders. For definitions of these topics, please see the [Material Topics Defined](#) section of the **Appendix**.

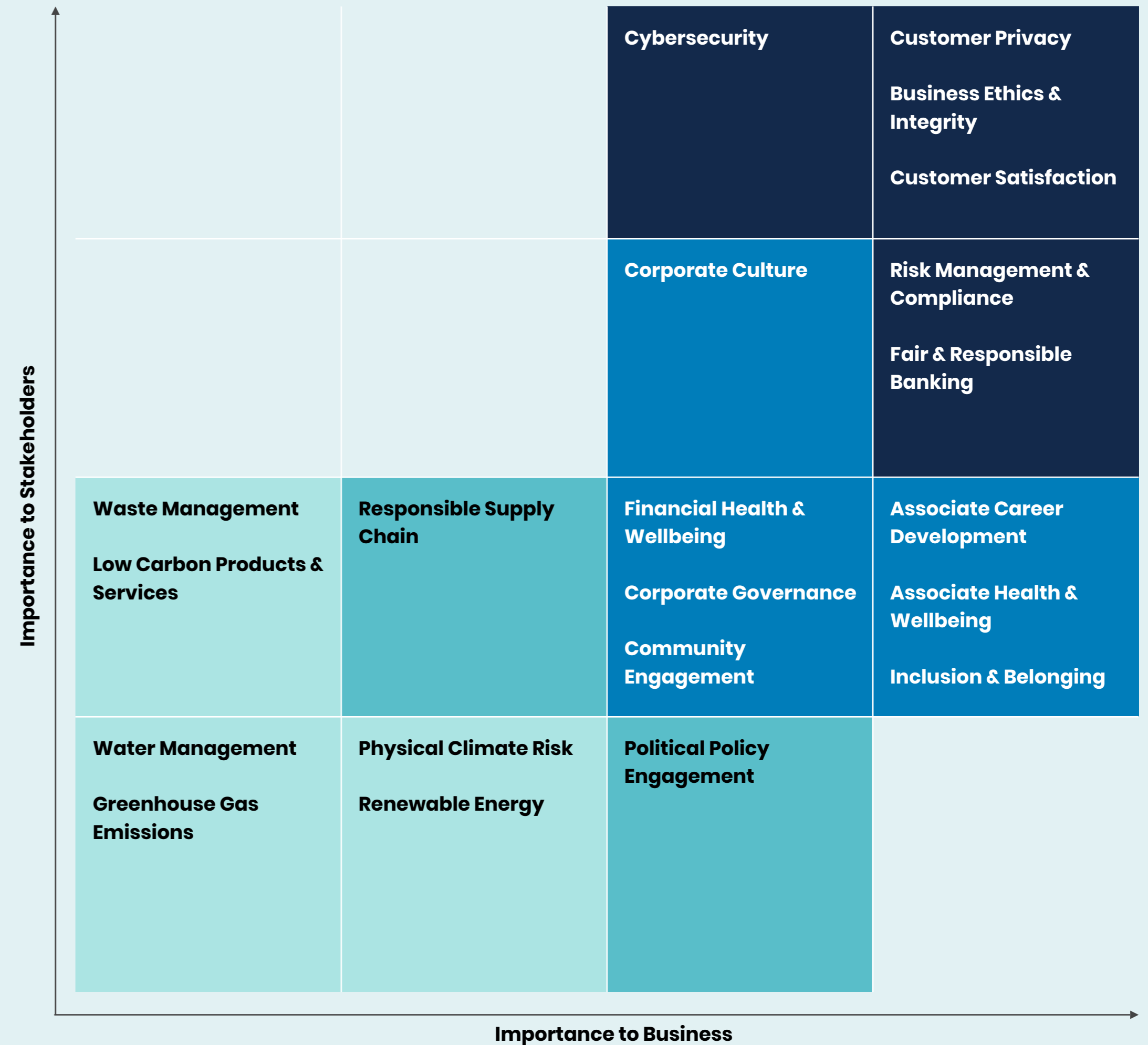
Reputation Management

Bread Financial has adopted a strategic approach to evaluating and managing reputational and business risks related to social issues. We continually monitor stakeholder sentiment on a variety of topics, such as political expression in the workplace and geopolitical events.

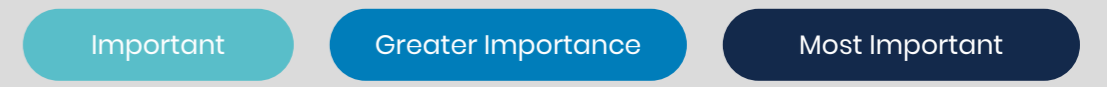
We established a Societal Issues Committee with representatives from across the organization, including Corporate Affairs, People & Culture, Risk, Commercial, Legal/Ethics, Business Strategy, and Investor Relations. The Committee uses a formal framework to guide decisions about when and how to engage in issues to protect our reputation. The framework includes a variety of questions to guide decision-making, focusing on alignment with our values, stakeholder impact, risks and the ability to make an impact. After discussing issues and arriving at consensus, the Committee presents recommendations to the Executive Leadership Team, ensuring that decisions are made at the highest level to protect our stakeholders.

*For further context regarding our use of the word materiality within this report, see "Note Regarding Materiality and Forward-Looking Statements."

2023 MATERIALITY RESULTS



Throughout this report, you will see these topics mapped to the sections in which they are discussed. Material topics will also be color coded based on their overall importance to our stakeholders.





Managing Our Business Responsibly

Managing Our Business Responsibly

Operating our business responsibly and ethically is integral to sustaining our business long-term and delivering on our promises to our customers and other stakeholders. We do this through sound corporate governance practices and maintaining policies and procedures that govern key risk areas, including ethics and integrity, risk management, cybersecurity and data privacy, and supply chain management.

2024 Business Accomplishments

Continued focus on operational excellence, driving value across the organization

Began issuing sustainability questionnaires to suppliers as part of our responsible sourcing efforts

Enhanced our Enterprise Risk Management Program

Alignment with Material Business Topics

Risk Management & Compliance

Corporate Governance

Political Policy Engagement

Responsible Supply Chain

Business Ethics & Integrity





Managing Our Business Responsibly

Corporate Governance

Board of Directors and Committees

Our commitment to managing our business responsibly starts at the top. Our Board of Directors oversees the company's strategy and provides oversight of key areas such as risk management, compensation and human capital, succession planning, financial reporting, compliance and cybersecurity. In addition, the Board oversees our sustainability strategy and initiatives, including those related to climate change and human rights.

Our Board delegates specific oversight responsibilities to four standing committees:

- Audit Committee
- Compensation & Human Capital Committee
- Nominating & Corporate Governance Committee
- Risk & Technology Committee

The Board has adopted a written charter for each committee, setting forth their respective roles and responsibilities.

Our [Corporate Governance Guidelines](#) provide a framework for the governance of the company, addressing the roles and responsibilities of our Board, the qualification and selection of directors, director orientation and education, board leadership and structure, board

processes, director responsibilities and other key topics. Our Nominating & Corporate Governance Committee reviews our guidelines at least annually and recommends any proposed changes to the Board for approval. Our guidelines require our Board to have at least a majority of directors who meet the criteria for independence established by the New York Stock Exchange. The Board is led by an independent chair and, as of the publication date of this report, consists of 10 directors, with all except our President and CEO, Ralph J. Andretta, qualifying as independent directors.

Read more about our Board, Board Committees and corporate governance practices in our [2025 Proxy Statement](#).

Board Refreshment

Our Board has maintained an active and successful Board refreshment process, with six new directors in the last five years, providing the Board with a strong mix of experience, skills and backgrounds. The Nominating & Corporate Governance Committee reviews director succession and board refreshment and strives to achieve a balance between maintaining institutional knowledge about our business and operations with the need for new perspectives and skill sets. Our Corporate Governance Guidelines provide for a mandatory retirement age of 75, but allow directors turning 75 to complete their term.



“Ensuring that management is prioritizing long-term, sustainable success and shareholder value creation is one of the board’s most important roles. The best directors help management plan not only for today’s challenges but also for the economic, regulatory and competitive challenges the company will face in the future.”

Joe Motes,
Executive Vice President, Chief Administrative Officer, General Counsel & Secretary



Managing Our Business Responsibly

Board Evaluations

Our Board conducts an annual evaluation of the Board and its committees, which is overseen by the Nominating & Corporate Governance Committee. As part of the evaluation process, directors complete a written questionnaire on an anonymous, unattributed basis covering a variety of topics and is designed to help assess the Board's performance and effectiveness and solicit feedback for improving board effectiveness. In 2023, the committee also engaged an independent third party to conduct candid, one-on-one interviews with each director to gain additional insight and will consider doing so again on a periodic basis when appropriate.

Director Experience

Nominees for election are approved by the Board after reviewing the recommendations of the Nominating & Corporate Governance Committee. The Board seeks directors who possess the requisite background, knowledge, experience, expertise and time, and who will strengthen and increase the skills and qualifications of our Board, including in critically important areas such as financial services, risk management, technology/cybersecurity, regulatory matters, human capital management and corporate responsibility. Other relevant factors are also considered when selecting director nominees, including the current composition of the Board, director independence, and the need for Audit Committee or other particular expertise.

Board Oversight of Sustainability

The Nominating & Corporate Governance Committee oversees the company's management of sustainability strategies. The committee receives quarterly reports from the Office of Sustainability on related initiatives, including updates on relevant risks and opportunities, as well as policies, guidelines and performance ratings.

For more detailed information on how we manage sustainability, please see the [Sustainability Strategy and Governance](#) chapter. To learn more about our climate risk analysis and related initiatives, see the [Protecting Our Planet](#) chapter.

Director Onboarding and Education

We have a formalized and robust director onboarding program to help ensure new directors achieve a successful integration to the Board. The program includes written materials, presentations, meetings with the Board Chair and other directors, and briefings by senior management on key topics, including company history, business operations and strategy, financial performance, bank subsidiaries' overview, industry and regulatory overviews, risk and compliance, corporate governance and director duties. The Board also receives comprehensive ongoing director education, including from outside experts who present on various topics of interest relevant to our business. In 2024, these topics included generative artificial intelligence (AI) and related board governance and regulatory matters, industry insights and cybersecurity.

BOARD DIVERSITY*

65

Average age of directors

50%

of the Board are diverse by race or gender

6.8 years

Average tenure of directors

*Based on director nominees in 2025 Proxy Statement.





Ethics and Integrity

Our Board and senior management are responsible for setting the tone at the top and fostering a culture of integrity and ethical business practices. Since the company's inception, we have been dedicated to building trust with our customers, investors, associates, suppliers and other stakeholders by upholding our values and maintaining an unwavering commitment to "do the right thing."

Code of Ethics

Our **Code of Ethics** provides guidance regarding sound decision-making and performing our duties ethically, responsibly and in compliance with applicable policies, laws and regulations. Our Board has also adopted a Code of Ethics for Senior Financial Officers and a Code of Ethics for Board Members, which supplement the Code of Ethics and provide additional guidance applicable to their designated roles.

The Nominating & Corporate Governance Committee oversees compliance with and enforcement of the Code of Ethics, and together with management reviews the Code annually and recommends any updates to the Board. The committee receives quarterly reports from the Ethics Office regarding ethics-related complaints and investigations to help them assess and understand any identified issues or trends. In addition, the Audit Committee reviews any ethics-related concerns involving financial reporting or accounting matters.

Ethics Training

Associates are required to complete annual training on, and certify that they understand and adhere to, the Code of Ethics. Associates also receive ethics training on a variety of other topics either annually or biennially, including:

- Insider trading
- Anti-harassment, discrimination and retaliation
- Anti-corruption and bribery
- Conflicts of interest and gifts
- Antitrust
- Data privacy and cybersecurity

For more information on our policies regarding these topics, please see our [Code of Ethics](#).

In addition to the ethics training discussed above, we launched a mandatory **Ethics Roadshow** for managers, which provides in-depth and interactive training covering our Code of Ethics, other key policies and processes, and the additional responsibilities of managers.

Lastly, each November, we celebrate **Compliance and Ethics Week**, an awareness campaign to reaffirm our commitment to ethics and compliance and to remind our associates to always act with integrity and ensure their actions comply with our Code of Ethics, company policies and applicable laws.

In our annual associate survey, we ask questions related to ethics, transparency and trust. In 2024:

81%

answered that Bread Financial is open and honest in communication with associates.

84%

answered that they are confident that senior leadership will make the right decisions for the organization.

90%

answered that Bread Financial shows a commitment to ethical business decisions and conduct.

Bread Financial is a corporate member of the **Ohio Data Ethics Working Group (ODEWG)** in The Ohio State University's Moritz College of Law, made up of businesses and organizations with a strong presence in Ohio. The ODEWG is focused on finding and using responsible data ethics practices for advanced analytics and artificial intelligence (AI) in business operations. Our membership in the ODEWG reflects our data ethics priorities and responsible practices across the business including the use of emerging technologies.

2024 TRAINING STATISTICS

100%

Completion rate for Code of Ethics training

99.6%

Completion rate for Anti-Harassment and Anti-Discrimination training





Managing Our Business Responsibly

Ethics Helpline

We encourage our associates, suppliers and others to speak up if they have a concern or suspect unethical conduct. Associates have several channels through which they can ask a question or raise a concern, including their supervisor or another manager, a People & Culture representative, the Ethics Office, or the Ethics Helpline. Our Ethics Helpline is managed by a third party and is available 24 hours a day, 7 days a week. Reports to the helpline can be made by phone (U.S.: 877-217-6218; India: 000-800-9191-189) or online (www.breadfinancial.ethicspoint.com) and can be made anonymously. We have an anti-retaliation policy and will not retaliate or tolerate retaliation against any person who raises a concern in good faith or cooperates in an investigation.

All reported instances of alleged violations or unethical conduct submitted through the Ethics Helpline are reviewed and investigated by the appropriate team (e.g., People & Culture, Legal, Audit, Finance, and/or external advisors) as determined by our Ethics Office. We conduct investigations in an independent, fair and unbiased manner with respect to all parties. Details of cases and identities of those involved are kept confidential to the greatest extent possible. If unethical conduct is substantiated, associates engaged in such conduct are subject to corrective action, which may include termination of employment. All reports are also reviewed for training and/or coaching opportunities for the individuals involved, even if no ethics violation was identified.

Protecting Human Rights

Our commitment to operating our business responsibly includes our dedication to upholding and safeguarding human rights across our operations, in line with principles outlined in the United Nations Universal Declaration of Human Rights. Our [Human Rights Statement](#) outlines actions and efforts we undertake to ensure we treat people fairly and maintain a company culture where every associate, at every level, is treated professionally. These standards extend to our interactions with customers, clients, suppliers and others with whom we do business, as well as the communities in which we serve.

We comply with all applicable laws, rules and regulations in the countries and jurisdictions where we do business, including those addressing labor and employment, safety, health, anti-discrimination and other workplace laws. We expect our suppliers, contractors and consultants to share our commitment to human rights and to abide by our [Supplier Code of Conduct](#), which includes provisions relating to complying with laws, rules and regulations, and conducting business free from any form of slavery, human trafficking, or any other forced, compulsory or child labor.





Managing Our Business Responsibly

Responsible Public Policy Engagement

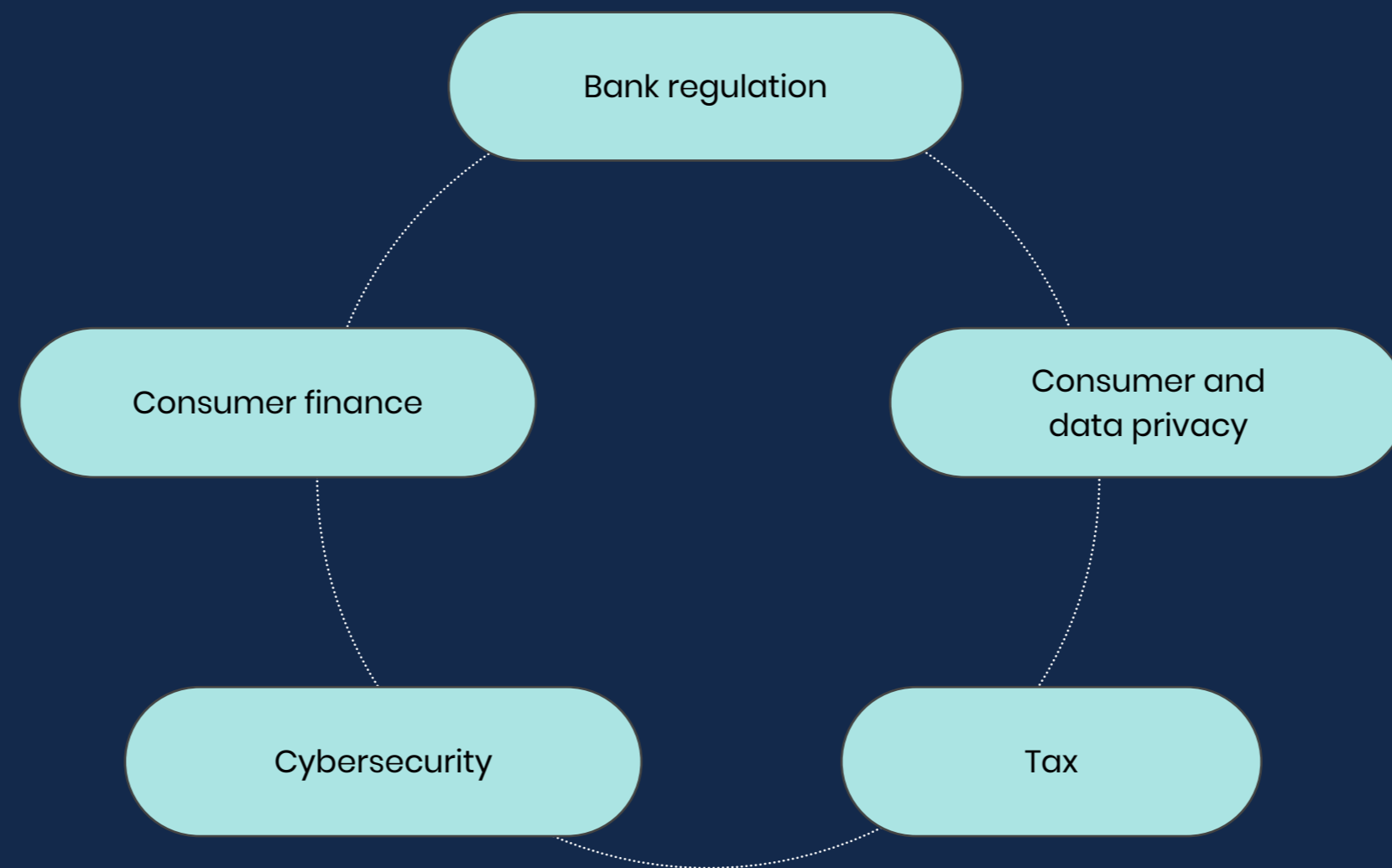
In an ever-changing regulatory environment, we are actively engaged in advocating for and managing our business interests at both the state and federal level. We engage in activities regarding policy and regulatory issues that directly impact our operations and could affect our company's overall operations and long-term performance. Those activities include state and federal legislative monitoring, informational meetings with officials and staff, and participation in trade associations and industry coalitions.

In 2024, designated company representatives had approximately 37 contacts with members of Congress or their staffs. We also took part in industry meetings and events as corporate members of the American Bankers Association, Card Coalition, National Association of Industrial Bankers, and Delaware Bankers Association.

Eligible associates may also voluntarily participate in our issues-focused political action committee (**Bread Financial Holdings, Inc. PAC**), the governance of which is overseen by a PAC Board comprising volunteers from our senior leadership team. The PAC Board meets quarterly and discusses policy issues affecting the business, reviews and approves the PAC contributions and approves candidate disbursements.

Our **Political Contributions and Activity Policy** provides guidance to ensure that the company and our associates engage responsibly and ethically in political and legislative matters that are important to the success of our business. The policy highlights our commitment to complying with all applicable laws and regulations on political contributions and activities, including regulatory reporting requirements.

