









2025

# Sustainability Report





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# Introduction





About This Report

## About This Report

Thank you for your interest in Bread Financial's 2025 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 2025 Sustainability Report primarily covers data and metrics from January 1 to December 31, 2025, 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." Up to three years of data have been provided where available. 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 [2025 Annual Report](#) or [2026 Proxy Statement](#) or visit our website. For additional information on our sustainability initiatives, visit our investor relations website or contact [communityrelations@breadfinancial.com](mailto:communityrelations@breadfinancial.com).





A Message from Our President and Chief Executive Officer

## A Message from Our President and Chief Executive Officer

Our mission at Bread Financial goes far beyond providing payment, lending and saving products. We are driven by our commitment to empower customers through exceptional experiences that enable them to shop, borrow and save responsibly. In doing so, we earn their trust and build confidence among our various stakeholders.

Sustainability is core to how we fulfill that mission. This approach is embedded throughout the organization, informing how we serve our customers and partners, support our associates, strengthen our communities, and create enduring value.

Over the past year, we continued to integrate sustainable business practices across our operations, aligning our environmental, social and governance priorities with our efforts to build financial resilience. We drove progress toward our sustainability goals with a focus on operational excellence, responsible growth and technology modernization.

In 2025, we invested in areas such as cloud migration, automation and enterprise risk management, which not only improved efficiencies and strengthened our ability to manage risk, but also enhanced the customer experience. These efforts, paired with disciplined expense management and thoughtful capital allocation, position us to grow sustainably and maintain resilience in a dynamic environment.

The year 2026 marks Bread Financial's 30th anniversary—a significant milestone made possible by the dedication of our associates, our strong partnerships and a vibrant culture. The evolution of our business over the last three decades now shapes the strategic vision that drives us forward as we continually strive toward our mission.

Our commitment to sustainability goes beyond fulfilling a responsibility. It is how we enable Bread Financial to lead with purpose, accountability and resilience so we can support our brand partners and empower our customers to build financial confidence.

**Ralph Andretta**  
President and Chief Executive Officer



## COMPANY RECOGNITIONS



BenchmarkPortal  
Center of Excellence



Forbes America's  
Best Large Employers



Great Place to Work  
Certification (USA)



Newsweek America's Most  
Trustworthy Companies



Fortune Best  
Workplaces in Financial  
Services & Insurance



Healthy Business  
Council of Ohio Healthy  
Worksite – Gold Level

### Additional recognitions include:

- Fortune 1000
- Forbes World's Top Companies for Women
- The Medical Mutual Pillar Award for Community Service from Smart Business Network Columbus
- Newsweek America's Greenest Companies; America's Greatest Workplaces for Culture, Belonging & Community; America's Greatest Workplaces for Inclusion; America's Most Sustainable Companies; World's Greenest Companies; and World's Most Trustworthy Companies
- TIME India's Best Employers and World's Best Companies for Sustainable Growth
- U.S. News & World Report's Best Companies to Work For: Overall, Financial Services, In the Midwest and Supporting Family Caregiving



## 2025 Business Accomplishments

### Sustainable Business Strategy

- Deepened our efforts to drive value and efficiency through our enterprise-wide focus on operational excellence.
- Advanced technology, including responsible adoption of AI, to increase automation and efficiency.
- Implemented Spark, a generative AI-powered digital assistant, improving the customer and associate experience.

### Empowering Our Customers

- Conducted our first Brand Partner Relationship Survey to assess partner satisfaction and drive continuous improvement.
- Earned the BenchmarkPortal Center of Excellence certification for the 20<sup>th</sup> consecutive year, confirming our place among the top 10% of contact centers for efficiency and service quality.
- Completed the rollout of our mobile app to all eligible branded credit card programs.

### Creating Possibilities for Our Communities

- Increased associate volunteer hours by 14% over last year.
- Gave \$14.1M in charitable donations to support financial wellness, thriving communities and protecting our planet.
- Increased associate donations and participation in our annual Giving Campaign, with donations reaching \$2M.
- Executed 10 cause marketing campaigns promoting shared values with our brand partners.

### Managing Our Business Responsibly

- Obtained credit ratings upgrades from Fitch and Moody's.
- Improved the effectiveness, efficiency and proactive capabilities of our risk management function.
- Launched a supplier registration portal to support supplier engagement and opportunity.
- Submitted FDIC application to merge our bank subsidiaries which, if approved, will simplify our bank structure and reduce operational and regulatory complexity.

### Engaging Our Associates

- Received multiple awards and recognitions for our workplace culture and wellbeing program.
- Implemented an online learning platform to help associates advance their technology skills and foster a culture of innovation.
- Established the Operational Excellence Training Academy, supporting associate development in areas such as AI, change management, design thinking and Lean Six Sigma.
- Achieved high ratings for "belonging" on associate engagement surveys.

### Environmental Responsibility

- Strengthened climate and environmental performance through continued progress toward our long-term emissions reduction goals.
- Continued integration of sustainability as part of our technology transformation strategy.
- Enhanced customer relief program by adding proactive efforts to better support communities affected by natural disasters.
- Increased our paperless billing statement rate by 7 percentage points year-over-year.

## A MESSAGE FROM OUR CHIEF SUSTAINABILITY OFFICER

Sustainability is not a parallel strategy or initiative at Bread Financial; it is fundamental to how we operate and deliver on our promise to empower customers, and it defines our disciplined approach to work. Operating sustainably means delivering financial solutions that support customer confidence and wellbeing, prioritizing proactive risk management and ethical decision making, engaging and developing our associates, investing in our communities, and managing our environmental impact.

We recognize that long-term success relies on healthy customers, stable communities and responsible growth. By prioritizing sustainability in our actions and decisions, we can remain a trusted partner now and in the future.

Along with my many colleagues, I'm honored to present this report to share our progress over the last year.

**Dana Beckman**  
Vice President and Chief Sustainability Officer





About Bread Financial

# About Bread Financial

We are a tech-forward financial services company that provides simple, personalized payment, lending and saving solutions to millions of U.S. consumers. Our payment solutions deliver growth for some of the most recognized brands in travel & entertainment, specialty apparel, health & beauty, jewelry, sporting goods, technology and electronics, as well as home & furniture through our co-brand and private label credit cards and pay-over-time products providing choice and value to our shared customers. Additionally, we offer Bread Financial general purpose credit cards and saving products that empower our customers and their passions for a better life.

To learn more about Bread Financial, our global associates and our sustainability commitments, visit [breadfinancial.com](https://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



### CO-BRAND AND PRIVATE LABEL CREDIT CARD LENDING

Co-brand and private label 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 (IRAs).

## SERVICES SUPPORTING OUR PRIMARY PRODUCT OFFERINGS



### RISK MANAGEMENT, ACCOUNT ORIGINATION 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 co-brand and private label 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 continually seek 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.



# Sustainable Business Strategy

A commitment to sustainability is embedded in the responsible business practices that guide the way we work across every facet of our operations, defining how we create value for our customers, associates, communities and the environment. Our sustainable business strategy reflects routine feedback from our key stakeholders to ensure we appropriately prioritize the achievement of our long-term financial and reputational goals.

## 2025 Business Accomplishments

Deepened our efforts to drive value and efficiency through our enterprise-wide focus on operational excellence

Advanced technology, including accelerating AI adoption, to increase automation and efficiency

Implemented Spark, a generative AI-powered digital assistant, improving the customer and associate experience





## Our Approach

Our commitment to our customers informs everything we do at Bread Financial. Delivering on our promise to foster financial wellbeing and confidence requires a dedication to responsible and sustainable business practices, an exceptional customer experience, and engaged associates. This approach guides our investment in the communities we rely on and environmental stewardship, shaping our sustainability strategy, informing action, managing risk, and creating long-term value.