OUR PRIORITY LEGISLATIVE AND REGULATORY ISSUES



\$106,203

raised from 73 associates and Board contributors to fund our nonpartisan issues-focused PAC

PAC disbursements to federal and state candidate committees in 2024:

\$127,500





Managing Our Business Responsibly

Operational Excellence

At Bread Financial, we aim to foster a culture where our associates strive to do better every day. In 2024, we continued to deepen our enterprise-wide focus on operational excellence, with objectives that include implementing new ways of working, leveraging emerging technologies, and driving efficiencies so we can optimize and accelerate our revenue streams. This focus further enables responsible, sustainable growth and creates long-term value for our stakeholders.

Prioritizing operational excellence delivers value to the enterprise by engaging all associates in innovative continuous improvement, including simplification, automation, emerging technologies, new capabilities, improved controls and process redesign. We aim to not only empower our associates to do their best work, but also to deliver better outcomes for our customers.

These efforts are overseen by our Operational Excellence Team's Management Office. Responsibilities include:

- Providing transparency and measuring progress through regular reports to leadership and the Board.
- Engaging and empowering associates to improve the way we service our brand partners and customers.
- Leveraging tools, technology and training that help improve the work we do every day.
- Collaborating to develop and implement streamlined and innovative solutions that improve how we work.
- Transforming our culture to embrace a mindset of operational excellence.

Throughout 2024, our efforts to sharpen our focus on operational excellence have increased revenue, reduced expenses, improved efficiencies and fostered innovation. Significant accomplishments in 2024 include:

- Implementing associate-led ideation channels, including our BreadBox portal, which helped identify hundreds of ideas to generate value across the organization.
- Launching training programs to help associates understand how they can help drive a culture of operational excellence.
- Offering Lean Six Sigma training and certification.
- Delivering continuous improvement initiatives, including Gen AI productivity solutions, automations and process improvements.
- Developing an AI acceptable use policy, with which all associates using AI tools must comply.



BREADBOX IDEATION PORTAL

Innovative ideas to improve processes, increase efficiency and drive revenue can come from all corners of the organization. We launched the BreadBox ideation portal to give every associate the opportunity to share their ideas. Operational Excellence Champions and Advocates assess and prioritize the submissions to identify promising ideas to implement.

Ideas have poured in from all areas of our business, from People & Culture to Finance. For example, one associate identified an opportunity to use AI to analyze customer service call transcripts. By eliminating manual listening activities, the AI tool is expected to improve call coverage from 2% to 100% and improve the efficiency of audits. Other ideas have included ways to save on electricity costs, digital initiatives focused on improving the customer experience, customer remediation process improvements and more.

700+

ideas submitted to the BreadBox ideation portal in 2024



Managing Our Business Responsibly

Risk Management

Proactively managing our risks protects the long-term interests of the company, builds trust with our stakeholders, and allows the company to capitalize on future opportunities. We strive to create a risk-focused culture throughout the organization that supports identification and mitigation of key risks and encourages behaviors that are consistent with our core values and reinforce the resilience of the company.

Enterprise Risk Management Framework

Our Board's Risk & Technology Committee oversees risk management and sets the tone for the organization regarding its importance. The program is formalized within our **Enterprise Risk Management Framework**, which articulates the policies, practices and governance structures over risk management with the core pillars including credit, market, capital management, liquidity, model, strategic, reputational, compliance and operational risk. The Risk & Technology Committee receives quarterly updates from our Chief Risk Officer, including reports on the program's performance against the company's risk appetite, emerging risks, assessment results and other material updates needing attention. The committee reports material risks to the full Board as needed. Consistent leadership engagement and support, as well as the smooth flow of information and decision-making, means that we can successfully implement our Enterprise Risk Management Framework.

The company's risk appetite is defined and supported through a combination of qualitative statements and quantitative boundaries. The quantitative limits are articulated through **Risk Appetite Metrics** with identified triggers or tolerances, effectively setting limits on the organization's exposure to risk. As a further set of controls, additional oversight is achieved through **Key Risk Identifiers** which provide both leading and lagging indicators of risk.

We treat sustainability risks, including those associated with climate change, like any other risk to the organization. The identification, assessment, and mitigation of sustainability-related risks follows the practices established by our Enterprise Risk Management Framework. For more information on climate-related risks, please see the [Protecting Our Planet](#) chapter.

In 2024, we expanded our Enterprise Risk Management program to highlight the work done at the parent level in relation to operational excellence and technology transformation. We also simplified our risk appetite and risk metrics structure to increase effectiveness and efficiency. We will continue to enhance our proactive approach to identifying and managing risks and driving a culture of continuous improvement.

THREE LINES OF DEFENSE MODEL

Our Enterprise Risk Management Framework is managed through roles and responsibilities defined within the Three Lines of Defense Model:

- 1 First Line of Defense (FLOD)**
Associates who engage in activities that generate revenue or provide operational support or services that introduce risk. Responsible for conducting Risk and Control Self-Assessments (RCSAs)* annually and measuring key performance indicators.
- 2 Second Line of Defense (SLOD)**
Independent risk management team charged with the oversight and monitoring of risk within the business. Responsible for implementing the ERM framework and identifying and measuring the aggregate risks.
- 3 Third Line of Defense (TLOD)**
Internal Global Audit organization. Responsible for providing the organization with an independent and objective assessment of the effectiveness of FLOD and SLOD governance, policies, procedures, processes and internal controls.

*RCSA is a continuous process designed to identify, manage and assess risk of loss from inadequate or failed internal processes, people, systems or external events, using a qualitative and quantitative scale to assess risk likelihood and impact. Results are reported regularly to the Risk & Technology Committee.



Managing Our Business Responsibly

Regulatory Compliance

We understand that a strong compliance program is necessary to uphold integrity and maintain our customers' and stakeholders' trust. Our Chief Compliance Officer leads our compliance program, with extensive oversight ranging from the Board of Directors, risk committees and risk officers, which ultimately helps to ensure customer servicing and banking activities follow laws and regulations and customers are adequately protected. Our **Compliance Management System** is integrated within our overall approach to risk management, employing regular control testing, risk assessments, audits and other types of evaluations.

Our compliance program provides targeted and specific training for each associate with compliance responsibilities. All associates must complete a regulatory compliance overview training when hired, and annually thereafter, which reviews the consumer regulatory requirements we must follow as a financial institution, covering topics such as fair lending; equal credit opportunity; unfair, deceptive or abusive acts and practices; Bank Secrecy Act/Anti-Money Laundering (BSA/AML); and more. Additional in-depth training is then provided to associates based on their role to ensure associates receive the right amount of information needed to perform their duties responsibly and in a compliant manner.

Bank Secrecy Act/Anti-Money Laundering

We are committed to doing our part to fight global money laundering and terrorist financing. Our BSA/AML Officer is responsible for the day-to-day oversight, implementation and management of our BSA/AML Compliance Program. Our banks' Board of Directors approves and oversees a robust compliance framework, based on our BSA/AML Compliance Policy, which includes **Know Your Customer (KYC)** requirements. The program is reviewed annually by our Internal Audit team, and continuing education and training are provided to ensure that all members of our organization have the knowledge and tools to comply with these regulatory requirements.

Please see our [2024 Annual Report](#) for additional information on key risks and associated factors.



2024 TRAINING STATISTICS

99.9%

Completion rate for Regulatory Compliance training

“We continually enhance our risk management program to support our transforming business and navigate the evolving regulatory environment.”

Robert Esque,
Senior Vice President & Chief Risk Officer





Managing Our Business Responsibly

Safety and Soundness

We are committed to the safety and soundness of our operations through risk management principles, compliance with regulatory guidelines, and efficient management of our financial assets. By proactively and responsibly managing our capital, liquidity and market risks, we ensure we can fulfill our obligations to our customers, investors and other stakeholders.

The evolving macroeconomic and regulatory environments in 2024 created multiple complex challenges for the banking industry, including prolonged inflationary pressures and regulatory uncertainty. We effectively adapted to meet these challenges, achieving all of our 2024 full-year financial targets.

We were well prepared to adapt to the changing macroeconomic and regulatory environment and took additional measures, beyond regulatory requirements, to further ensure our safety and soundness in 2024:

- Advanced our technology platform anchored on customer centricity, resiliency, security and growth.
- Implemented pricing changes, which we expect to remain in place industry wide as the industry monitors ever-changing macroeconomic and regulatory conditions.
- Cultivated strong partner relationships, added iconic brand partners, and took action to diversify our product offerings and industry verticals.
- Took strategic, proactive credit tightening actions, enabling us to maintain a stable credit risk distribution.
- Maintained conservative economic scenario weightings in our credit reserve modeling.
- Instituted an enterprise Asset and Liability Management Committee (ALCO) to complement current bank-level ALCOs to align with best governance and risk management practices.
- Built enterprise hedging capability including policies, procedures, governance and board-approved risk appetite.
- Executed first series of fixed, pay floating interest rate swaps to mitigate asset sensitivity.

Other significant accomplishments in 2024:

- Reduced parent debt.
- Repurchased convertible notes as part of our deleveraging and de-risking efforts.
- Earned upgrades of our credit ratings outlook from stable to positive by Fitch and Moody's.
- Increased our common equity tier 1 (CET1) ratio.
- Increased our tangible book value.

These actions and achievements are significant because they enable us to lower our cost of financing, broaden our investor base to attract high quality investors, demonstrate our progress and sophistication in risk management and enhance our resiliency.

HOLDING COMPANY CREDIT RATING – LONG TERM*

Fitch

BB –

(Positive)

Moody's

Ba3

(Positive)

S&P Global

BB–

(Stable)

*As of December 31, 2024.



Managing Our Business Responsibly

Liquidity and Capital Stress Testing Frameworks

We maintain robust liquidity and capital stress testing programs to assess the ability of our banks to withstand financial shocks, market movements and other adverse events. These programs work in concert with one another and are an important component to how we plan and manage our balance sheet. Applicable Board committees oversee the performance and management of these programs, while our ALCOs provide direction and recommendations.

Please refer to our [2024 Annual Report](#) for more detailed information regarding our safety and soundness practices.

Evaluating New Business and Initiatives

Our **New Business and Initiatives (NB&I)** program is a framework designed to strengthen our strategic decision-making process, ensuring our actions are in line with our risk appetite by consistently applying strong risk management practices. The NB&I program's primary objective is to ensure that new businesses or initiatives that could alter the organization's risk profile are fully evaluated for alignment with strategic objectives, risk appetite, profitability and established policies and procedures.

The NB&I program evaluates multiple types of activities and projects that could present significant risk to our company, including but not limited to:

- Prospective and existing client relationships.
- Discretionary buying or selling of portfolios/assets.
- Mergers, acquisitions, consolidations, tender offers, acquisitions of assets, management acquisitions, divestitures and liquidations.
- New products, capabilities, services and technologies.
- Positive and/or negative effects for a majority of our active customer base.
- Strategic initiatives of our parent company, Bread Financial.

We have embedded sustainability-related themes into these assessments to ensure the strategic objectives do not conflict with our responsible business practices, as well as ensure our relationships are consistent with the values of the company.





Responsible Sourcing and Supplier Opportunity

We aim to work with suppliers who share our values and our commitment to conducting business responsibly, with ethics and integrity. Our [Supplier Code of Conduct](#) states our expectations for compliance with all applicable laws, rules and regulations when engaging in business with, or on behalf of, Bread Financial. These include laws governing anti-bribery and anti-corruption, antitrust, labor and employment, health and safety, and human rights. The Supplier Code of Conduct also contains information regarding how suppliers can report ethics concerns.

Expanding the pool of potential vendors and promoting competition within the supply base ensures that all suppliers receive fair and equal opportunities to participate in our sourcing and procurement processes. Additionally, we strive to build mutually beneficial relationships with qualified suppliers, including small businesses and local suppliers that create value for our customers, brand partners and company.

Our key suppliers provide technology, marketing, consulting and other essential services supporting our operations. Suppliers must follow all environmental laws and aim to preserve natural resources while minimizing any harm their operations might cause to the environment. We plan to use a risk-based approach to assess our top suppliers' responsible business practices, such as their dedication to environmental responsibility and human rights. In 2024, we began incorporating this assessment into our supplier reviews as part of our overall risk management practice.

Supplier Risk Management

As part of our overall commitment to operating our business responsibly, we maintain a robust risk management process for our supply chain. We conduct due diligence of suppliers during the onboarding process, including evaluating risks in areas such as regulatory compliance, cybersecurity, financial stability, reputation and business continuity. We adhere to guidance from the Federal Deposit Insurance Corporation (FDIC) and industry best practices for assessing supplier risks and take an individualized approach to evaluating the risks a potential supplier may introduce to the company.

We regularly monitor our suppliers' practices to ensure they meet our standards in risk areas related to our partnership. For example, we perform cybersecurity assessments for applicable suppliers on an ongoing basis to evaluate whether their data protection standards align with our expectations. Our assessments also review compliance with contractual Service Level Agreements (SLAs). If issues arise, we collaborate with the supplier to address them. The frequency of these assessments is determined by the level of risk associated with the partnership.

We reserve the right to audit a supplier's compliance with the Supplier Code of Conduct, including asking suppliers to provide written information such as policies, procedures and data related to topics included in the Code. We reserve the right to terminate relationships with any suppliers who do not comply.

As part of the Supplier Code of Conduct, suppliers can report suspected Code violations to their Bread Financial Relationship Owner, or through the company's Ethics Helpline.

Sustainable Sourcing

Our focus is to prioritize suppliers who employ responsible business practices, delivering services that are efficient, minimally wasteful and ethically sound. These types of practices are important for delivering a sustainable, high-quality service. Given the broad range of services fulfilled by suppliers and their significant role in our environmental footprint, partnering with those who enhance operational efficiencies, and thus reduce their environmental footprint, is important.

In 2024, we initiated questionnaires for both new and existing suppliers to evaluate their sustainability progress. We inquired about practices such as greenhouse gas measurement and reduction, and sought their input on how we can collaboratively create a more sustainable and responsible partnership. These assessments will be conducted on an ongoing basis using a risk-based approach to understand the sustainability maturity of our supplier base and identify relationships requiring deeper engagement. This information will help us determine if and how suppliers' sustainability practices should influence our sourcing decisions. For more information on supplier emissions and emission reduction strategies, please see the [Supplier Engagement](#) section in the **Protecting Our Planet** chapter.



“We will continue to focus on expanding partnerships with current and new suppliers that are committed to leveraging equal opportunities in business and improving the economies of communities where we work and live.”

Todd Holcomb,
Vice President, Chief Procurement Officer

CATEGORY MANAGEMENT AND COST EFFICIENCY

As part of our ongoing commitment to operational excellence, in 2024 we implemented a proactive approach to contract management. Our efforts led to cost efficiency savings through quick-win initiatives in the request-for-proposal and contract negotiation process.

People

Empowering Our Customers 27

Engaging Our Associates 37

Creating Possibilities for Our Communities 48



Empowering Our Customers

Empowering Our Customers

Empowering and caring for our customers is at the heart of everything we do and is cultivated at all levels company wide. We offer ease, financial flexibility and exceptional customer experiences through our digital offerings, payment, lending and saving solutions. We serve a vast spectrum of customers and make it our business to meet our customers where they are, across generational groups and personal financial journeys. Our goal is to drive a customer-oriented culture to create best-in-class experiences through effortless transactions, meeting and exceeding their expectations to earn their trust and loyalty.

2024 Business Accomplishments

Expanded the reach of our mobile app to include our branded credit card programs

Improved the interactive voice response (IVR) system to support our customers' payment journeys

Enhanced predictive insights capabilities to anticipate customer needs

Certified as a Center of Excellence by BenchmarkPortal for the 19th year

Established an Artificial Intelligence (AI) Council

Alignment with Material Business Topics

Customer Privacy

Customer Satisfaction

Cybersecurity

Fair & Responsible Banking

Associate Career Development

Financial Health & Wellbeing





Empowering Our Customers

At Bread Financial, the customer is at the core of our business. We are committed to meeting our customers' needs and exceeding their expectations through responsible banking practices, protecting customer data, gathering customer feedback, and providing financial education opportunities. We continually measure, monitor and analyze the effectiveness of our total offering to ensure we protect our customers, provide a seamless customer experience, and build financial confidence.

HOW WE EMPOWER OUR CUSTOMERS

1 Protecting Our Customers

Ensuring equitable, fair and transparent practices in all aspects of our banking services, products and operations.

2 Providing a Seamless Customer Experience

Putting the customer first, managing their experience in a way that will seamlessly address and respond to their needs within their channel of choice.

3 Building Financial Confidence

Designing, operationalizing and delivering solutions that support and improve customers' financial health and wellbeing.



“Our customer care team has built a history of excellence by putting our customers first, and this distinction is a testament to their role as the heart of our customer experience. They’re not just resolving issues; they’re consistently going the extra mile and building trust and loyalty with every interaction.”

Valerie Greer,
Executive Vice President & Chief
Commercial Officer

2025 STRATEGIC OUTLOOK

- Identifying and resolving friction in customers' paths to make it easier to do business with us.
- Enhancing research capabilities to better identify customer needs and wants.
- Continuing to drive digital customer experiences.
- Reducing complaints by enhancing our tools that allow us to identify and remedy complaint drivers.
- Exploring responsible use cases for generative AI to better serve customers and decrease time-to-serve.
- Elevating our level of service to brand partners to make it easier for them to work with us.



Empowering Our Customers

Protecting Our Customers

Fair and Responsible Banking

Fair and responsible lending is central to the customer experience and our obligation to equitable and transparent practices in all aspects of our banking services. We serve a wide range of customers, from those with well-established credit to first-time credit seekers and those rehabilitating their credit. Our ability to attract customers from across the credit spectrum enables us to manage risk while providing financial products that are transparent, fair and competitive.

We offer credit responsibly, meaning that we work to safeguard customers by defining credit limits that are within their capacity to repay. Our banks use advanced analytics and established industry strategies to set appropriate credit thresholds and evaluate them regularly for accuracy and consistency. Our fully automated proprietary lending process enables us to accurately analyze and issue credit based on unbiased statistical modeling criteria.

We also provide best-in-class customer support and transparent communication about our growing portfolio of financial products and services. We have controls in place for our products, marketing materials, and terms and conditions to comply with applicable laws and requirements. Our brand partners play an important role in marketing our products responsibly.

We provide associates with training related to fair and responsible banking. This includes training covering compliance with fair lending regulations (e.g., Equal Credit Opportunity Act), as well as training on responsible debt collection practices in accordance with our policies.

Bread Financial is committed to ensuring reasonable and inclusive access to our services and prompt resolution of customer issues. Service options are currently provided via phone, online and mobile applications. We strive to make each service channel accessible and are prepared to help customers navigate the use of an alternate channel that may provide greater accessibility.

We align with various standards to make our digital account center accessible to customers, and we can provide large print and braille collateral to customers upon request. Additionally, our customer service associates can help customers read their billing statements over the phone. Our associates are available to serve customers in multiple languages.

Fraud

In 2024, we continued to invest time, attention and technology to combat fraud on behalf of our customers, brand partners and the company. Always committed to the customer experience, we strive to balance protecting our customers with ensuring a seamless journey. Our holistic approach to fraud mitigation features a variety of capabilities and techniques, including proprietary custom fraud models, device intelligence technology, machine learning models, rules-based decision-making logic, report analysis, data integrity checks and manual account reviews. In 2024, we achieved a significant reduction in losses due to fraud through enhanced tools and techniques. As fraud perpetrators in the banking industry remain persistent, we will continue to invest in emerging technologies and solutions to continuously enhance our protection capabilities.



“Responsible credit issuance isn’t just about enabling access—it’s about ensuring access is fair, informed and sustainable for the customer. True financial stewardship balances opportunity with accountability.”

Baron Schlachter,
Senior Vice President & President,
Comenity Bank



Comenity Bank and Comenity Capital Bank each maintained an A+ rating from the Better Business Bureau in 2024.



Empowering Our Customers

Data Management, Protection and Governance

Our commitment to caring for and empowering our customers includes a focus on the protection of their personal information. Understanding that trust is the basis of achieving success in creating relationships with our customers, we strive to foster a culture that values strong cybersecurity and privacy practices. Data security is crucial not only to safeguard sensitive information and promote legal and regulatory compliance, but it is also instrumental to maintaining customer trust and confidence.

Our Data Management Framework encompasses Cybersecurity & Technology, Data Privacy and Data Governance, which together serve as the foundation for our policies and practices that promote responsible handling, protection and the ethical use of data. In 2024, we invested significant resources integrating, aligning and enriching our data management practices across the organization. We also expanded our Data Governance policy with supporting standards to address the data lifecycle.

Our Code of Ethics outlines our efforts to appropriately safeguard financial and other personal data of individual customers, as well as the confidential information of our brand partners. We expect our associates, contractors and suppliers to adhere to these standards and practices in order to holistically protect our clients' and customers' data.

Data Governance

At the highest level, Enterprise Data Governance is overseen by our Board's Risk & Technology Committee with our Enterprise Compliance Council providing guidance and oversight of our data governance strategy, roadmap, policies and data management capabilities. We maintain a cross-functional, multilevel approach to assign ownership and accountability over the creation, storage, use, sharing and destruction of data.

In 2024, we advanced our approach to data governance:

- Completed a data management capability assessment model to evaluate our alignment with industry standards.
- Made significant investments in data discovery to enhance our ability to identify and classify personal identifiable information (PII).
- Expanded our data quality program to cover additional data domains such as Fraud, Commercial, Operations and Finance.
- Established an AI Council with stakeholders from across the business to assess the risks and opportunities of each AI tool and model used by our associates.

In 2025, we are focusing on:

- Enhancing our privacy function.
- Expanding data discovery and classification.
- Extending our Data Management Operating Model to include additional functional areas.
- Continuing investments aimed at minimizing data risks and making data easier to digest.



ARTIFICIAL INTELLIGENCE COUNCIL

As we explore opportunities to harness the potential of generative AI to improve the customer experience, increase efficiencies, and achieve cost savings through automation, we aim to address potential risks to our organization, associates and customers. To that end, in 2024, we established a cross-functional AI Council that reviews and assesses the risks and opportunities of generative AI products with the goal of determining if they are safe and appropriate for our business and stakeholders. The council is comprised of representatives from various functions, including Architecture, Cybersecurity, Engineering, AI Strategy, Data Governance, Privacy, Legal, Finance and Operational Excellence.



Empowering Our Customers

Cybersecurity and Technology

As cybersecurity threats persist with increasing sophistication and frequency, we strive to continuously enhance our cyber program's strategy, architecture and governance to collaborate more deeply across the company, expand our talent, elevate associate education and training, and increase automation including machine learning.

We proactively manage our cybersecurity program through our Three Lines of Defense Model, creating an integrated approach whereby functions collaborate to build a resilient cyber program. This structure promotes effective risk management, facilitates discussion, and escalates key cybersecurity threats to management and board-level committees for comprehensive oversight and governance. Our Chief Information Security Officer leads and develops our cybersecurity strategy. For more information on our Three Lines of Defense Model, please see the [Risk Management](#) section of this report.

Our program is aligned to cyber industry practices, such as the National Institute of Standards and Technology (NIST) Cybersecurity Framework 2.0—**Govern, Identify, Protect, Detect, Respond, and Recover**. In addition to our ongoing internal assessments, we partner with independent third parties to evaluate the maturity and effectiveness of our programs. The results are shared by our Chief Information Security Officer with our Board of Directors and Risk & Technology Committee, who provide feedback that is used to inform our annual cybersecurity strategic objectives.

We use a combination of automated security solutions to help safeguard the data entrusted to us. Our team of cybersecurity experts regularly conduct penetration testing of our network and systems to assess the effectiveness of our defenses. We have a team that monitors the threat environment around the clock. In addition to implementing strategies aimed at preventing data loss, we also employ methods to mitigate operational vulnerabilities. Additionally, we conduct regular cybersecurity-related internal audits.

Our **IT Command Center** monitors our technology and business processes and aims to address issues early on before they escalate.

Our data privacy and security programs are assessed and audited by external parties, including regulatory agencies and consulting firms, to align with industry standards and best practices. We are also certified to the Payment Card Industry Data Security Standard (PCI DSS), which includes annual assessments.

Our cyber incident response plan provides direction for responding to and mitigating the effects of incidents that may have occurred. As part of our compliance with PCI mandates, our incident response plan is reviewed annually, including by our federal regulators. These reviews provide necessary checks and balances that support data integrity across the company.

“We're in a fast-paced era where we're advancing our technology to both enhance the customer experience and safeguard their information. Our approach to cybersecurity prioritizes the customer, both securing their data while providing necessary access. This focus on security and accessibility fosters greater trust and loyalty.”

Allegra Driscoll,
Executive Vice President &
Chief Technology Officer





Empowering Our Customers

Data Privacy

Our data privacy program is informed by the NIST Privacy Framework, reflecting our efforts to responsibly collect, use and share personal information. Our privacy policies govern the way we collect, use, disclose, process, retain and share information collected from customers across our operations. We strive to ensure our policies are clear and concise by informing customers about what data we collect, why we collect it, and how we use it. We also provide customers with information and choices regarding how they can limit certain data we collect or share, along with offering online resources and tips on how to keep their information safe.

We continually invest in training and tools aimed at equipping our associates with the skills and information they need to effectively implement our privacy framework. We closely monitor and track proposed privacy legislative and regulatory changes, as well as industry-related trends, and adjust the program accordingly to align with regulatory requirements.

For more information on our approach to data privacy, see our publicly-available [Privacy Policies](#) on our website.

Associate Training and Preparedness

Our associates play a key role in maintaining our data privacy and security standards. All associates, including contractors, undergo cybersecurity and privacy training upon hire and annually thereafter. These programs are updated regularly to reflect real world situations and changes to our policies. Specialized training is provided to associates in key roles with access to customer data. Suppliers providing cybersecurity services also participate in annual training sessions.

Our cyber team and Privacy Office communicate to associates regularly on data privacy and security best practices to keep knowledge current and promote our risk-aware culture. The team also sends phishing and ransomware reminders, administers phishing email campaigns to test associate knowledge, and runs cybersecurity awareness campaigns. We take measures aimed at granting associates access only to the systems and customer data required for their jobs, and we have established processes which help restrict the sharing of sensitive data both within and outside of the organization.

In line with our cyber incident response plan, we annually conduct formal tabletop exercises that include our CEO and Executive Leadership Team. These are practiced with a third-party cybersecurity consultant, who provides a report of the session along with recommendations for improvement. The results of the simulations are shared with our Board.

2024 TRAINING STATISTICS

99.7%

Completion rate for Cybersecurity Awareness training

99.9%

Completion rate for Data Privacy training

PARTNERING FOR BEST PRACTICES ACROSS THE INDUSTRY

The threat landscape is constantly evolving, so we actively cultivate relationships with law enforcement, industry groups, information sharing and analysis centers, and our peers. These partnerships provide insight into industry best practices and new cybersecurity technologies and tools. We also leverage a service for threat intelligence through our managed security service provider.

Our corporate memberships include:

- Financial Services Information Sharing and Analysis Center
- Data Governance Professionals Organization
- Knowledge Connect
- Institute of Applied Network Security
- International Association of Privacy Professionals





Empowering Our Customers

Providing a Seamless Customer Experience

Real-time customer insights and feedback across the customer’s journey ensure our services match our standards and meet the customer’s needs. We leverage these insights to better understand, anticipate and respond to the feedback of both our customers and associates. If there are friction points, we identify and address them quickly and incorporate our learnings into our associate trainings. We are constantly striving to build customer trust and loyalty and create an effortless experience across all channels. Growing our capabilities in digital servicing continues to be a major focus.

Our Executive Vice President and Chief Commercial Officer oversees all aspects of the customer experience, including digital strategy and experience, customer marketing, consumer research, customer care, customer experience, and output services. The **Customer Experience Center of Excellence** is a strategic, cross-functional team of leaders who continuously keep a pulse on what our customers want, how they behave, and where we can improve their experience.

We improved customer experience in 2024 by:

- Investing in digitalization across the customer journey, including their payment and login experiences.
- Gathering, understanding and addressing customer feedback and implementing proactive strategies to deliver better experiences.

- Using data and insights to better anticipate our customers’ needs.
- Driving a culture of customer experience across the organization.
- Leveraging our new operating model to drive efficiencies, strengthen collaboration across our business, and inform stronger decisions for our customers.

Empowering customers, inspiring trust, and enabling effortless interactions are firmly rooted business imperatives. How we deliver exceptional customer service is just as important, if not more important, than the products and services we provide.

Associate Training and Development

We understand the connection between the readiness of our associates and the experience of our customers. We believe that a great associate experience creates a great customer experience. In 2024 we focused significant resources towards improving the readiness of our associates to provide best-in-class customer service.

- **Immersive Training Experiences:** Our immersive training camps help associates improve their customer experience and servicing skills. These camps resulted in increased performance and positive feedback from participating associates.
- **Incorporating AI:** We employed AI coaching to simulate customer interactions, assess associate performance, and provide feedback to associates. We also upgraded our internal knowledge management tool with AI-driven search functionality for better information delivery.

- **Gamification:** Our training platform uses gamification to motivate associates to complete training sessions, as well as self-paced learning and rewards tied to recognition.
- **White-glove Training:** We developed brand-partner-specific training modules to help associates further develop the soft skills needed to deliver an exceptional customer experience.
- **Lower Supervisor-to-Associate Ratio:** We stay focused on individual associate learning and development opportunities by maintaining a low supervisor-to-associate ratio.

DRIVING A CULTURE OF CUSTOMER EXPERIENCE

In 2024, we celebrated Customer Experience Week with our associates as part of our efforts to drive a culture of customer experience. Highlights of the week included a fireside chat with leadership and a “Becoming the Customer” experience demo. Additionally, Bread Financial associates visited brand partners to thank them for their support of credit programs in stores.

CUSTOMER SERVICE RECOGNITION IN 2024



BenchmarkPortal awards the Center of Excellence designation to customer service contact centers that rank in the **top 10% of the contact centers surveyed**. They are judged against a balanced scorecard of metrics for efficiency and effectiveness. Those contact centers that demonstrate superior performance on both cost-related and quality-related metrics compared with their industry peers earn the award.

In 2024, Bread Financial earned the Center of Excellence certification for an industry-leading 19th time. Compared to its peers, Bread Financial is an industry leader when it comes to speed of call answer, average queue time, low abandonment rates and strong associate attendance.



Empowering Our Customers

The Customer Journey

We are committed to providing the best possible experience for our customers. This means we must constantly evaluate and refine customer touchpoints. We monitor the services we provide to our customers each time they engage with us, whether they are applying for a credit card, making a payment, calling our care centers, or using our digital self-service options.

Through the cumulative effects of multiple touchpoints over the course of a customer's interaction with us, we seek to generate a sense of value and trust that inspires confidence and satisfaction with our company and the brands we represent.

We actively address customer feedback concerning critical aspects of the customer journey and will continue to implement enhancements in these areas, including:

- Self-service options for easier access and improved functionality.
- IVR system capabilities.
- Online Account Center experience.
- Payment options that provide flexibility and ease.
- Seamless acquisition during the application process.

Digitalization across the customer journey has been a key focus in 2024 and will continue throughout 2025. Key digital initiatives to improve the customer journey included:

- **Expanded our use of AI** to create efficiencies by automating some operations and processes. By building generative AI into our Knowledge Management tool, our associates can more quickly find accurate information to answer customer questions, reducing friction for the customer by shortening the length of phone calls and mitigating the need to call back.
- **Deepened our use of data and insights** to predict why customers might be calling, enabling us to proactively serve the information they need through the IVR system or direct their call more quickly.
- **Continued the rollout of the Bread Financial™ mobile app** to our branded credit card programs, giving customers a self-service option to serve their needs faster.

These digital enhancements enable customers to choose and receive support in their channel of choice.

Customer Relief Programs

Part of our approach to customer care involves empathy and acknowledgement of the hardships our customers may face due to extreme events outside of their control. In certain circumstances, relief may include forbearance, such as short- or long-term debt relief that includes reductions in annual percentage rate (APR). Our debt relief options include income-based considerations and other factors.

Customers can access escalation options by calling our care center. Our care center associates are trained for these scenarios and can guide customers step-by-step through the process, as well as navigate our customer relief programs.

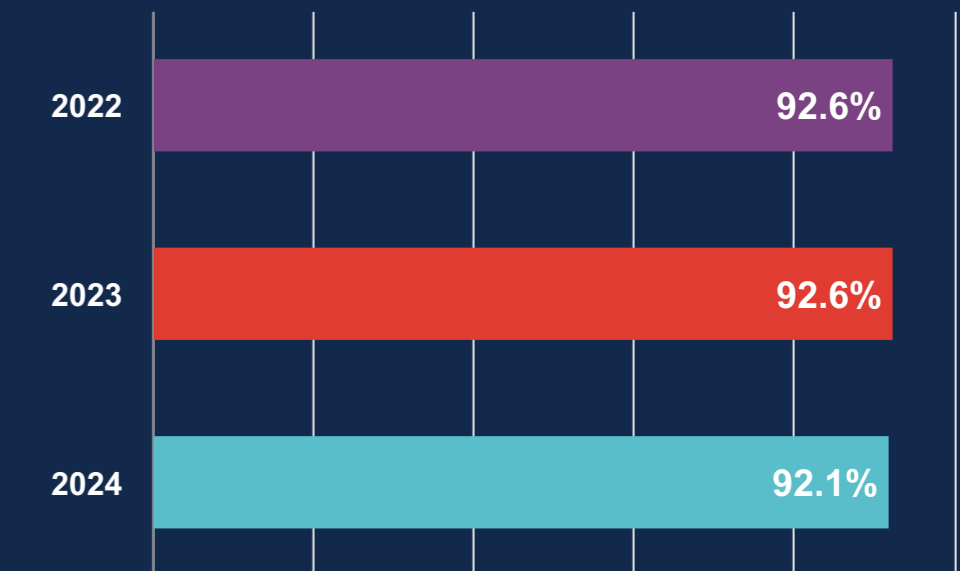
To support the financial wellbeing of our customers impacted by natural disasters, we provide relief that may include credits for late fees and finance charges, enrollment into our hardship program, and other relief options.

In 2024, we mobilized teams from across our business to quickly provide relief for customers affected by Hurricanes Helene and Milton. The response included proactively preventing fees from being applied to those customers' accounts, as well as issuing credits to affected customers requesting assistance.

We anticipate that natural disasters may become more frequent and severe as climate change progresses. In response, we plan to enhance our customer relief program in the following ways:

- Enhance our playbook to enable our associates to respond more quickly following natural disasters.
- Provide more targeted and sustained relief for customers.
- Improve customer outreach alerting affected customers that relief is available.

CUSTOMER CARE FIRST CALL RESOLUTION



16.6M

Calls received by our Customer Care Center

Approximately

74%

of customers engaging with our care centers were satisfied with the courteousness, knowledge, and clear communication of associates while demonstrating concern for their needs.



Empowering Our Customers

Capturing the Voice of the Customer

“Voice of the customer” refers to the collective feedback expressed by customers about their experiences with a product, service or brand. It includes both explicit feedback provided directly through surveys, reviews and interactions as well as implicit feedback inferred from customer behavior and usage patterns.

We continue to invest in innovative tools and processes to enhance our ability to collect real-time customer insights and feedback, better understand customer sentiment, and identify moments of friction faster to continue to elevate our customers’ overall experience.

We actively collect feedback from multiple channels using a variety of tools, including:

- Customer surveys using:
 - Digital channels (in the moment feedback).
 - Email surveys (directly following an interaction).
 - Periodic surveys (feedback on a customer’s overall relationship with our products and brand affinity).
- Customer focus groups.
- Analytics tools that track and monitor digital customer experiences.
- Text analytics, customer data and machine learning to better understand and predict customer sentiment and actions.

- A social media monitoring platform that uses AI to assess customer sentiment.
- Call listening, associate feedback and complaints to validate top moments of friction.

How We Measure Customer Experience

At Bread Financial, we look at a variety of customer service metrics, including **Net Promoter Score (NPS)**, a metric that measures customer loyalty and satisfaction. Our Combined Channel NPS improved in 2024, validating our efforts and resources deployed in this area.

We balance NPS with other core customer experience metrics like Overall Satisfaction, Customer Effort Score, Self-Service Completion Rates, Complaints and Customer Retention to fully understand the overall health of our customer interactions and relationships. Increasingly, “Ease of Interaction” is becoming a core metric to assess the customer experience.

Responding to Customer Complaints

We place tremendous value on customer feedback, both positive and negative. To ensure that we are providing the best customer experience possible, we have a complaint management program designed to enable us to respond in a timely fashion and with appropriate resolution. The information we gather is a central focus for our entire leadership team, including our Board of Directors, and is used to identify and mitigate potential risks and opportunities for the business. In 2024, we continued to focus on deepening the education and training of our associates, which we believe is important for providing timely and effective resolutions. Our banks, Comenity and Comenity Capital Bank, both maintained an A+ rating with the Better Business Bureau in 2024.

Other key aspects of our program include:

- Our Consumer Complaints Management Policy, which governs our process.
- Our Complaints Management Office, which is responsible for setting strategic direction, managing day-to-day activities, and internal reporting.
- Oversight by our banks’ Boards’ Risk and Compliance Committees.
- Capturing customer dissatisfaction across all interaction channels.
- Sharing data and insights to inform and improve our customer experience journey.

We have multiple channels for consumers to ask questions or report concerns, including calling or emailing our customer care center, contacting us through social media, mailing a letter, and/or contacting the following:

- Federal Deposit Insurance Corporation (FDIC)
- Consumer Financial Protection Bureau (CFPB)
- Better Business Bureau (BBB)
- Attorney General’s office

Our complaints review process identifies risks of potential consumer harm and those related to specific ethical concerns such as Unfair, Deceptive, or Abusive Acts or Practices (UDAAP); fair lending or conduct risk; and privacy or execution errors. Insights gained from specific consumer complaints are reviewed by subject matter experts to address concerns and ensure customers are being treated fairly, as well as inform our policies, processes and procedures, including our ongoing training for our associates.





Empowering Our Customers

Building Financial Confidence

We recognize that we are uniquely positioned to promote financial wellness and help our customers meet their financial goals. We seek to empower our associates, customers and communities by providing education and training, expanding access to financial literacy tools, supporting community programs, and exercising fair and responsible banking. We are an active member of Financial Health Network, an organization of business leaders, policy makers and innovators working together to improve financial health for everyone.

For customers, we offer a mix of simple, smart financial payment, lending and saving solutions to help them build credit, save and borrow responsibly. We provide our associates with benefits and tools to help them save and plan for the future with confidence and achieve financial security in ways that align with their financial goals. In our communities, we make bold, strategic investments in financial education, job training and resources with the goal of enabling our communities to build a sustainable financial future.

WHY FINANCIAL WELLNESS IS IMPORTANT*

Top 6

Financial Wellness is a top 6 consideration when choosing a payments or lending company among business-to-consumer customers.

56%

of consumers place high importance on understanding their personal financial health

*Based on research conducted by our market research team.

FINANCIAL WELLNESS ROADMAP

Vision Statement: Design, operationalize and deliver solutions that support and improve financial health for all

STRATEGY	AWARENESS & EDUCATION	MEASUREMENT	PRODUCTS & SOLUTIONS
Outline and communicate the vision for financial health and its long-term impact, as linked to the company's mission, vision, brand promise and strategy.	Integrate financial wellbeing into the customer experience to help them understand how to make smart financial choices that result in financial security. Provide access to tools and resources to build knowledge and support the customer's financial health journey.	Establish, measure and analyze financial health data to initiate accountability across the organization, evaluating performance and iterating on product and program development.	Leverage best practices to provide solutions that increase satisfaction and loyalty through access to, and awareness of, financial health tools, products and resources.