Our sustainability strategy takes a comprehensive approach that identifies and prioritizes stakeholder needs and expectations, allocates appropriate attention and resources, and aligns with relevant global frameworks. Our most recent materiality assessment is core to informing our sustainability strategy and the integration of sustainability within our overall strategic planning and management processes. For more information, see the [Materiality Assessment](#) section of this report.

We also embed sustainability into our day-to-day operations and decision making. Our responsible and transformative business practices are sustainable by design, with initiatives such as operational excellence and technology modernization reinforcing our view that a sustainable approach is essential to driving responsible, long-term growth. Our commitment to continuous improvement and innovation ensures we meet our customers' needs while driving excellence. Modernizing our technology infrastructure, for example, enables us to empower our customers with seamless, superior financial solutions.

Additionally, we continue 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.

## 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.



### Environmental Responsibility

Integrating environmental responsibility into business decisions to improve efficiency and manage risk.

## PRACTICES THAT DRIVE OUR SUCCESS

Ethical Decision-Making

+

Proactive Risk Management

+

Operational Excellence

+

Technology Modernization

+

Inclusive Culture

+

Stakeholder Engagement



## Stakeholder Engagement

We engage with our stakeholders through a range of formal and informal channels to help ensure our sustainability strategy reflects their priorities and perspectives. These interactions occur across our business and include ongoing dialogue with our stakeholder groups such as investors, Board of Directors, associates, customers, partners, suppliers and community members. Through these engagement activities, we gather feedback on stakeholder priorities, monitor emerging issues and incorporate insights into our strategy, governance and day-to-day operations.

Additional detail on engagement with specific stakeholder groups is included throughout this report.

## Reputation Management

Bread Financial has adopted a strategic approach to evaluating and managing reputational and business risks related to social issues. We continually monitor societal, geopolitical and other issues that could impact business and reputational risk, as well as stakeholder sentiment.

Our internal Societal Issues Committee comprises representatives from across the organization, including Corporate Affairs, People & Culture, Risk, Commercial, Legal and Ethics, Business Strategy, and Investor Relations. The Committee uses a formal framework to guide decisions about when and how to engage on issues to protect our reputation. The framework includes a variety of questions on when to engage on emerging issues that could impact our business and present reputational risk, as well as the degree to which any action or response on the company's part can be impactful. 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 and aligned with our stakeholders' best interests.



## UNDERSTANDING CUSTOMER VALUES AND CONCERNS

As part of our ongoing customer engagement, we conduct a monthly tracking study to measure consumer attitudes about payment and purchasing habits. Our research indicates consumers are prioritizing environmental sustainability, community impact and financial wellness in their financial decisions.

**71%**

of consumers are focusing more on buying sustainable and environmentally-friendly products

**74%**

of consumers are focusing on buying from local and/or small businesses

**88%**

of consumers are more concerned with their personal financial stability



## Materiality Assessment

We conduct regular materiality\* assessments to ensure that our sustainability strategy reflects our stakeholders' priorities, needs and expectations, in alignment with the recommended process outlined in the GRI Standards. For our fourth materiality assessment in 2023, we worked with a third party to engage key internal and external stakeholders to understand, analyze and validate the sustainability topics of greatest importance to them. Results of the assessment were used to 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. We plan to perform our next materiality assessment within the next year.