FINANCIAL EDUCATION HUB

Our financial wellness platform delivers content and tools that support our customers in their decision-making around these topics:

- Understanding credit
- Smarter spending
- Responsible saving
- Managing debt

To learn about our associate financial wellness benefits and programs, please see the [Financial Wellness](#) and [New and Enhanced Benefits in 2024](#) sections in the [Engaging Our Associates](#) chapter. For information about our community financial wellness programs, please see the [Creating Possibilities for Our Communities](#) chapter.

Engaging Our Associates

Our associates are not only key stakeholders at Bread Financial—they are the heart of our company. We believe in the power of an engaged and fulfilled workforce to deliver on our business commitments and priorities. We’re dedicated to attracting, developing and retaining top talent, as well as providing opportunities for growth, leadership and recognition.

We take a holistic approach to supporting the associate experience both in and out of the workplace, providing a variety of tools, training and resources. We strive to create a work environment that promotes a sense of belonging, collaboration and flexible ways of working so that all associates can achieve their personal best, while enabling us to meet business objectives and respond to evolving industry and customer expectations.

2024 Business Accomplishments

Received multiple awards and recognitions for our workplace culture

Deposited money in all eligible associates’ 401(k) plans, regardless of whether they contribute themselves

Introduced new medical care navigation partner and expanded virtual care options

Enhanced our Career Navigator tool with new trainings and learning paths

Achieved high ratings for collaboration and belonging on associate surveys

Alignment with Material Business Topics

Associate Career Development

Associate Health & Wellbeing

Corporate Culture

Corporate Governance

Financial Health & Wellbeing

Inclusion & Belonging





Engaging Our Associates

At Bread Financial, we aim to cultivate an engaging and rewarding experience for our associates. Achieving high levels of associate engagement demands focused efforts on areas like training and development, competitive compensation and recognition, and supporting the evolving needs of our workforce. By prioritizing an exceptional experience for our associates and giving them the tools to perform at their best, we empower them to deliver outstanding service to our customers, which is paramount to our success.

All aspects of the associate experience are overseen by our Chief People & Culture Officer, who reports directly to our CEO. We also have an advisory council focusing on inclusion and belonging, comprising associates and leaders from across the business.

With the majority of our associates working in a hybrid or remote manner, ensuring a collaborative workplace across different geographies is a priority for us. In 2024, associate surveys showed that our efforts to foster a flexible workplace helped boost the competitiveness of our employee experience.

We also leverage our unique **Associate Value Proposition** to deliver a competitive, personalized and fulfilling experience for our associates, so they feel cared for, understood, connected, invested, supported and valued. The framework aligns with our vision, mission, values and our brand promise—to Empower Our Customers.

BREAD FINANCIAL ASSOCIATE VALUE PROPOSITION



Engaged & Purpose-driven Community

Associate confidence in senior leadership and belief that the right strategic priorities are in place

Career Development & Advancement

Assessment of the adequacy of **training and development opportunities** as well as the match between their jobs and skills

Competitive Compensation & Recognition

Associate recognition practices and the extent to which the company links **pay and performance**

Valued Feedback in Action

The extent to which associates **feel encouraged to participate** and are comfortable sharing their views

Total Wellbeing

The extent to which associates feel a **balance between work and personal life**

2024 WORKPLACE AWARDS

U.S. News & World Report's Best Companies to Work For

Recognized as a "best" employer overall, in the financial services industry and in the Midwest.

TIME World's Best and America's Best Midsize Companies

Ranked 55 out of 500 American midsize companies and among 1,000 global companies evaluated for revenue growth, employee satisfaction and sustainability transparency.

Purpose Jobs' Best Company Culture in the Midwest

Featured among thirty startups and tech companies that create environments that help people thrive and do their best work.

Newsweek America's Greatest Workplaces for Parents and Families

Recognized for efforts to support modern families.

Great Place to Work®

In 2024, we earned the Great Place to Work® Certification™ in the U.S. for the third consecutive year and in India for the second consecutive year. Bread Financial's Bangalore, India, location was also named a top five company on the Best Workplaces in Fintech-India list.

86%

of associates said they feel Bread Financial is a great place to work—compared to 57% in a typical U.S.-based company—according to a 2021 employee engagement study by Great Place to Work®.



Listening to Our Associates

To ensure we are listening to our associates, we ask our global workforce to provide feedback on their experiences five times a year through digital surveys. Collecting this data is, in essence, like taking the “pulse” of our associates to learn how they feel at a given point in time about important topics that align with our Associate Value Proposition. Associates can also provide feedback during town halls and similar events, in addition to regular touch bases and conversations with their leaders intended to foster open and ongoing dialogue. This constant flow of associate input allows us to gauge the effectiveness of our work environment, policies and programs, and has translated into deliberate actions in the past, including: changes to our benefits, company holidays, paid leave policies, office design, internal communications, and our flexible workplace model—all of which help us maintain a competitive, well-rounded culture. To close the loop, we develop post-survey communications to keep associates informed of survey results and actions taken in response to their feedback. **In 2024, associate survey results influenced the development of the following initiatives:**

- Addition of new skill-based learning paths to our **Career Navigator** tool, which is available to all associates on demand. The website now features 15 learning paths covering general technical subjects and topics specific to our business to provide associates with technical knowledge and experience that could lead them to the next stage of their careers.
- Additional communications sharing information about various career resources, including how to add a talent profile and individual development plan to help associates maximize their future opportunities.



Town halls and leadership site visits provide opportunities for our leaders to communicate important updates about the business and listen to our associates’ feedback, questions and concerns in a live setting. In 2024, our leaders hosted a variety of gatherings, including:

- **CEO Town Halls:** Our CEO and Executive Leadership Team shared business updates and hosted Q&A sessions for all associates.
- **Leadership Site Visits:** Leaders traveled to Bread Financial sites and held small roundtables with our associates discussing their experiences.
- **Executive Leadership Team Town Halls:** Members of the Executive Leadership Team hosted town hall meetings for their teams focused on recognition, business updates, and opportunities for feedback/questions.

2024 ASSOCIATE SURVEY RESULTS

COLLABORATION

Collaboration among associates and teams continues to improve as more associates gain confidence with working in a hybrid model. Overall, 87% of associates rate the collaboration within their teams as effective.

CONFIDENCE IN LEADERSHIP

In 2024, our associates demonstrated strong *confidence* for the future of our organization, with 84% saying Bread Financial has the right strategic priorities and goals, and 84% expressing confidence that senior leaders will make the right decisions. Both items are key drivers of engagement and increased slightly from 2023. Additionally, 90% of associates say Bread Financial shows a commitment to ethical business decisions and conduct.

BELONGING

83% associates feel they belong at Bread Financial, citing company culture, relationships and team cohesiveness as the top reasons for a strong sense of *belonging*.

FLEXIBILITY

Associates continue to highlight *flexibility* and work-life balance favorably, with 85% saying Bread Financial supports them in achieving a good balance between work and their personal lives. 89% associates see our flexible work arrangements as a competitive advantage.

TALENT COMPETITIVENESS

Talent competitiveness encompasses the extent to which our associates see the company as providing a work experience that compares favorably with other organizations where they choose to work. In 2024, our overall favorability score on each of the five items under talent competitiveness exceeded the Fortune 500 benchmark by at least five points.

BENEFITS	87%
WORK CULTURE	88%
LEARNING & DEVELOPMENT	81%
PAY & REWARDS	76%
CAREER OPPORTUNITIES	75%

81%

Overall Talent Competitiveness Score



Engaging Our Associates

Inclusion and Belonging

Our company's success is fueled by the dedication and contributions of our associates. We recognize that cultivating an engaged culture where all associates feel a sense of belonging results in increased job satisfaction, loyalty and high-performing teams. This, in turn, drives our collective success, generates value for our stakeholders, and makes us a stronger, more sustainable company.

We offer all of our associates access to opportunities that enable them to reach their full potential where their experiences, perspectives and contributions are valued, leading to a sense of belonging. An engaged and fulfilled workforce helps ensure we can deliver on our business commitments and meet the needs of our stakeholders.

Business Resource Groups

Our nine associate-led Business Resource Groups (BRGs) are open to all associates and provide personal, professional and emotional development to enhance traditional company offerings. Our BRGs provide an additional forum for associates to share their experiences and expertise, collaborate, connect through mutual interests, and get involved in the community. In 2024, 20% of associates belonged to at least one BRG.

Our BRGs include:

- Asian Alliance
- Black Leadership Associate Connection
- BreadAbilities
- Family Matters
- Hispanic/Latine
- New Associate Connect
- PRIDE
- Veterans
- Women Connect

Achievements from 2024 included:

- Creating awareness and distributed resources in support of Autism Awareness, World Mental Health Day and National Disability Employee Awareness Month.
- Hosting Take Your Kid to Work Day.
- Having associate veterans serve as guardians and ground assistants during a Columbus Honor Flight to Washington D.C.
- Helping build a home for a single mother and her children as part of Habitat for Humanity's "Women Build" program.





Engaging Our Associates

Talent Acquisition, Development and Recognition

We are committed to providing individual learning and development opportunities for all associates. Our objective is to equip each associate with the necessary tools and support for growth within their current role while identifying avenues for advancement aligned with the organization's long-term goals.

Talent Acquisition

Bread Financial values both internal and external talent. We strive to find talented and qualified candidates who are invested in helping us create an exceptional experience for our customers. We believe that our competitive Associate Value Proposition, meeting associates where they are, and supporting their total wellbeing makes us attractive to prospects. We also have a successful referral program that rewards associates with a bonus for referring a successfully hired candidate.

Ensuring that an inclusive culture is embedded into our policies and processes is essential to our talent recruitment strategy.



“We strive to create a strong experience for our associates by fostering a culture of belonging, where everyone feels valued, respected and included. When our associates feel they can bring their best selves to work and share their unique perspectives, it enhances our ability to better serve our customers.”

Brandy Sullivan,
Senior Vice President &
Chief People & Culture Officer



In accordance with our Code of Ethics, we are fully committed to providing equal employment opportunities to all applicants and associates. This means we recruit, hire, train, promote, compensate, develop and retain the most qualified individuals without discrimination based on protected status as defined by law or Bread Financial policy.



Learning, Development and Training

19.3

Hours of training per global associate

\$1,307

Investment in training and development per global associate

At Bread Financial, we support our associates' professional development and advancement by equipping them with the tools needed to succeed, the trust to forge their own career path and opportunities to grow.

- Opportunity Index:** Using our Opportunity Index tool, we track internal promotions, lateral moves, and the percentage of open roles filled internally, further guiding our strategies to empower associate growth. In 2024, 25% of roles were filled internally.
- Ongoing Feedback:** Associates receive regular feedback from supervisors and discuss growth and career goals, including formal reviews held at least twice per year. During mid-year and year-end performance reviews, associates develop a first draft of the review and managers provide comments before a formal discussion occurs.
- Career Navigator:** Our Career Navigator website is designed to guide associates along their unique career path with professional development resources located in one place. We provide a catalog of programs from which associates or team leaders can design targeted learning paths, including leadership development programs.
- MentorcliQ:** We partner with MentorcliQ to support our cohesive, enterprise-wide associate mentor program, fostering collaboration and engagement in support of associate development.
- Pathways Program:** The 12-month Pathways Program is an early career rotational program in which participants gain hands-on experience in various departments. Participants engage in professional development and networking opportunities, readying them to transition into full-time positions after completion of the program.
- Rise Program:** The Rise Program is a six-month cohort-style program that focuses on leader-level and role-specific topics through instructor-led sessions, self-paced work and group discussions. Participants gain skills in: inclusive leadership, building trust, problem solving, communication, business acumen, enterprise-wide thinking and ambassador leadership behaviors.
- Apprenticeship Programs:** These six-month programs are designed to create opportunities for our non-exempt U.S. and India associates aspiring to take on corporate roles within Bread Financial. In 2024, 87% of participants moved into a permanent position on their apprentice team.
- Flex Experiences:** In its third year, this program gives associates exposure to other functional areas in the business and allows them to work with new people and expand their skill sets.
- Global Audit Visitant Program:** Participants in this program interact with executives at all stages of a formal audit and develop an understanding of the role Global Audit plays in a complex, modern payments enterprise. The program is designed to create jobshare experiences for associates, while providing opportunities to rotate into other areas of the business.
- Degree/Certification Programs:** We offer tuition reimbursement for full- and part-time U.S. associates, starting six months after hire. We reimburse up to \$5,250 for full-time associates and up to \$2,625 for part-time associates per calendar year to support the pursuit of an approved degree.
- Internship Program:** Our interns receive hands-on experience, access to professional development courses, virtual networking opportunities, and participation in philanthropic events. Our 12-week U.S. program and newly launched six-month India program are available to college and graduate students. In 2024, we retained several interns as part-time associates at the conclusion of the program.
- Executive Leader Program:** This six-month cohort style program focuses on training in emotional intelligence, strategic decision making, handling difficult conversations, and leveraging collaboration to be an effective senior leader.
- New Director Forums:** These forums provide the opportunity for new director-level associates promoted or hired within the last year to hear from executive leaders, learn more about business decisions and stretch understanding of our Visionary Leadership Behaviors to better support their associates.
- Foundations of Psychological Safety Training:** Through this training, leaders become better equipped to nurture a lasting culture where associates feel a sense of belonging on their teams and feel free to express ideas, admit to mistakes, and feel confident providing feedback openly and constructively in a safe environment.
- Inclusive Leadership Training:** This program is designed for senior leaders and their teams to examine our company's mission, vision and the behaviors we can all adopt to help grow our business that prioritizes inclusion and belonging.
- Stretch Assignments:** By assuming responsibilities for a different role for six months, associates gain new skills and insights into their next career steps, while fulfilling a business need.
- Job-Specific Training:** Bread Financial provides a variety of options for associates to pursue job-specific training, including access to LinkedIn Learning, webinars offered by our partners, internal training, and external training on a case-by-case basis.



Engaging Our Associates

Associate Recognition and Award Program

We believe that showing appreciation for the dedication and hard work of our associates is important. Each year, we honor associates through three recognition programs:

- The **Leadership Excellence Award** recognizes leaders who exhibit the highest levels of our leadership behaviors. Leaders with proven high-performance records earn a monetary award.
- The **Hall of Fame Award** is presented to associates who symbolize our values, serve as role models for their peers and community and have track records of excellence in their roles. Recipients are awarded an all-expenses paid trip and a cash bonus.
- The **Extra Mile Award** is given to associates who exhibit extra effort and deliver exceptional results in the first half of the year, earning a cash bonus.



2024 ASSOCIATE AWARD RECIPIENTS

22

leaders received the Leadership Excellence Award

101

associates received the Hall of Fame Award

78

associates received the Extra Mile Award



Associate Health and Wellbeing

We offer a comprehensive and competitive benefits package that prioritizes the physical and mental wellbeing of our workforce, with a strong focus on financial wellness woven throughout our company and our culture.

We recognize that associates in good health are more likely to excel in their roles, stay engaged, and contribute to their communities. That is why we provide exclusive access to **LivingWell**, our award-winning holistic wellbeing program. LivingWell offers straightforward, inclusive and affordable solutions tailored to meet associates wherever they are on their wellness journey. By connecting associates and their families with resources that support their overall wellbeing, LivingWell enhances financial confidence, allowing them to thrive.

Competitive Compensation and Pay

Competitive, performance-based compensation is a foundational element to ensuring our associates feel valued—one of the five areas in our Associate Value Proposition. At least once a year, we review macro-economic conditions for our business and our associates and we prioritize providing appropriate salary and wage raises across our workforce, along with stipends when and where necessary.

Our performance-based compensation model is reviewed regularly to ensure fair, merit-based and inclusive pay practices are followed. We strive to make fair decisions without bias and based on consistent criteria. Once every three years—most recently in 2024—we conduct a more intensive assessment to ensure our job salaries, job titles and career paths align with the marketplace.

Physical Wellness

We provide an array of top-tier health and wellness benefits that we believe are among the finest in our industry.

- **Health Insurance:** We are proud to cover approximately 83% of the cost of health insurance premiums on behalf of our associates, and we continually look to improve the plan design and affordability. In 2024, approximately 82% of our associates were enrolled in a medical plan.
- **Wellness Challenges:** To support our associates' total wellbeing, we host several wellness challenges throughout the year. Topics include: movement, mindfulness, sleep, hydration, nutrition, gratitude, pet appreciation and stress management. In 2024, our U.S. and India associates logged nearly 40,000 miles for our flagship Go the Distance challenge, which encourages participants to walk or run 50, 100, 150 or 200+ miles during the month of September.
- **LivingWell Reward:** In 2024, 87% of our associates in the U.S. and India used this lifestyle account benefit toward eligible wellbeing expenses for themselves or their immediate family members. U.S. associates receive \$400 and India associates receive ₹20,000 to spend toward eligible categories such as traditional gym memberships, group fitness classes, personal training, nutritional counseling, athletic shoes and apparel, fitness equipment and trackers, race registrations, sport lessons, bike sharing programs, community sport leagues, golf green fees, ski lift tickets, mindfulness apps, passes to parks and zoos, and home office furniture. We opened additional categories for both U.S. and India associates to help meet associates' self-care needs, including art supplies, books, music lessons and musical instruments.

A user-friendly claims reimbursement platform allows associates to get reimbursed quickly.

- **Livongo® by Teladoc Health*:** We partner with Teladoc Health to offer Livongo®, a diabetes and hypertension management program offered at no cost to our associates and dependents, covered by Bread Financial medical insurance. In 2024, 40% of clinically eligible members successfully enrolled in the diabetes program, with over 90% actively engaged, and 29% of eligible members enrolled in the hypertension program, with over 91% actively engaged.
- **Hinge Health*:** We partner with Hinge Health, an app-based musculoskeletal clinic that provides digital exercise therapy programs for joint, muscle and pelvic floor care. Associates and covered dependents over the age of 18 who are enrolled in a medical plan through Bread Financial are eligible for the program at no additional cost. Members of the program also have access to a dedicated, board-certified health coach and physical therapist who curate a personalized treatment plan based on the participant's current condition and goals. Associates who have engaged with the Hinge Health program have reported a 48% average reduction in pain and pelvic floor symptoms, along with a 45% average reduction in depression and anxiety.
- **Virtual Primary Care:** In 2024, we introduced virtual primary care alongside virtual urgent care and mental health support. There were 1,492 virtual visits across the three offerings.
- **Included Health:** We introduced Included Health as a partner for care advocacy and navigation, which enables associates to connect with doctors who align with their specific needs and preferences.

*These benefits are offered to U.S. associates only.



In 2024, Bread Financial received gold-level recognition from the Healthy Business Council of Ohio for demonstrating a commitment to offering programs and resources that support associate wellbeing.



Engaging Our Associates

Personal Wellness

We recognize the importance of supporting our associates in balancing their work and personal responsibilities and provide access to programs and partnerships to help address challenges as they arise.

- **Mental Health:** We partner with Spring Health, a robust mental health solution, to provide associates with the right care at the right time. Spring Health benefits are free to our U.S. and India workforce and their immediate family members, and include: personalized recommendations, dedicated support, digital wellness exercises, coaching, therapy (eight free sessions per person each year, up from six in 2023), medication management (U.S. only), 24/7 crisis support, and work-life resources. Within the first three years of launching this new resource, 41% of associates have enrolled. In addition to Spring Health, we provide mental health and substance abuse visit coinsurance for associates and dependents enrolled in our medical plan. Discounted virtual mental health visits with high quality psychiatrists and psychologists are also available through Doctor on Demand.
- **Bright Horizons*:** Our Bright Horizons program offers 60 hours of backup child and elder care, virtual and in-person tutoring, college coaching, and pet care services. In 2024, we added their dedicated family concierge team to assist our associates in maximizing their benefits based on their needs. Associates saved 942 workdays in 2024 through their participation in the program.

- **Progyny*:** Progyny is an inclusive, family-building benefit that provides comprehensive coverage and personalized support for all paths to parenthood, including fertility treatments, and financial assistance of up to \$10,000 per child for adoption or surrogacy expenses.
- **Paid Parental Leave:** In the U.S., eligible associates receive six weeks of 100% paid parental time off for birth, adoption or long-term foster care. This is in addition to the seven weeks of paid disability leave available to eligible new mothers, resulting in a total of 13 weeks of 100% paid time off. Eligible India-based associates receive 26 weeks for maternity leave, and three weeks for paternity leave.
- **Bereavement Leave:** Eligible associates receive up to seven days of paid bereavement leave for U.S. associates, and up to five days for non-U.S. associates.
- **Paid Time off for Voting:** Eligible associates receive paid time off to complete certain important tasks during the workday, such as voting.
- **Workplace Flexibility:** Eligible associates are given the choice to build a workplace routine that supports their personal preferences, demands and work.
- **Caregiver Resource Hub:** Through our Caregiver Resource Hub, we provide resources and support for managing the physical, emotional and/or financial stress that can come with being a caregiver.



AVERAGE WAIT TIME FOR A THERAPY APPOINTMENT

Bread Financial Associate (via Spring Health)

National Average

1.2 days

3-4 weeks

*These benefits are offered to U.S. associates only.

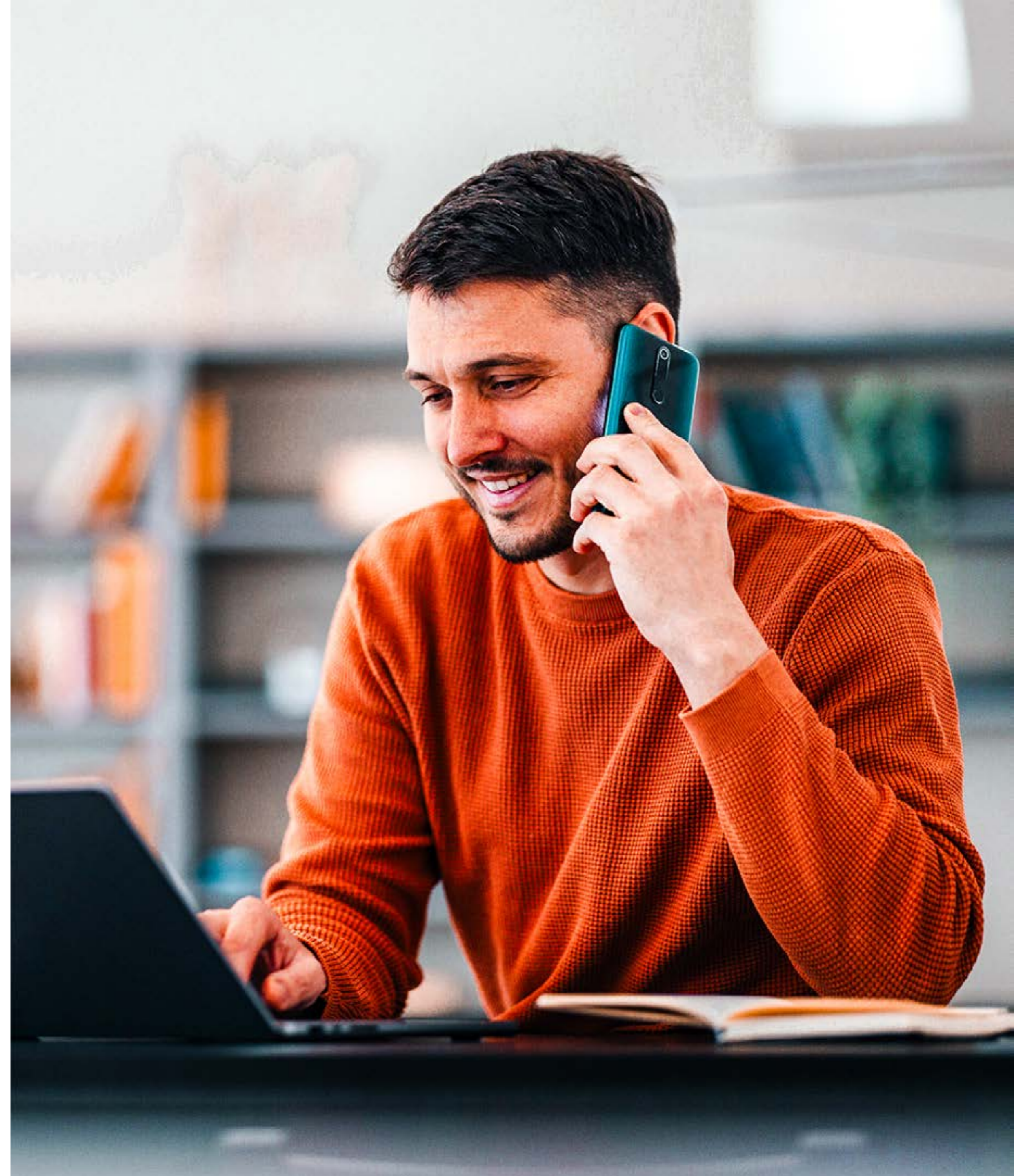


Engaging Our Associates

Financial Wellness

As part of our commitment to promoting financial confidence for our associates and their families, we provide access to a series of programs and benefits:

- **Employee Stock Purchase Plan (ESPP)*:** Full-time and part-time associates are eligible to purchase Bread Financial stock at a discount.
- **BrightPlan:** A financial wellness resource that offers goals-based financial planning and unlimited 1:1 access to Certified Financial Planners™, smart budgeting, and education at no cost to associates and their immediate family members. BrightPlan is available to U.S. and India associates as well as anyone (including former associates) who still holds a balance in our Bread Financial 401(k) plan. In 2024, 29% of associates were enrolled in BrightPlan.
- **Dollars & Sense Workshops*:** This program includes a series of financial education workshops offered on paid company time, focused on a variety of topics such as budgeting strategies and emergency funds, managing debt, buying a home, making the most of your financial benefits, getting to know your 401(k), keeping your identity and money safe online, and sensible holiday spending.
- **Candidly*:** This free financial wellness benefit provides digital tools and resources to help associates pay down student loan debt faster and smarter. It includes one-on-one coaching from a certified expert. In 2024, 643 associates utilized this resource, linking \$1.5 million of student loan debt.
- **College Scholarship Program:** Children of our associates attending a two-year or four-year school can apply for a one-time Bread Financial scholarship of \$10,000.
- **Help Right Here Program:** Help Right Here is our company's hardship program, funded by associates for associates. This anonymous fund allows associates experiencing financial hardship from a natural disaster, medical emergency, death in the family or domestic violence situation to apply for small non-taxed grants to support them during a time of uncertainty. The program is managed by a reputable third party to ensure objectivity and confidentiality and to help connect associates to other resources they may need.





Engaging Our Associates

New and Enhanced Benefits in 2024

Each year, associate feedback helps to inform the benefits we add, change and remove from our portfolio, in order to drive operational excellence. In 2024, we developed a cutting-edge interactive benefits guide, delivering a better experience for associates to navigate and understand their benefits. We also implemented the following:

- Continued the rollout of our updated **401(k) plan***, including:
 - Making the first annual 3% “free money” deposit into each associate’s 401(k), which included opening over 1,000 accounts for associates who previously were not participating. This benefit is now inclusive to all associates, even if they do not contribute any of their own money to the plan, representing a \$17 million investment from Bread Financial.
- Renegotiated our contract with our **dental plan*** provider, resulting in better benefits while keeping dental rates flat.
- Increased the number of **Spring Health** free therapy sessions for associates and their family members to eight (up from six in 2023).
- Introduced a new **529 College Savings Plan Finder** through **Candidly***.
- Relunched **Milk Stork***, which allows associates traveling for business to ship breast milk home at no cost.
- Added new categories eligible for **LivingWell Rewards**, including art supplies, books, music lessons and musical instruments.
- Offered a **long-term care benefit*** to help cover the cost of long-term care at home or in a specialized facility for associates and their spouses and children.
- Added a dedicated care concierge and healthcare navigation platform through **Included Health*** to help associates connect with affirming providers who will advocate for their unique needs.

RECOGNITION FOR OUR RETIREMENT PROGRAM

In an effort to encourage more participation in our retirement savings program, we partnered with T. Rowe Price and BrightPlan in 2023 to revamp our 401(k) plan. We implemented a series of changes, including:

- Integrated the 401(k) plan into LivingWell, our holistic well-being program.
- Increased the employer contribution to 6%, providing associates with a 3% non-discretionary contribution, along with the opportunity to receive a 3% company match (\$0.50 for every \$1 contributed, up to 6%).
- Removed the waiting period.
- Offered free investment advice through BrightPlan.
- Covered the cost of administrative fees for plan participants.

Our changes led to an increase in plan participation with nearly 81% enrolled by the end of 2024.



In 2024, PLANSPONSOR, an information and solutions resource for retirement benefits decision makers, named Bread Financial one of 10 winners of its PLANSPONSOR of the Year Award. The award celebrates the achievements of retirement plan sponsors and their efforts to improve retirement outcomes for their participants.

As the winner of the award in the category for corporate defined contribution plans with \$500 million to \$1 billion in the plan, the honor recognizes the significant strides Bread Financial made toward enhancing retirement outcomes for our associates.



Creating Possibilities for Our Communities

Creating Possibilities for Our Communities

Community-centric values are deeply ingrained in our company and culture. We make bold, strategic investments that strengthen our communities, foster independence, and create opportunities for our associates to engage through volunteerism and supported giving. We work hard to align our community initiatives with our business priorities in a way that will be good for society and good for our business.

2024 Business Accomplishments

Associate volunteer hours increased by 7%

\$9.8M in charitable donations

Increased associate donations and participation in our annual Giving Campaign

Improved our community impact measurement process to better align with business goals and track impact

Advanced approach to nonprofit management through comprehensive strategic support model

Alignment with Material Business Topics

Community Engagement

Corporate Culture

Corporate Governance

Financial Health & Wellbeing

Inclusion & Belonging





Creating Possibilities for Our Communities

In 2024, we took significant steps to evaluate our community investment strategy and how we measure impact. We engaged with a nonprofit partner to establish processes that will track the collective impact of our donations. This engagement also led us to revise our Purpose-Driven Priorities and rewrite our funding application to better reflect our goals. Our focus on collective impact will help to drive positive outcomes in our communities.

Carrying out this work is a collaborative process. Our Office of Sustainability works with stakeholders across the business to activate our nonprofit partnerships, advance their mission through mutually beneficial initiatives, and execute internal fundraising campaigns. Additionally, the Executive Leadership Team reviews charitable contributions on a quarterly basis and approves all contributions greater than \$100,000. Finally, our Community Reinvestment Act (CRA) Committee ensures compliance with the Community Reinvestment Act regulation which encourages depository institutions to meet the credit needs of the communities where they operate, including low- and moderate-income neighborhoods.

PURPOSE-DRIVEN PRIORITIES

Our Purpose-Driven Priorities encompass strategic focus areas that guide all of our community investments, grants and donations, and are aligned with our business strategy:



FINANCIAL WELLNESS

Empower our communities by investing in tools, training and programs that boost financial confidence. We support programs that create measurable impact in financial literacy, job training and upskilling as well as increasing the earning power of underserved populations.



THRIVING COMMUNITIES

Increase access to inclusive opportunities that enable individuals to enhance their quality of life and achieve self-sufficiency. We invest in programs focused on hunger and housing, early education and youth mental health.



PROTECTING OUR PLANET

Invest in initiatives that have the greatest potential to combat climate change and its effects, including those focused on the preservation and restoration of lands, innovative methods of energy conservation and production, improving the well-being, and living conditions of populations disproportionately impacted by climate change.





Creating Possibilities for Our Communities

Our Community Reinvestment Act Commitments

At Bread Financial, we leverage our expertise, talents and resources to help improve the quality of life in our communities. We recognize our responsibilities under the **Community Reinvestment Act** to identify and assist in meeting the credit needs of our communities. Led by our banks, our CRA strategy is based upon an annual community needs assessment. As part of this process, our bank associates regularly engage with local nonprofits and government agencies to better understand and identify emerging community needs. Our CRA strategy is guided by three principles that further support our **Purpose-Driven Priorities**: building a diverse portfolio of community development loans and investments, making bold and responsive grants, and engaging deeply in our communities through service and volunteerism.

2024 New CRA Investments and Loans:

\$92M

Total CRA Investments and Loans Portfolio:

\$262M

2024 LOANS AND INVESTMENTS

Catalyst Opportunity Fund II

We invested \$5 million in the fund, supporting projects that create affordable housing opportunities for the local workforce. At least 55% of the housing units are priced affordably for low- to moderate-income renters. The fund also stimulates economic activity to revitalize distressed neighborhoods, activates creative spaces, supports small businesses and local job creation, provides access to wrap-around programming and services for its tenants as well as provides new amenities benefiting the broader community.

Adelphi Bank

We invested \$1 million to support Adelphi Bank’s vision of narrowing the financial wealth gap and enhancing financial security for all communities, particularly the underserved. Adelphi is a minority depository institution, and one of twenty-two Black led financial institutions. Opened in May 2023, the bank is located in the historical King-Lincoln District in Columbus, Ohio. Adelphi’s mission is to improve the lives of its customers by removing barriers to financial equity and empower communities to build wealth.

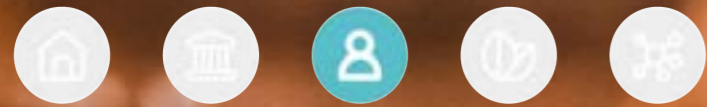
We are also invested in the following funds, further demonstrating commitment to our CRA strategy:

- Bridge Workforce and Affordable Housing Funds II & III
- Carver Federal Savings Bank
- CCM Community Impact Fund
- Mortgage-Backed Securities
- Pelion Ventures Funds VII & VIII
- Rocky Mountain Community Reinvestment Corporation
- Raymond James Tax Credit Fund
- Stonehenge Community Impact Fund
- Utah Housing Preservation Fund
- Utah Microenterprise Loan Fund



“We are deeply committed to empowering communities with the resources needed to strengthen economic vitality and social wellbeing. Our holistic approach incorporates bold investments, active volunteerism and strategic giving to make a lasting impact in the communities we serve.”

Stephanie White,
Director CRA Compliance



Creating Possibilities for Our Communities



2024 COMMUNITY INVESTMENT BY THE NUMBERS



Single-Family Affordable Housing Finance

\$19.1M

invested in mortgage-backed securities consisting of mortgages to low- and moderate-income households

\$5.8M

in housing bonds purchased



Multi-family Affordable Housing Finance

\$65M

in new commitments

\$1.3M

in commitments remaining from previous years

Contributed to

39

affordable housing projects that developed or preserved

and

3,826

affordable housing units



Small Business Support

\$7.3M

in commitments remaining from previous years

Provided

\$1.6M

in capital

15

small businesses impacted

1,599

jobs created or preserved



Creating Possibilities for Our Communities

Partnering to Support Our Purpose-Driven Priorities

We partner with several local and national nonprofits whose missions align with our priority funding areas. Through our partnerships, we provide holistic support to help nonprofits advance their missions by leveraging and engaging our multi-stakeholder audience, including customers, brand partners, associates and communities. Our investments and grants to these organizations focus on creating opportunities by cultivating thriving communities, supporting financial wellness, and helping to protect our planet.



PRIORITY AREA: FINANCIAL WELLNESS



Our long-term support of **Junior Achievement (JA)** helps fund financial literacy programs across our locations and supports the JA USA innovation fund, which pilots and scales new programs. Bread Financial associates volunteered their time at programs such as JA BizTown®, a hands-on learning experience for students in grades 4-6 that combines in-class learning with a day-long visit to a simulated town at JA's office. Volunteers in Central Ohio helped guide students as they simulated real-world experiences such as operating businesses, voting for a mayor and more.



We support the **Teen Warehouse** RISE program, which provides personal development, soft skills, technical training and workplace experience to help teens prepare for employment. Funding enabled teens to complete the 8-week soft skills training program and the 4-week work experience program. Teens who completed the RISE program reported that they feel more confident than when they started and believe that they now have a voice.



of New York City

Our grant to **Girls Inc. of New York City** supported girls and young women in low-income communities improving their financial health. Girls Inc.'s Her Future program leverages an app that has helped more than 3,600 teen girls gain financial knowledge and confidence. After experiencing the curriculum, 89% of girls reported they have personal financial goals and 72% say they have a better understanding of budgeting and financial planning.



The Other Side Academy is a therapeutic community training school that supports people experiencing homelessness, addiction, and other challenging circumstances in learning vocational, social, and life skills. We provided funding to match the savings of individuals who completed the multi-year program, supporting their integration into society as healthier, more positive community members.



First State Community Action Agency, Inc. offers various programs that target the root causes of poverty. We provided a grant to support the Youth Employment and Training program, which provides soft skills that will help youth become economically self-sufficient as well as improve their employability and income status.



Per Scholas aims to advance economic equity through rigorous training for tech careers, and to connect skilled talent to leading businesses. We provided funding to support the organization's rigorous training programs that led to an 85% graduation rate with 80% of participants attaining employment within 12 months of graduation.



Creating Possibilities for Our Communities



PRIORITY AREA: THRIVING COMMUNITIES



We donated to the **Mid-Ohio Food Collective** to improve food accessibility, promote health through nutritious food options, and enhance convenience for vulnerable populations in their service territory. Our associates also support the Mid-Ohio Food Collective and have volunteered a combined 10,725 hours since 2012.



Our grant to **People Helping People** provided funding for the organization's Employment Program, which helps low-income women and single moms learn how to earn a living wage and reach their full potential in the workplace, ultimately helping families break the cycle of poverty.



Our financial contribution to the **Cornerstone West Community Development Center** supported the Building From Within program, a small business innovation grant program that provides grants to businesses for emergency needs and funds to improve their exterior facades.



Canine Companions is a national organization that trains and matches service dogs for children, adults and veterans with disabilities. Bread Financial's contribution supports team training as well as 60 service dog placements.



Our gift to **The Kids Mental Health Foundation** enables the foundation and its partners to implement various pilot and permanent programs aimed at enhancing the mental well-being of children. This includes a program focused on supporting the mental health of children from military-connected families, who often face unique challenges due to frequent moves and deployments.



MY POSSIBILITIES LEARN LIVE GROW

Our contributions to **My Possibilities** support vocational training programs for adults with intellectual or developmental disabilities. In 2024, My Possibilities graduated their first class of the Employment Innovations School powered by Bread Financial. 23 students, known as "HIPsters" (Hugely Important People), underwent curriculum focused on pathways to employment, bridging the gap between talent and opportunity.



Our donation to the **University of Utah Impact Scholars** helped fund scholarships for students who have exited the foster care program. The Impact Scholars program offers students holistic support, including mentorship, advising, community and leadership development. Students also receive support to enable them to pay for tuition, room and board and other educational expenses as needed.



Creating Possibilities for Our Communities



PRIORITY AREA: PROTECTING OUR PLANET



Over the past four years, we have supported The Nature Conservancy (TNC) through several

initiatives to help restore, protect and raise awareness. In 2024, we funded:

- **Plant a Billion Trees:** Planting 208,000 trees across more than 1,000 acres of forest. Our campaigns included:
 - A social good campaign that brought together Bread Financial, the National Basketball Association’s Cleveland Cavaliers, and TNC to plant more than 58,000 trees across the world. We donated \$2 on behalf of every fan who attended one of three designated Cavaliers’ games.
 - A program celebrating Earth Month that incentivized our customers to opt into paperless communications. For each customer who opted in, we donated \$2 to plant a tree with TNC, which was used to plant 150,000 trees.
- **Addressing Water Scarcity in India:** Implementing innovative strategies to restore and conserve freshwater systems. Our contributions help TNC:
 - Conserve Maharashtra’s Ghod River Basin by working with local villages to implement sustainable farming practices, restore vegetation and improve farmland. These efforts are expected to increase water availability for an estimated 50,000 residents.
 - Revitalize areas along the Narmada River by planting native trees and restoring degraded landscapes—reducing erosion and improving water quality for communities that depend on the river.