### Method

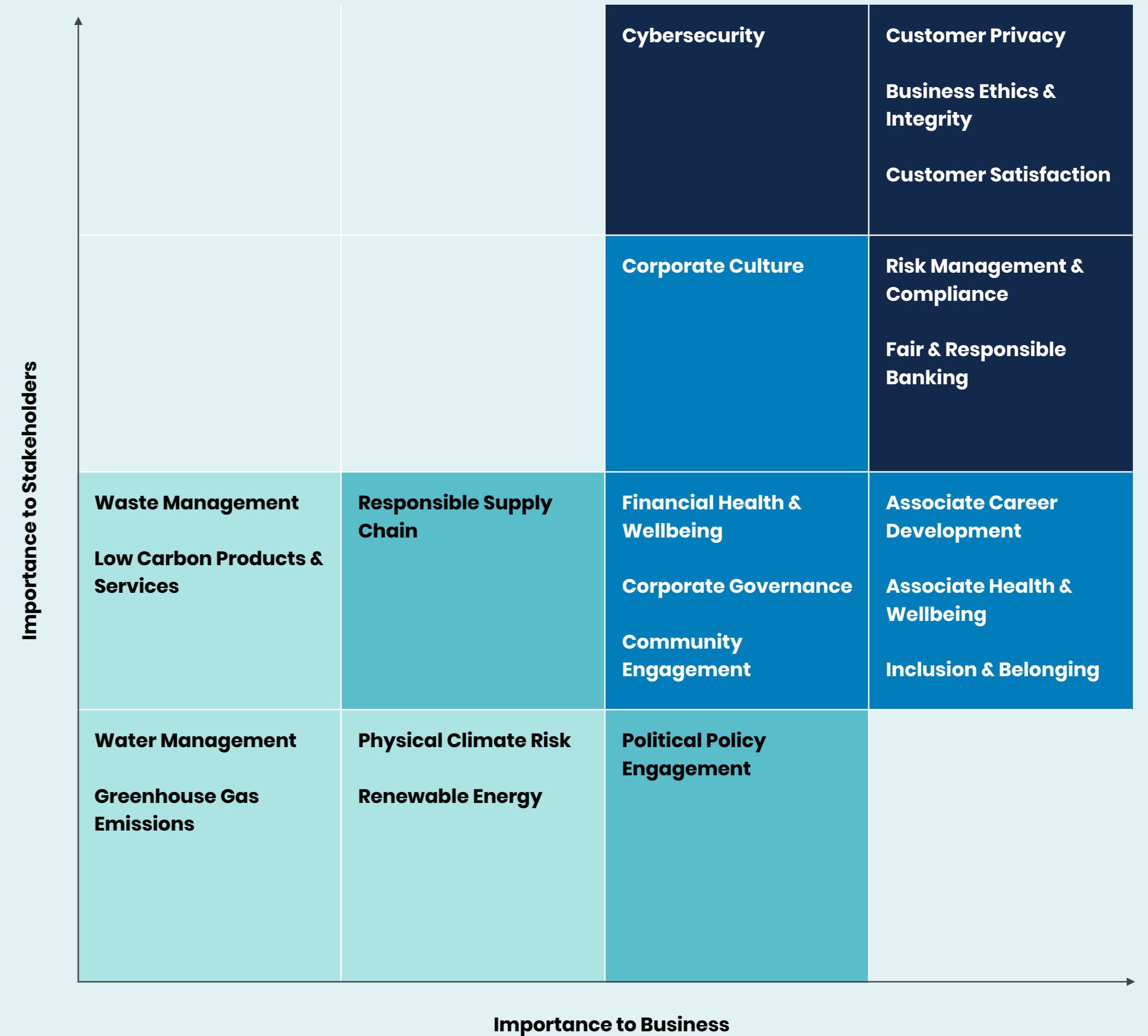
An anonymous online survey was sent to internal and external stakeholders asking them to rate the importance of 21 sustainability topics. Responses from the stakeholder groups were used to develop the materiality matrix.

### Topics

The 21 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 existing 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. 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**.

## MATERIALITY ASSESSMENT RESULTS



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

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.





## Operational Excellence

At Bread Financial, we aim to build a culture where our associates strive to improve the work we do every day. We accelerate value creation by empowering every associate to identify opportunities for operational excellence and adopt more efficient and effective ways of working. This focus further enables responsible, sustainable growth and creates long-term value for our stakeholders.

Our efforts are overseen by our Operational Excellence Management Office. Responsibilities include:

- 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.
- Providing transparency and measuring progress through regular reports to leadership and the Board.