- **Preservation and Protection of Appalachian Mountain Range:** Supporting TNC’s 2030 efforts to preserve and protect the Appalachian Mountain Range, a biodiversity hotspot facing significant environmental threats. TNC aims to protect 18 million acres of land, connect 5,200 miles of rivers, sequester 250 million metric tons of carbon, and work with a number of partners in support of communities. Our commitment has helped to:

- Support the creation of a 2,000-mile network of connected, resilient lands and waters. This “biodiversity superhighway” will enable plants and animals to adapt to changing climates and help protect freshwater sources for millions.
- Empower local communities through renewable energy job training that provides new economic opportunities for residents.

In addition to these efforts, our partnership with TNC has enabled us to engage our associates in sustainability initiatives. On Earth Day, associates were encouraged to use TNC’s personal carbon footprint calculator to determine their impact on the environment and identify ways to reduce their footprint.



American Red Cross

Bread Financial is a member of the American Red Cross’ Annual Disaster Giving Program (ADGP). ADGP members, along with

their employees and customers, pledge financial and in-kind donations in advance of disasters, powering the Red Cross with strong infrastructure, trained volunteers, innovative technology and resources necessary to provide relief and support to those in crisis.

These donations enable the Red Cross to respond to disasters at a moment’s notice (e.g., offering a safe place to sleep, a hot meal, emotional support and resources to aid in recovery), while also helping prepare people and communities for disasters yet to come.





Creating Possibilities for Our Communities

Associate-Led Community Impact

Our commitment to our communities does not stop with investments and grants. Our associates play a significant role in advancing our value to “Pay it Forward.” We match their donations, encourage them to volunteer, and create opportunities for every associate to give back in their own way. We also offer our non-exempt workforce up to eight hours of paid time off per year to volunteer in their communities—a policy launched in 2022 in response to feedback from our associates.

Our efforts to increase the number of coordinated volunteer opportunities, promote volunteerism as team-building, and communicate our volunteerism benefits resulted in a more than 7% increase in associate volunteer hours compared to 2023.

Help Right Here: Associates Helping Associates

Through Bread Financial’s Help Right Here initiative, associates can support each other during times of financial hardship. Our associates can apply anonymously for a grant of up to \$1,250 for assistance during events like serious illness or injury, domestic violence, or loss due to extreme weather. Associate donations drive this program, and those donations are matched dollar-for-dollar by Bread Financial.

92%

of our associates agree that Bread Financial is taking action to be socially responsible.

<p>Giving Campaign</p>	<p>\$3M donated to 857 nonprofit organizations by associates and matching donations</p>	<p>For 10+ years, our annual giving campaign has been the cornerstone of our associates’ community impact. Associates can give to any eligible nonprofit organization of their choice, and we match their donation dollar-for-dollar, with no cap.</p>
<p>Operation Feed</p>	<p>\$77,099 donated to food banks by associates and matching donations, funding 770,990 meals</p>	<p>Through this campaign, associates donate to local food banks with matching donations from Bread Financial.</p>
<p>Matching Programs</p>	<p>\$91,500 donated as a result of 8,172 associate volunteer hours</p>	<p>When associates volunteer outside of company volunteer time, they earn a \$25 charitable gift card for each service hour up to \$1,000 annually. These gift cards can then be donated to a nonprofit of their choice. We match associate donations with gifts up to \$2,500 per associate each year, and a 2:1 match up to \$5,000 for associates serving on nonprofit boards.</p>
<p>Pay it Forward Week</p>	<p>621 hours volunteered with 45 charities across 13 states</p>	<p>In observance of Pay it Forward Week, we encourage associates to volunteer with nonprofit organizations, including virtual volunteering opportunities.</p>
<p>Giving Tuesday</p>	<p>\$50 charitable gift card to donate to a nonprofit of their choice</p>	<p>In 2024, we gave every associate a \$50 charitable gift card to donate to a nonprofit of their choice.</p>
<p>TOTAL IMPACT</p>	<p>10,642 volunteer hours</p>	<p>\$952,278 matching gifts</p>



Creating Possibilities for Our Communities

HIGHLIGHTS FROM OUR BANGALORE OFFICE

Throughout 2024, our associates in Bangalore, India got out of the office to volunteer. Their efforts included:

- **Community Care Day:** Associates volunteered at Sumangali Seva Ashrama, an organization that assists underprivileged women, orphaned children, the elderly and other people in need. Our support helped the organization deliver basic necessities such as groceries, bedspreads, blankets and notebooks.
- **Earth Day:** We planted 500 trees and installed 20 benches on the campus of the National Institute of Mental Health and NeuroSciences Hospital.
- **Back to School:** In partnership with the United Way Bengaluru, we distributed school uniforms and bags to 200 schoolchildren in need.



ON OUR SLEEVES WALK

In 2024, 75 associates and guests participated in **The Kids Mental Health Foundation's On Our Sleeves 5k** in Columbus, raising nearly \$6,000 for youth mental health research. The event raised funds for **The Movement for Children's Mental Health**, a mission that provides expert-created resources to all U.S. communities so everyone can understand and promote mental health for children.

In addition to participating in the race, several Bread Financial associates had the opportunity to Pay It Forward and help organize race packets for participants. Every dollar raised helped create and provide valuable resources, including educational content, lesson plans for schools, and activities for families, coaches and organizations.



Creating Possibilities for Our Communities

Cause Marketing

Bread Financial takes a strategic approach to uplift shared values with our brand partners and their charitable priorities. Throughout 2024, we engaged with four brand partners on cause marketing campaigns. In addition to facilitating our first cause marketing campaign on our Bread Cashback® and Bread Rewards™ American Express® Credit Cards.

These successful cause marketing programs benefited organizations like ROX and the Bob Woodruff Foundation.



PARTNERING TO SUPPORT GIRLS

We proudly support ROX, a leader in programming, research and education focused on girls. Throughout our longtime community partnership, we have committed a collective \$3 million to help ROX advance its mission and help expand its school-based programming from 30 to all 50 states. In 2024, we engaged our various stakeholders—including customers, associates and communities—in a variety of initiatives to support ROX, including:

- Launching our first-ever cause marketing campaign on our Bread Financial Cashback and Rewards credit cards, donating \$500,000 to ROX with support from our customers.
- Dr. Lisa Hinkelman, Ph.D., and founder of ROX, participated in a Bread Financial panel discussion at the **US Open** focused on women in sports and businesses.
- We funded the development of ROX's research report, **The Girls Index™**, which highlighted a concerning decline in self-esteem and confidence among girls, and participated in **The Girls Are Not OK**, an event focused on the survey findings.
- Our Women Connect and Families Matters Business Resource Groups (BRGs) hosted a **webinar for associates** to share findings from The Girls Index™ report.
- We partnered on a **consumer insights survey** to understand women's financial acumen and confidence across generations.
- Bread Financial was the presenting sponsor of ROX's signature annual fundraiser, **Girls Without Limits**

“Bread Financial has been one of the most impactful partners for ROX in our history. They show up for us in every possible way. This kind of thoughtful approach to giving back is the heart of Bread Financial and at ROX we are beyond lucky to have such a critical partner in our work.”

Lisa Hinkelman, Ph.D.
Ruling Our eXperiences, Inc. (ROX)
Founder and CEO



INVESTING IN VETERANS

In 2024, we continued to elevate our partnership with the Bob Woodruff Foundation and their support of veterans, services members and their families. Key initiatives included:

- Shannon Andrick, Senior Vice President Business Strategy at Bread Financial, co-presented with Anne Marie Dougherty, CEO of the Bob Woodruff Foundation, at the **Women in Retail Leadership Circle Summit**, discussing their shared passion for supporting military families and veterans. Bread Financial and the Bob Woodruff Foundation established an onsite activation that offered attendees an opportunity to write thank you letters to veterans.
- Ralph Andretta, President and CEO of Bread Financial, spoke to a crowd of veterans and employers at the 2024 Veterans on Wall Street event in New York City about the value of hiring veterans.
- Bread Financial was a presenting sponsor of the foundation's signature annual fundraising event, **Stand Up for Heroes**, which raised \$29 million.
- We conducted a **cause marketing campaign** on the NFL Extra Points Visa® Credit Card, in which 1% of sales during the campaign went to the Bob Woodruff Foundation and NFL's Wheelchair Football League.



Environment

Protecting Our Planet

59



Protecting Our Planet

Protecting Our Planet

We are committed to protecting our planet and doing our part to address the impacts of climate change by embracing environmentally responsible practices throughout the organization. Our environmental goals focus on what is best for the success of our business by improving operational efficiency, increasing the resiliency of our business, addressing climate-related risks and opportunities, reducing our carbon footprint, conserving natural resources, and supporting associate-led environmental initiatives.

2024 Business Accomplishments

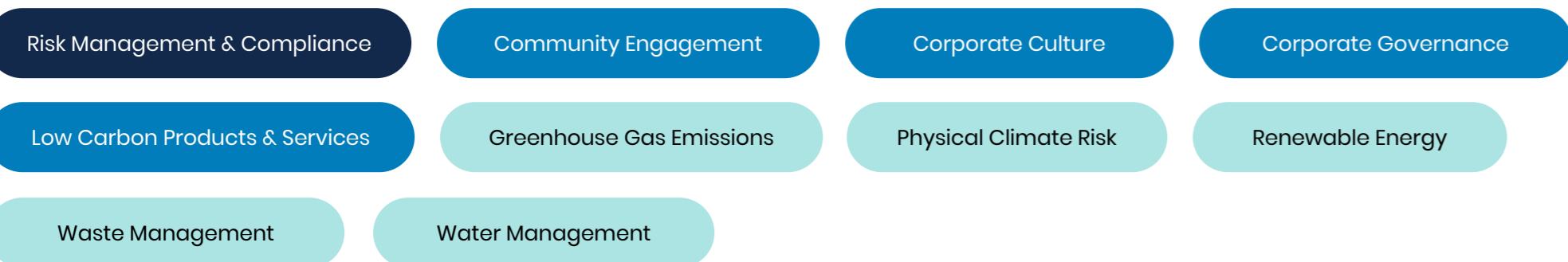
Established greenhouse gas (GHG) emissions reduction targets

Developed a new Sustainable Technology framework

Deployed supplier assessments inquiring on our suppliers' sustainable business practices

Expanded our use of sustainable card plastics, which includes polylactic acid (PLA) and recycled polyvinyl chloride (rPVC)

Alignment with Material Business Topics



OUR ENVIRONMENTAL PERFORMANCE

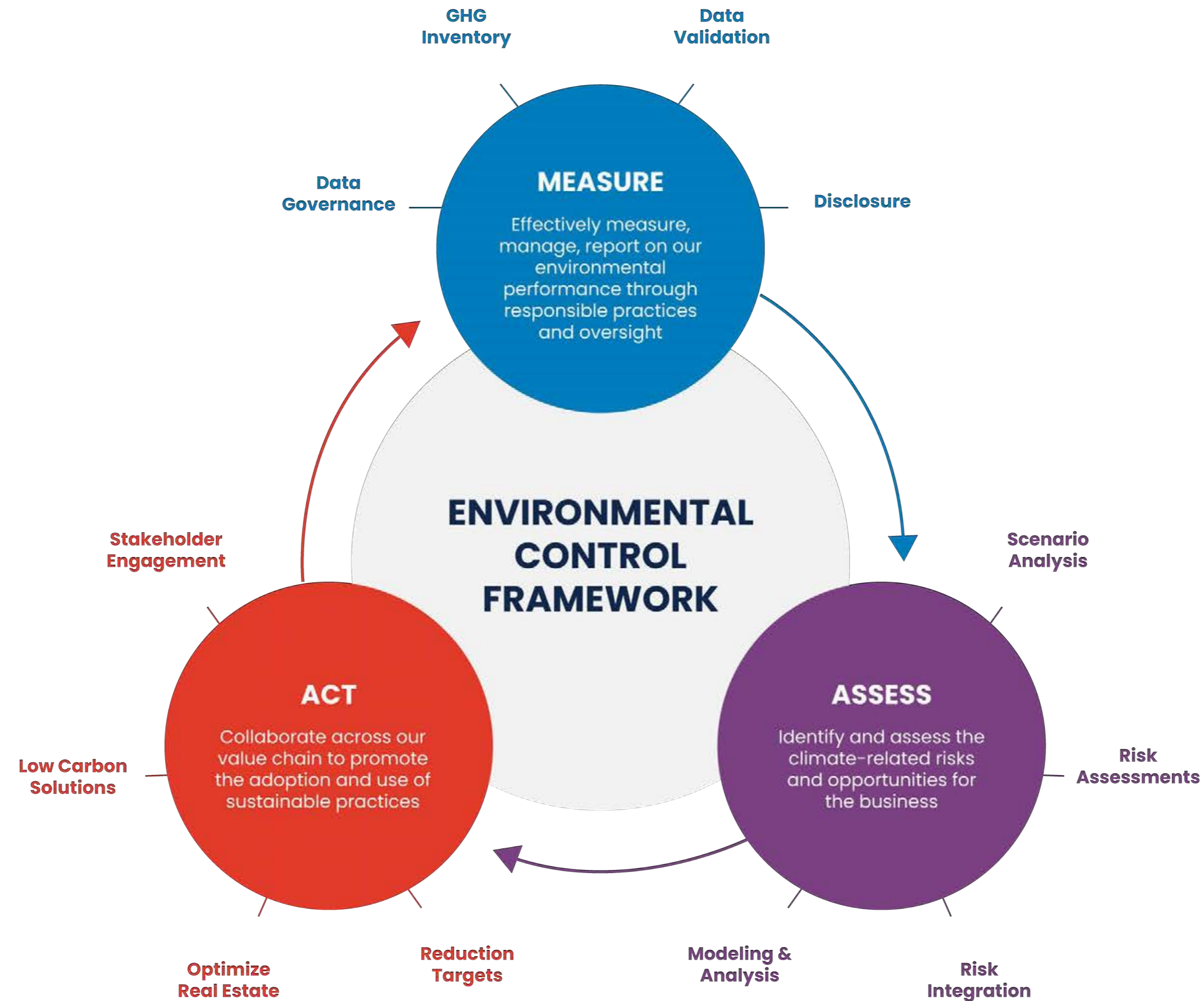
	2024	2023*	2022*
GHG emissions - Total (in MTCO₂e)	96,409	154,806	160,622
Total energy consumed (in gigajoules)	59,737	71,301	91,405
Electricity from renewable sources	64%	42%	62%

*Our emissions and energy metrics disclosed for 2022 and 2023 were recalculated due to changes in calculation methodology.



Protecting Our Planet

Embracing environmental responsibility plays an important role in our long-term business strategy. By prioritizing sustainable practices, we can safeguard our organization against environmental risks and improve the efficiency of our operations. The Board of Directors provides oversight of the environmental strategy and initiatives developed by the Office of Sustainability which is guided by our [Environmental Policy Statement](#). The policy serves as the foundation for our approach to environmental management and outlines a range of actions and commitments aimed at protecting and preserving the environment and reducing the risks posed by climate change. Our **Environmental Control Framework**, which is also overseen by our Board and leadership, defines how we measure, assess, and act on our environmental commitments. The framework uses a continuous cycle of improvement to enhance our understanding and management of environmental risks and opportunities. It also assists in identifying goals and initiatives to achieve our environmental objectives.



2025 CLIMATE GOALS

- Implement, manage and oversee greenhouse gas reduction strategies.
- Advance quality, assurance and oversight of environmental data.
- Assess climate-risk disclosures for further alignment with best practices and commonly accepted frameworks.
- Advance our natural disaster relief program for customers.



Protecting Our Planet

Assessing Climate-Related Risks and Opportunities

Our **2023 Materiality Assessment** found that the management of environmental and climate-related risks remains important to our stakeholders; however, it has an overall lower impact compared to other key topics due to the nature of our business and limited physical footprint. Assessing and mitigating environmental risks remains a priority among our various stakeholders as managing these risks is an essential activity for establishing operational resilience as well as maintaining transparency within our disclosures.

We are taking proactive steps to embed climate-related risks into our risk management practices, and we continually refine our approach to ensure the comprehensive oversight and management of these risks. Our [TCFD Report](#) discusses our progress in identifying, assessing, mitigating and governing climate-related risks and opportunities. The report details the results of our climate change scenario analysis, as well as how we identify and quantify the climate-related risks and opportunities unique to our operations,

Our climate risk analysis was conducted by partnering with our internal scenario analysis team, which has a deep understanding of our company's control, risk and banking environment. We assess risks at the enterprise level and engage a broad group of leaders from multiple functions to quantify risks and identify our largest vulnerabilities and potential effects for our business.

To aid in the quantification and assessment of physical risks to our customers, we created a model to assess potential impacts of climate-related events in locations where our customers reside (e.g., financial hardship, loss of

home or business, inability to meet payment obligations, or a general disruption to retail activity). This model is also used to assess the potential effects on our customers when natural disasters hit and informs our response to provide aid to customers. Our risk model and analysis included data from the impact of past events, as well as the geographical concentration of our customer base and natural disaster risk of these areas defined by the Federal Emergency Management Agency (FEMA). The results of the scenario analysis were presented to our banks' Asset and Liability Committees, as well as other relevant business leaders.

We recognize that the impacts of climate change, including natural disasters from severe weather events, can cause unexpected hardships for our customers. In certain circumstances, we offer relief programs for customers who are experiencing hardships from natural disasters declared by FEMA. For more information, please see the [Customer Relief Programs](#) section in the **Empowering Our Customers Chapter**.

We also include sustainability topics in our New Business & Initiatives (NB&I) program. We evaluate the risks of potential brand partners of new credit card portfolios for their sustainability practices, such as greenhouse gas measurement and reduction initiatives. If applicable, we also examine our own proposed initiatives to see how they may affect our environmental footprint. This helps to assess and understand the possible impacts of any new business initiative as it relates to our own sustainability goals, identify opportunities to collaborate on the topic, and reduce our collective impact. For more information, please see the [Evaluating New Business and Initiatives](#) section in the **Managing Our Business Responsibly** chapter.



CLIMATE RISK SCENARIO ANALYSIS

Hypothetical Scenario: As global temperatures shift, natural disasters become more frequent and intense, affecting supply chains, habitats, and customer spending and payment patterns. Elevated costs are incurred to improve the sustainability of operations. Non-compliance hampers our ability to attract and retain both partners and customers, while also exposing the company to fines and the loss of business.

Using this scenario and working with our internal scenario analysis team, subject matter experts from across the company helped to identify and quantify potential impacts on our business, including:

1. Revenue loss due to reduced card use from customers, as well as impact to late fees, finance charges and write-offs.
2. Disruptions to our brand partnerships, customer care center, supply chain, and other operations and systems.
3. Potential fines and investor lawsuits.

Many of these impacts are addressed as part of our RCSA program, Business Continuity & Disaster plans, risk assessments, and in our budgeting processes, all of which we continue to enhance.

To further educate our leadership teams on the potential effects of climate risk, we presented our findings to our banks' Operational Risk Management Committees in 2023. This included an overview on how this threat relates to other risk areas (i.e., geographical concentration, credit and reputational risks), as well as mitigation actions.



Protecting Our Planet

Managing & Reducing Our Carbon Footprint

Our efforts to manage and reduce our greenhouse gas emissions contribute to our organization's strategic goals of operational excellence, technology modernization, and digital advancement. By creating efficiencies, minimizing waste, mitigating risks, and streamlining processes, we not only enhance these strategic goals but also integrate our environmental initiatives with our broader mission.

The path to reducing our environmental footprint starts with a clear and accurate measurement of environmental data, particularly our greenhouse gas (GHG) emissions. On an annual basis, we collect and track scopes 1, 2 and 3 emissions across our operations, completing our 13th inventory based on 2024 data. We leverage a carbon accounting tool to elevate the accuracy and our understanding of the data. Additionally, we have adopted data governance controls and our 2024 GHG inventory has been verified by an independent third party, certifying the reliability of our data and reinforcing the credibility of our commitment to reducing emissions and mitigating climate risk. This transparency and rigor is key to designing reduction strategies and promoting the accuracy and completeness of our measurements.

In 2024 we used our emissions data to set GHG reduction targets informed by commonly accepted target-setting strategies. These reduction targets are further aligned with both strategic and operational company goals.



We have reported our emissions data annually to CDP since 2014. In 2024, our enhanced reporting efforts improved our score in Climate Change from a C to a B.

We chose 2022 as the baseline year for our emissions reduction targets because it most accurately reflects our current business and a return to normalcy after fluctuations due to COVID-19, business divestitures, and real estate optimization. This baseline can effectively act as a reference point to help track our performance over time.

GHG Reduction Targets (by 2030)

Reduce our direct impact to the environment

Scope 1 & 2: Reduce emissions by 55% compared to 2022

Reduce our suppliers' impact to the environment

Scope 3: 55% of our suppliers* (by emissions) adopt defined sustainability practices**

Primary Reduction Pathways

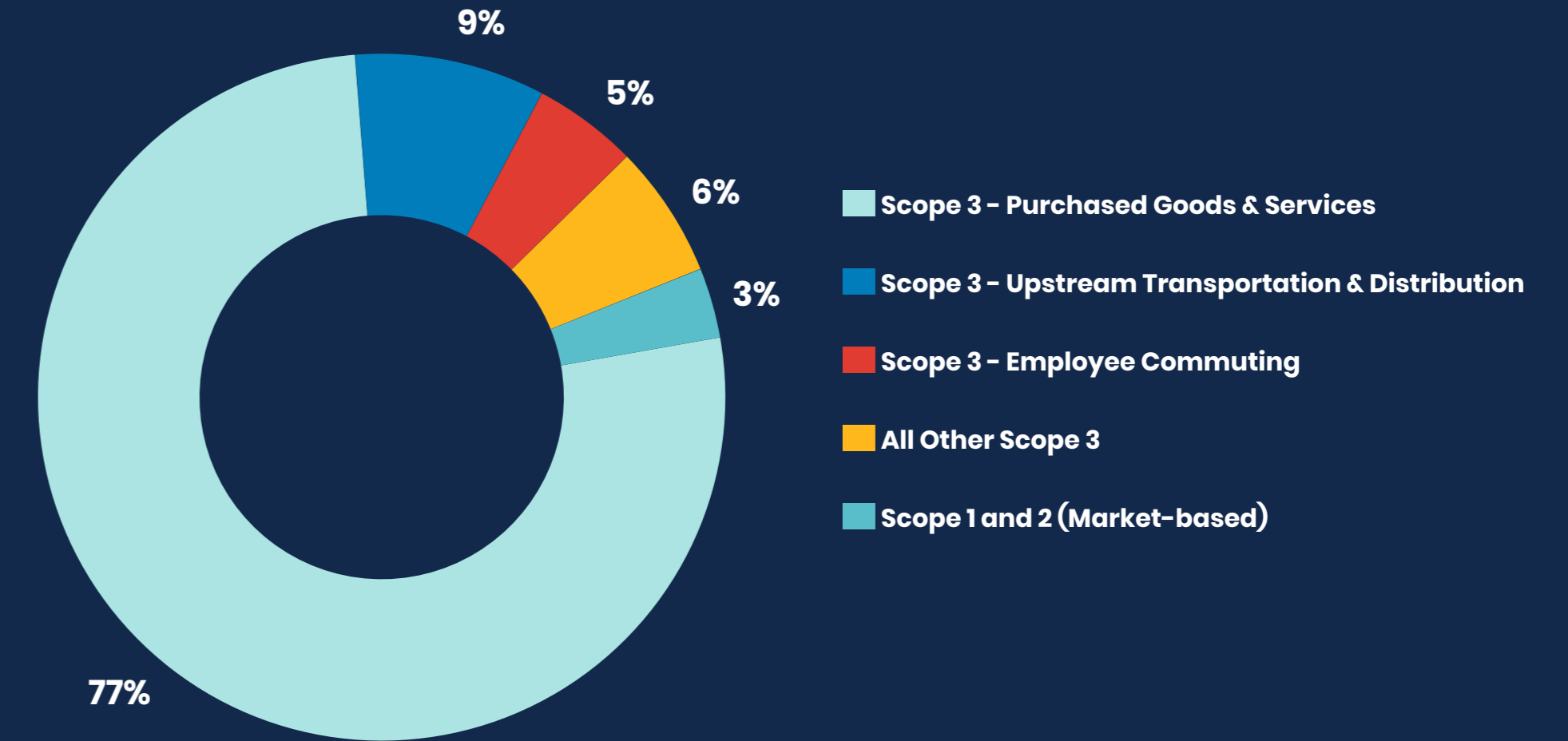


We will continually assess these pathways for appropriateness and for new reduction opportunities. The following pages provide an overview of our reduction pathway strategies.

*We do not consider investors, debt holders or our brand partners as suppliers.

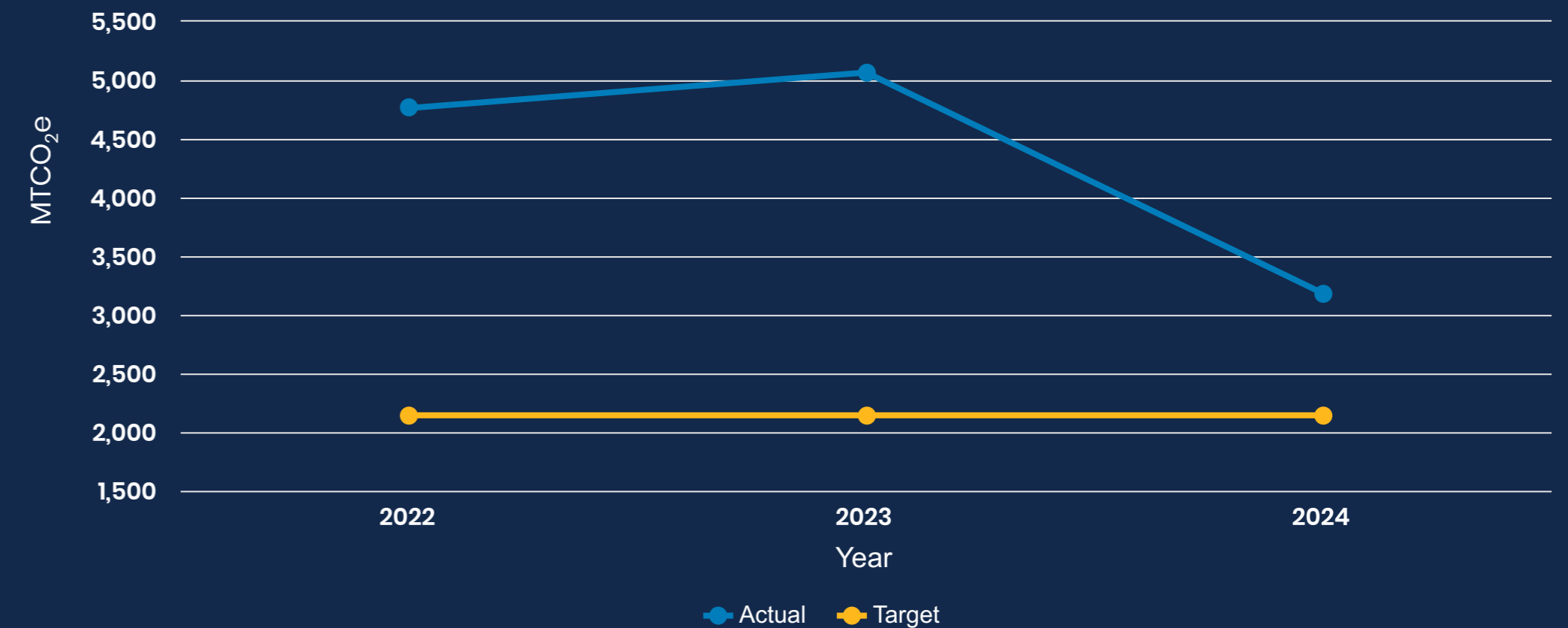
**Defined sustainability practices refer to GHG emission reduction targets for large enterprises or other sustainability practices (e.g., measuring emissions, responding to climate questionnaires) for small enterprises.

2024 GHG EMISSIONS BREAKDOWN***



Our Scope 1 emissions primarily result from natural gas used to heat our facilities. The majority of Scope 2 emissions are from our electricity use. Our largest category, Scope 3 emissions, largely relates to the goods and services purchased from suppliers.

OUR PERFORMANCE AGAINST SCOPE 1 & 2 GHG REDUCTION TARGETS



***Market-based approach results are used throughout for Scope 2 + 3 emissions to effectively capture renewable electricity efforts.



Protecting Our Planet

Supplier Engagement

With Scope 3 being our largest greenhouse gas category, we are committed to engaging with our suppliers to reduce the footprint of our overall value chain. In 2024, we distributed questionnaires to a select group of suppliers to assess their responsible business practices, including their environmental responsibility. Our analysis determined that approximately 40% of our suppliers, by emissions, had GHG reduction targets in relation to our 55% target by 2030. For more information, please see the [Responsible Sourcing and Supplier Opportunity](#) section in the **Managing Our Business Responsibly** chapter.

Sustainable Plastics

We have adopted a carbon offset strategy for our Bread Cashback[®] and Bread Rewards[™] American Express[®] cards, using the **Thales Gemalto Carbon Offset Program** to make each card certified carbon neutral. Both of these cards are produced with polylactic acid (PLA), a bioplastic derived from renewable, organic sources. For every million PLA cards produced instead of traditional polyvinyl chloride (PVC), Bread Financial helps save 18 MTCO₂e in GHG emissions and four and a half tons of virgin PVC usage.

In 2024, we expanded our use of sustainable plastics to include recycled PVC (rPVC) and issued our first rPVC cards via one of our valued brand partners. New and existing brand partners can now choose sustainable plastic options when building their card programs. As a result, we issued approximately 1,470,000 sustainable plastic cards in 2024.

For certain programs where a traditional card is not necessary, we offer a paper card or an entirely cardless product, helping to further reduce unnecessary plastic.

Additionally, we support digital wallets for eligible card programs.

Digitalization

Digitalization efforts support our reduction targets by enhancing efficiency, optimizing resources, and reducing paper. We continue to drive adoption of digital servicing throughout the customer experience through our mobile app and electronic billing statements, credit card agreements, letters and marketing materials.

We launched a pilot program to reduce paper credit card agreements in stores by allowing customers to access a digital form on their phones via a QR code. Not only does this reduce paper usage, but it allows customers to see the most current version of the agreement. We continue to evaluate which customer communications can switch from mail to digital for those who prefer electronic messaging.

We conduct quarterly campaigns inviting customers to “Go Paperless” and have invested in technology to help create a secure and seamless transition for participating customers. This initiative includes the addition of QR codes on paper statements, and we have added a prompt to our interactive voice response system to make it easy for customers to enroll in paperless billing when they contact our care centers. We further provide education to our customers highlighting the benefits of digitalization, including improved account security and monthly payment email reminders.

We also supported the **The Nature Conservancy’s (TNC) Plant a Billion Trees** campaign by donating \$2 to plant a tree for each customer who opted to Go Paperless in 2024. For more information about our TNC partnership and

initiatives, please see the [Protecting Our Planet](#) section of the **Creating Possibilities for Our Communities** chapter.

In 2024, we generated approximately 216 million statements of which 107 million were paperless, representing approximately 50%. We believe our ongoing investment in improving the digital customer experience, combined with education and training, will help increase paperless adoption in 2025 and beyond, resulting in financial savings and reducing our environmental footprint.





Protecting Our Planet

Facilities Management

Sustainable facilities management is essential to achieving our GHG reduction targets. At each of our locations, we strive to reduce our environmental footprint through building improvements, investing in renewable electricity, reducing waste, and associate engagement. We invest in technology that allows us to monitor schedules and gain insights into how people use our buildings so that we can reduce energy usage, while maintaining optimal working environments. These efficiencies lead to cost savings and allow us to operate effectively.

We promote the use of reduced-emissions transportation among our associates. In Bangalore, we offer a ride sharing service, accommodating up to 12 associates per vehicle. This service is a convenient and environmentally friendly option for commuting to and from our office and is used by approximately 60% of our Bangalore associates. We also offer 36 electric vehicle (EV) charging spots at our U.S. locations, which resulted in 74 MTCO_{2e} of avoided GHG emissions.

Since 2020, we have worked to optimize our U.S. real estate portfolio based on the needs of the organization and to respond to our associates' desire for workplace flexibility. In 2024, we completed the additional disposition of approximately 197,000 square feet. This includes offices we no longer use as a result of our flexible work model and a data center which was transitioned to a colocation facility. As a direct result of the disposition and decommissioning of these buildings, we recycled 53 short tons of e-waste, contributing to the total 93 shorts tons of e-waste we recycled or donated for the year. In total, we have dispositioned approximately 1,334,000 square feet since 2020, which has helped us reduce our Scope 1 and 2 GHG emissions and resource overall consumption. We will

continue to evaluate and adapt our real estate strategy as our workplace needs evolve.

Energy

We continually evaluate our operations for energy efficiency opportunities. We use renewable electricity at the following U.S. locations, either through the purchase of renewable energy credits or onsite solar panels: Columbus, Ohio (all locations including headquarters, which are also ENERGY STAR certified); Draper, Utah (ENERGY STAR certified); Coeur d'Alene, Idaho; and Westminster, Colorado. In 2024, we:

- Received LEED certification for our Columbus, Ohio headquarters.
- Completed LED lighting upgrades at our Coeur d'Alene, Idaho location, reducing energy usage by 230,895 kilowatt hours (kWh).
- Conducted an energy audit at our facility in Bangalore, India, which identified several energy conservation opportunities under evaluation that could reduce energy use.

SMART COLUMBUS ACCELERATION PARTNER PROGRAM

Bread Financial is proud to partner with Smart Columbus, the Columbus region's civic innovation lab. Smart Columbus works closely with business partners and civic leaders in the Central Ohio market to develop innovative, technology solutions to help solve pressing community challenges and drive prosperity. In 2021, Smart Columbus challenged its business partners to achieve seven engagement goals related to Transportation, Energy & Buildings and Digitalization by 2025 through its "Smart Cities" sustainability initiative. Bread Financial exceeded expectations and was the first partner to complete all seven goals in 2023 in advance of the 2025 target.





Protecting Our Planet

Water

As a company whose physical footprint does not include retail bank locations, storefronts or many offices, our use of water is limited. Throughout our buildings, we have implemented several water conservation measures, including:

- Installing touchless water faucets.
- Installing automatic toilets.
- Collecting water runoff in ponds, which is recycled for landscape irrigation.

Our water usage in 2024 was 13,545,963 gallons.*

Waste

We employ several practices to reduce waste at our facilities:

- At our Columbus, Ohio headquarters, we use paper straws and compostable containers, as well as recycle our used fryer oil.
- We donate, recycle, and responsibly dispose of our e-waste.
- We encourage our associates to recycle at our facilities.

In 2024, we sent 101 short tons of waste to landfills and recycled or donated 235 short tons of waste.*

Sustainable Technology

In 2024, our Technology team and Office of Sustainability collaborated to develop a Sustainable Technology framework, which was informed by our ongoing partnership with Smart Columbus. Their Green IT initiative provides a platform for technology and sustainability professionals in the Columbus region to collaborate and share best practices related to sustainable technology, energy management and cost-saving strategies.

Our goal is to integrate sustainability into our technology strategy using innovative solutions that promote environmental responsibility, enhance operational efficiency, and foster long-term value for our stakeholders, including the following strategies:

- Create efficiencies through cloud solutions, workflow optimizations, and automations.
- Source energy-efficient devices.
- Responsibly dispose of technology hardware through donations and recycling efforts.
- Prioritize technology providers that demonstrate sustainability ambitions.

Throughout 2025, we will continue to refine and implement the new framework.

*Calculation is limited by the availability of data from property managers and utility providers.

Partnering with Iron Mountain in 2024, we shredded and recycled 97.4 U.S. short tons of paper. Iron Mountain used the Environmental Paper Network’s Paper Calculator to provide relevant equivalencies.

SOLID WASTE	WATER	ENERGY	WOOD	GREENHOUSE GASES
612	3,702	1,171	2,338	103
Trash Bags Avoided	Bathtubs of Water Preserved	Residential Refrigerators Operated Per Year	Trees Preserved	Gas-Powered Cars off the Road Per Year
7,794 lbs of solid waste avoided	185,098 gallons of water preserved	288,365 kWh BTUs energy saved	390 fresh green tons preserved	458.9 MTCO ₂ e avoided





Protecting Our Planet

2024 ENVIRONMENTAL IMPACT REDUCTION MEASURES



WASTE

Electronic Devices

93

short tons donated, recycled or responsibly disposed

Bevi Water Machines

36,000

plastic bottles and cans avoided

Non-electronics

45

short tons recycled

Batteries

297

pounds recycled at Columbus, OH and Plano, TX offices

Waste Diverted from Landfill

70%

Shoes

190

shoes donated or recycled



TRANSPORTATION

Ride Sharing

60%

of Bangalore associates participated



ENERGY

EV Charging

99

MWh used

Renewable Electricity

64%

of total electricity used



PAPER

Paper

97

short tons shredded and recycled

Cardboard

2

short tons recycled at Bangalore office

Paperless Billing

50%

adoption rate



PLASTIC

Sustainable Plastic Credit Cards

1,470,000 cards issued



Protecting Our Planet

Associate Environmental Action

Our Environmental Committee is a team of associates who work closely with our Office of Sustainability to actively promote environmental education and energy reduction strategies. The associate committee produces and distributes content and events on best practices including reducing your personal carbon footprint and living sustainably at home. They also work with management across the company to assist in implementing positive environmental practices.

We engage our associates in various events throughout the year to promote a culture of environmental responsibility. In 2024, associates participated in the following initiatives:

- **Sneaker Drive:** During Earth Month, we installed bins in each of our offices to collect athletic footwear in partnership with GotSneakers. For each eligible pair, GotSneakers donated money toward our **Help Right Here** fund. Non-eligible pairs were responsibly recycled. This resulted in the following environmental savings:

- 190 sneakers kept out of landfills.
- 2.6 MTCO₂e of carbon displaced.

- **Bangalore Earth Day Initiative:** Bread Financial associates in Bangalore spent a day planting trees and installing benches to help create a greener and more vibrant community.
- **“Living More Sustainably at Home” Event:** We hosted a training event in partnership with Smart Columbus at which associates learned about topics such as energy efficiency, renewable energy, water conservation, waste management and more.
- **Battery Recycling:** We began an alkaline battery recycling program at our Columbus, Ohio and Plano, Texas locations, where associates dropped off old batteries to be recycled. In total, we recycled 297 pounds of batteries in 2024.



“Environmental protection is a fundamental aspect of our responsible business practices. These practices address the company’s climate-related risks and opportunities, and their impact on our brand partners, customers and associates.”

Dana Beckman,
Chief Sustainability Officer



Appendix





Material Topics Defined

- **Associate Career Development:** Investing in our associates through training and development to build capability and career opportunities.
- **Associate Health & Wellbeing:** Creating a safe working environment and promoting the overall health and wellbeing of our associates in a way that supports a positive work-life balance.
- **Business Ethics & Integrity:** Promoting and upholding the highest ethical behavior across the value chain, including those related to bribery and corruption, engaging in fair and competitive business practices, and complying with all relevant laws and regulations.
- **Community Engagement:** Supporting and engaging the communities where we operate, including through philanthropy, promoting associate volunteerism, national and local partnerships, social and financial investments, job creation, and other indirect economic impacts.
- **Corporate Culture:** Creating an environment where associates are engaged and empowered to uphold and maintain our core beliefs and values as a company.
- **Corporate Governance:** Upholding responsible corporate governance practices in our business, including ensuring proper governance and accountability of sustainability topics.
- **Customer Privacy:** Meeting customer expectations for how their data is collected, used, stored and shared.
- **Customer Satisfaction:** Fueling sustainable value creation and satisfaction through our long-standing commitment to meet and exceed expectations.
- **Cybersecurity:** Identifying vulnerabilities, preventing data security breaches, and employing safeguards designed to protect the safety of customers' data.
- **Inclusion & Belonging:** Inclusion means creating a welcoming work environment where all associates feel respected and supported— regardless of their backgrounds, experiences or differences— leading to a sense of belonging, and the feeling of being accepted, valued, heard, and connected as a part of the company.
- **Fair & Responsible Banking:** Ensuring consumer credit application and underwriting processes are managed equitably, including transparency and impartiality in our lending practices and proprietary statistical modeling criteria.
- **Financial Health & Wellbeing:** Helping our customers, associates and community improve financial literacy and wellness, as well as supporting them to gain/maintain financial stability.
- **Greenhouse Gas Emissions:** Measuring, managing and reducing greenhouse gas emissions from operations and the value chain.
- **Physical Climate Risk:** Managing, mitigating and adapting to the physical risks such as weather, natural disasters and others presented by climate change.
- **Low Carbon Products & Services:** Identifying opportunities for reducing the environmental footprint of our financial products and services to align with customer demands and preferences.
- **Political Policy Engagement:** Engaging in a public policy strategy that promotes impactful legislative, trade association and regulatory interests, while also balancing contributions with company stated values.
- **Renewable Energy:** Decreasing dependence on non-renewable energy sources by expanding the use of renewable sources, such as solar and wind.
- **Responsible Supply Chain:** Ensuring long-term viability of our supply chain through effective supply chain management and sustainable procurement of goods and services.
- **Risk Management & Compliance:** Implementing processes and procedures to ensure that we can effectively identify, manage, mitigate and adapt to risk exposures.
- **Waste Management:** Managing, reducing and recycling solid waste.
- **Water Management:** Pursuing sustainable water management practices.



Sustainability Performance Summary

Note: All metrics are as of 12/31/2024, unless otherwise noted. Three years of data has been provided where available. As we continue to expand our metric collection, some metrics are newly added and may not have readily available data from prior years. Metrics presented in this report have been generally rounded for clarity and simplicity. The degree of rounding may vary across different figures. All data on Board of Directors reflects the director nominees in the Proxy Statement published after the reporting year. Non-US associates in 2022-2024 were based in Bangalore, India. “Per associate” intensity calculations use average headcount of global associates unless otherwise noted.

Topic/Issue	Metric/Unit	2024	2023	2022	Alignment with External Standards and Frameworks
FINANCIAL/GOVERNANCE					
Financial Performance					
<i>For a full view of our financial disclosures, please see our 2024 Annual Report</i>					
Total net interest and non-interest income	US\$ millions	3,838	4,289	3,826	GRI 201-1
Income from continuing operations before income taxes	US\$ millions	381	968	300	
Provision for income taxes	US\$ millions	102	231	76	
Net income	US\$ millions	277	718	223	GRI 201-1
Governance and Ethics					
Say on pay - executive compensation	%	82	75	83	
Board diversity by race or gender	% minority representation	50	44	43	GRI 405-1
Board independence	%	90	89	86	
Board average tenure	Years	6.8	6.4	7.0	
Total PAC disbursements	US\$	127,500	40,500	91,600	GRI 415-1
Number of disbursements to candidate committees	Number	34	17	28	
Government contacts	Number	37	60	51	
Amount of PAC donations raised	US\$	106,203	89,093	67,640	
Associates completing annual, mandatory Code of Ethics training	%	100	99.9	99.6	
Ethics Helpline reports received	Number	34	58	60	



Appendix

Topic/Issue	Metric/Unit	2024	2023	2022	Alignment with External Standards and Frameworks
CLIENTS/CONSUMERS					
Data Privacy and Cybersecurity					
Associates completing Data Privacy training	%	99.9	99.9	99.5	
Associates completing Cybersecurity Awareness training	%	99.7	99.9	99.9	
Associates completing Regulatory Compliance training	%	99.9	99.9	—	
Customer Care					
Customer Care first call resolution	%	92	93	93	
Customer Care overall customer satisfaction	%	74	79	70	
Fair and Responsible Banking					
Credit card complaints per million active accounts (as reported to the CFPB)	—	CFBP Consumer Complaint Database			
Community Reinvestment Act Rating			2020–2023	2017–2020	2014–2017
Comenity Bank	Rating		Outstanding	Outstanding	Outstanding
Comenity Capital Bank	Rating		Outstanding	Outstanding	Outstanding



Appendix

Topic/Issue	Metric/Unit	2024	2023	2022	Alignment with External Standards and Frameworks
ASSOCIATES AND SUPPLIERS					
Headcount					
Total associates	Number	6,099	6,996	7,766	GRI 2-7
U.S. associates	Number	4,988	6,049	6,988	
Non-U.S. associates	Number	1,111	947	778	
New Hires					
New associates growth rate	%	9	10-15	45-50	
New hires - U.S. associates	Number	246	785	2,977	GRI 401-1
New hires - non-U.S. associates	Number	313	318	312	GRI 401-1
Turnover					
Voluntary turnover - U.S. associates ¹	%	8	13	18	GRI 401-1
Turnover - non-exempt (hourly) U.S. associates ²	%	20	37	31	GRI 401-1
Turnover - exempt (salaried) U.S. associates ²	%	5	5	12	GRI 401-1
Associate Training and Engagement					
Training and development - total investment	US\$ millions	9	9	15	
Training and development investment per associate	US\$ per associate	1,307	1,229	2,236	GRI 404-1
Training and development hours per associate	Hours per associate	19	24	56	

1- Uses total terminations divided by two-point calculation of average headcount (headcounts as of January 1st and December 31st divided by two). Excludes terminations for reasons of No Show and Retirement.

2- Uses total terminations divided by two-point calculation of average headcount (headcounts as of January 1st and December 31st divided by two). Excludes terminations for reasons of No Show, Did Not Start, Duplicate, Death, Disability, and Retirement.



Appendix

Topic/Issue	Metric/Unit	2024	2023	2022	Alignment with External Standards and Frameworks
ENVIRONMENT					
Emissions³					
GHG emissions - total	MTCO ₂ e	96,409	154,806	160,622	
GHG emissions - Scope 1	MTCO ₂ e	933	1,147	1,371	GRI 305-1
GHG emissions - Scope 2 ⁴	MTCO ₂ e	2,250	3,919	3,392	GRI 305-1
GHG emissions - Scope 3	MTCO ₂ e	93,226	149,740	155,858	GRI 305-1
GHG emissions - Scope 1 + Scope 2 total ⁴	MTCO ₂ e per associate	0.5	0.6	0.6	GRI 305-4
CDP Climate Change rating	Letter rating	B	C	C	
Energy³					
Total energy consumed ⁵	GJ	59,737	71,301	91,405	GRI 302-1
Electricity sourced from non-renewable sources	%	36	58	38	
Electricity from renewable sources ⁶	%	64	42	62	GRI 302-1
Water					
Total water usage ⁷	gal	13,545,963	13,972,663	22,252,653	GRI 303-5
Waste⁸					
Waste landfilled	Short tons	101	102	—	GRI 306-5
Waste recycled/donated	Short tons	235	211	—	GRI 306-4
Non-electronic waste recycled	Short tons	45	49	—	GRI 306-4
Electronic waste recycled/donated	Short tons	93	24	—	GRI 306-4
Paper recycling	Short tons	97	138	—	GRI 306-4
Waste diversion rate	%	70	67	—	
Paperless adoption	%	50	44	43	
CO ₂ savings from electronic waste disposal	MTCO ₂	96	57	51	

3 - Our emissions and energy metrics disclosed for 2022 and 2023 were recalculated due to changes in calculation methodology.

4 - Emissions are market-based.

5 - Calculation includes both actual and estimated data.

6 - Renewable sources include wind and solar power. Calculation includes both actual and estimated data.

7 - This metric represents water consumption, as measured by water bills. Calculation is limited by the availability of data from property managers and utility providers.

8 - Calculation is limited by the availability of data from property managers and utility providers.



Appendix

Topic/Issue	Metric/Unit	2024	2023	2022	Alignment with External Standards and Frameworks
COMMUNITY INVESTMENT					
Total donations	US\$ millions	10	8	9	GRI 201-1
Total volunteerism	Hours	10,642	9,941	3,771	
Associate volunteerism	Hours per associate	1.7	1.4	1	
Value of matching gifts	US\$	952,278	1,010,987	949,110	
Participation in matching gifts	%	22	23	22	
Dollars for Doers - volunteerism	Hours	8,172	3,506	2,944	
Dollars for Doers - donations	US\$	91,500	87,650	73,600	



SASB Content Index


TOPIC	METRIC	CODE	DISCLOSURE
Customer Privacy	Number of account holders whose information is used for secondary purposes	FN-CF-220a.1	All financial companies need to share customers' personal information to run their everyday business. Please refer to Bread Financial's online Privacy Policies which specify how we use the information that we collect.
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	FN-CF-220a.2	Any material legal proceedings are disclosed in our 2024 Annual Report , pages 36–42, F–38 and F–39.
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CF-230a.1	Any material cybersecurity incidents from the reporting period would be disclosed in accordance with regulatory requirements in our public SEC filings.
	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	FN-CF-230a.2	Any material fraud losses are disclosed in our 2024 Annual Report , page 25–26.
	Description of approach to identifying and addressing data security risks	FN-CF-230a.3	Data Management, Protection and Governance section, page 31 of this report.
Selling Practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	FN-CF-270a.1	While we do not currently report on this metric, please refer to page 51 of our 2025 Proxy Statement for our Compensation Discussion and Analysis (CD&A), and pages F–39, F–40 and F–41 of our 2024 Annual Report for information on our compensation programs.
	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	FN-CF-270a.2	While we do not currently report on these metrics, we report on our distribution of our credit card loans by Vantage score in our 2024 Annual Report , page F–17.
	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	FN-CF-270a.3	While we do not currently report on these metrics, please find information on responsible lending practices in the Protecting Our Customers and Building Financial Confidence sections of this report.
	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	FN-CF-270a.4	This metric may be found on the Consumer Financial Protection Bureau (CFPB) Consumer Complaint Database .
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	FN-CF-270a.5	Any material legal proceedings are disclosed in our 2024 Annual Report , pages 36–42, F–38 and F–39.
Activity Metrics	“Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account”	FN-CF-000.A	On page 3 of our 2024 Annual Report , we disclose the number of active accounts as of December 31, 2024.
	“Number of (1) credit card accounts and (2) pre-paid debit card accounts”	FN-CF-000.B	



TCFD Content Index

TCFD ELEMENT	DISCLOSURE	REFERENCE
Governance	a) Describe the board’s oversight of climate-related risks and opportunities.	See the Governance and Management section of this report. For more detailed information, please see the Board Oversight and Standing Committees of the Board sections of our most recent TCFD Report .
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	See the Governance and Management section of this report. For more detailed information, please see the Management’s Role, Bread Financial Management Teams, and Management Responsibilities sections of our most recent TCFD Report .
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	See the Assessing Climate-Related Risks and Opportunities section of this report. For more detailed information, please see the Understanding Our Climate-Related Risks and Opportunities section of our most recent TCFD Report .
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	See the Assessing Climate-Related Risks and Opportunities section of this report. For more detailed information, please see the Scenario Analysis section of our most recent TCFD Report .
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks.	See the Assessing Climate-Related Risks and Opportunities section of this report. For more detailed information, see the Identifying and Assessing Climate Risks section of our most recent TCFD Report .
	b) Describe the organization’s processes for managing climate-related risks.	Sustainability and climate-related risks are treated like any other risk to the organization, which means they are embedded within our risk assessment and management processes. For more information, please see the Managing Climate Risks section of our most recent TCFD Report .
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	See the Risk Management section of this report. For more detailed information, please see the Integrating Climate Risk into Enterprise Risk Management and Business Continuity and Disaster Recovery sections of our most recent TCFD Report .
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	See the Sustainability Performance Summary section of this report. For more detailed information, please see the Metrics & Targets section of our most recent TCFD Report .
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	In 2024 we used our emissions data to set reduction targets informed by commonly accepted target-setting strategies. These reduction targets are further aligned with both strategic and operational company goals. For more information, please see the Protecting Our Planet chapter of this report or the Metrics & Targets section of our most recent TCFD Report .

External Assurance



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(317) 685-6600 • Fax (317) 685-6610
1-800-508-8034
info@keramida.com • www.keramida.com

**Limited Assurance for 2024 GHG Metrics
For Bread Financial**

May 9, 2025

KERAMIDA Inc. (KERAMIDA) was engaged by Bread Financial to provide limited assurance greenhouse gas (GHG) verification of their 2024 Scope 1, 2 and 3 Categories 1, 2, 3, 4, 5, 6, 7, 8, 12, & 15 GHG emissions inventory. The data and calculations being verified cover the period of January 1, 2024, to December 31, 2024. KERAMIDA is an accredited solution provider to CDP.

Statement of Independence
KERAMIDA affirms our independence from Bread Financial and is free from bias and conflicts of interest related to the assurance of the environmental data.

Verification Assurance Opinion
Based on the process and procedures conducted, there is no evidence that the verified GHG emissions calculations and summaries are not a fair representation of the actual GHG emissions data and information.

Bread Financial has established an appropriate system for collecting, calculating, and analyzing quantitative data and information for the GHG emissions for the stated time period, scope and level of assurance. An opinion of limited assurance was concluded based off KERAMIDA's verification.

KERAMIDA's Approach
Verification was conducted in accordance with ISO 14064-3: 2019 *Specification with guidance for the validation and verification of greenhouse gas assertion*, which is an approved verification standard accepted by the Carbon Disclosure Project (CDP). The scope of work was to provide limited assurance for the verification of their GHG emissions inventory and energy use data, and verification was led by an accredited California Lead GHG Verifier.

Validation scope of the reporting company GHG emissions

- Organizational boundaries: Operational Control Approach for Bread Financial

Time Period

- January 1, 2024, to December 31, 2024

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2024 Bread Financial GHG Verification
Page 2

Level of Assurance

- Limited
- Materiality Threshold: 5% as suggested by ISO 14064-3 (2019).

KERAMIDA's Methodology and Procedure
Procedure performed during the verification

- Interviews with key personnel involved in the process of data collection, compiling, calculating, and preparing the emissions data report. All meetings were conducted virtually;
- Assessed the data management systems and protocols by:
 - Understanding the selection process for data to be used and reported.
 - Conducting assurance procedures to assess the accuracy of data collected and reported; and
 - Understanding the calculation approach and methods.
- Review of a variety of data analytics to check the reasonableness of the data and calculations;
- A variety of re-calculation procedures to confirm stated quantities.
- Evaluated the reasonableness of any assumptions used in support of disclosures;
- Reviewed how disclosures were presented and determine if they were representative of data and operations.

Table 1. Data Verified by KERAMIDA


Scope	CO ₂ e (MT)
Scope 1	933
Scope 2 (Location-Based)	5,679
Scope 2 (Market-Based)	2,250
Scope 3 Total (Market - Based)	93,226
Category 1: Purchased Goods and Services	73,803
Category 2: Capital Goods	1,478
Category 3: Fuel- and Energy- Related Activities	1,283
Category 4: Upstream Transportation & Distribution	8,634
Category 5: Waste Generated in Operations	162
Category 6: Business Travel	3,073
Category 7: Employee Commuting	4,736
Category 8: Upstream Leased Assets	5
Category 12: End-of-Life Treatment of Sold Products	22
Category 15: Investments	30

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Environmental Data	
GHG Emissions - Scope 1 + Scope 2 Total	0.5 MT CO ₂ e per associate
CDP Climate Change rating	B
Energy	
Total Energy Consumed from Scope 1 and 2	59,737 GJ
Energy sourced from non-renewable sources	36%
Energy from renewable sources	64%
Water	
Total Water Usage	13,545,963 gallons
Waste	
Waste landfilled	101 Short Tons
Waste recycled/donated	235 Short Tons
Non-electronic waste recycled/donated	45 Short Tons
Electronic waste recycled/ donated	93 Short Tons
Paper recycling	97 Short Tons
Waste diversion rate	70%
Paperless adoption	50%
CO ₂ savings from electronic waste disposal	96 MT CO ₂

This verification statement, including the opinion expressed herein, is provided to Bread Financial and is solely for the benefit of Bread Financial in accordance with the terms of our agreement. We consent to the release of this statement by you for sustainability reporting disclosures, including to CDP in order to satisfy the terms of CDP disclosure requirements, but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this statement.

KERAMIDA, Inc.



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Note Regarding Materiality and Forward-Looking Statements

Our sustainability and climate-related disclosures are voluntary disclosures. Our approach to these voluntary disclosures often considers disclosure recommendations and broader definitions of materiality promulgated by certain external frameworks and reporting guidelines that differ from the definition of materiality used for purposes of complying with the disclosure rules and regulations promulgated by the U.S. Securities and Exchange Commission (SEC) and applicable stock exchange listing standards. Accordingly, we may present voluntary sustainability and climate-related information from a different perspective than in our SEC filings, and any use of the term “material,” “materiality,” and similar terms in the context of such information may be distinct from such terms as they are used under the securities or other laws of the United States or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting. Any inclusion of sustainability and climate-related information in this report is not an indication that the subject or information is material to Bread Financial for SEC reporting purposes.

The goals and projects described in our sustainability and climate-related disclosures involve, and are based on, targets, commitments, estimates, assumptions, standards, methodologies and currently available data, which continue to evolve and develop. As such, we cannot guarantee or provide assurance that these goals and

projects will be met or achieved as described. Furthermore, data, statistics and metrics included in this report are non-audited estimates, are not necessarily prepared in accordance with generally accepted accounting principles (GAAP), continue to evolve, and may be based on assumptions believed to be reasonable at the time of preparation, but may be subject to revision. Additionally, our sustainability and climate-related information is as of the date referenced, subject to change without notice, and may be regarded as indicative and for illustrative purposes only. This information may vary based on applicable laws, rules and regulations and may also include the use of non-financial metrics and/or other information that are subject to significant measurement uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions and/or underlying data that is obtained from third parties, some of which cannot be independently verified.

This report may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, but not limited to, statements regarding our sustainability and climate-related targets, goals, metrics, aspirations, strategies and plans, which may develop and evolve over time. Forward-looking statements give our expectations or forecasts of future events and can generally be identified by the use of words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “project,” “plan,” “likely,” “may,” “should” or other words or phrases of similar import. We believe that

our expectations are based on reasonable assumptions. Forward-looking statements, however, are subject to a number of risks and uncertainties that are difficult to predict and, in many cases, beyond our control. Accordingly, our actual results could differ materially from the projections, anticipated results or other expectations expressed in this report, and no assurances can be given that our expectations will prove to have been correct.

Factors that could cause our actual results or outcomes to differ from those expressed in, or implied by, any of these forward-looking statements include, among others: global socio-demographic and economic trends; legislative, regulatory and public policy changes; changes in developing standards and certifications; energy prices; technological innovations; the cost and availability of renewable energy and environmentally-responsible products and facilities; our ability to gather and verify data regarding environmental impacts; our ability to successfully implement various initiatives throughout the company under expected timeframes; engagement with partners, suppliers, investors, government officials and other stakeholders; management’s inability to identify

suitable suppliers, grantees and community investments and negotiate acceptable terms; an inability to build partnerships and execute programs with other third parties or such parties’ failures to satisfy their obligations under such programs; climate-related conditions and weather events; changes in economic or business conditions and our ability to grow, improve our financial performance and execute on our strategies; and other unforeseen events or conditions including those factors identified in our Annual Report on Form 10-K for the most recently ended fiscal year, which may be updated in Item 1A of, or elsewhere in, our Quarterly Reports on Form 10-Q filed for periods subsequent to such Form 10-K. Our forward-looking statements speak only as of the date made, and we undertake no obligation, other than as required by applicable law, to update or revise any forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise. Additionally, this report may contain statements based on hypothetical scenarios and assumptions, which may not occur, or may differ significantly from actual events. These statements should not necessarily be considered as being indicative of current or actual risk or forecasts of expected risk.