# 1.2M

hours of work saved through process automation, enabling associates to focus on higher value work

Engaging associates is critical to achieving our operational excellence goals. In 2025, we conducted a survey to assess how associates view our Operational Excellence efforts and establish new focus areas based on feedback received. These include leadership advocacy, communication, and learning and skill development. As a result, we launched an Operational Excellence Training Academy to help associates learn how to develop new ideas to improve the way we work. For more information, see the [Learning, Development and Training](#) section of the **Engaging Our Associates** chapter.

Throughout 2025, our sharpened focus on Operational Excellence led to process improvements such as increased digital delivery of letters, postage reduction for direct mail marketing, and the streamlining of back-office operations. These efforts have increased revenue, reduced expenses, improved efficiencies and fostered innovation.

### Driving Operational Excellence Through Associates

**Design Thinking** is a company developed program that provides an associate-centered approach to reexamining products, services and processes that have become complex, manual or fragmented over time. Using facilitated workshops and practical tools, teams move beyond incremental fixes to rethink workflows end to end, focusing on efficiency, quality, and better outcomes. This approach supports more consistent execution, reduces unnecessary effort, and helps identify where automation, technology, or new ways of working can improve performance and scalability, grounding innovation in practical business value.

For example, associates have applied this approach to reexamine highly manual, end-to-end processes supporting quality assurance, associate performance, and large-scale marketing execution, identifying opportunities

to simplify workflows, strengthen controls, and improve consistency across the enterprise.

**OpEx LIVE** is a company-wide resource designed to help associates understand how to apply operational excellence at Bread Financial through the use of shared methods, tools and technologies to improve day-to-day work. Through regularly scheduled sessions and on-demand resources, associates build practical skills related to problem solving, process improvement, ideation, and the responsible use of company-approved AI tools, helping them move from concepts to application. In 2025, OpEx LIVE emphasized foundational operational excellence methods, including Lean Six Sigma-based approaches to identifying root causes and reducing inefficiencies in complex processes, equipping associates with practical tools they could apply directly to their work.

**BreadBox** is the company's enterprise ideation portal that enables associates to submit, track and advance ideas to improve how work is done across the organization. This translates day-to-day observations into actionable opportunities focused on efficiency, effectiveness and business performance. Ideas submitted through BreadBox span a wide range of focus areas, including process improvements, analytics and reporting, technology and AI use cases, and enhancements to risk, controls and governance. Submissions are reviewed and prioritized by Operational Excellence Champions and Advocates to identify ideas with the greatest potential impact and support their progression toward implementation. Participation in BreadBox is reinforced through Pass It On, our associate recognition program, highlighting the role of associates in driving continuous improvement. In 2025, 1,260 ideas were submitted to the BreadBox ideation portal.

For more information on our Pass It On program, see the [Associate Recognition and Award Program](#) section of the **Engaging Our Associates** chapter.

## OUR APPROACH TO OPERATIONAL EXCELLENCE

The Operational Excellence team engages associates in innovative, continuous improvement to drive more efficient and effective work, freeing capacity to invest in business growth and increased stakeholder value.

### Objectives:

- Simplify and redesign operations
- Prioritize collaboration and efficiency
- Eliminate silos
- Automate processes
- Use new and emerging technologies
- Improve controls
- Train to work smarter

### Outcomes:

- More time for high-value work
- Efficiency
- Associate satisfaction
- Better customer interactions
- Reduced risk
- Product diversification
- More capital available to invest in service, innovation and growth



## Technology Modernization

As a tech-forward financial services provider, we believe our Technology team acts as an engine for growth, innovation and sustainability. We have made significant strides to evolve our operating model, modernize technology and software delivery practices, and deliver products and services that provide customers with a holistic view of their accounts. This transformation is revolutionizing how we deliver value, enhance the customer experience and drive business growth.

Technology strategy development is a collaborative effort with teams from across the enterprise, including Digital, Data, Enterprise Delivery, Legal, Risk, Sustainability, Finance and others—reflecting how technology is truly integrated throughout the business. A commitment to responsible technology underpins all our efforts, ensuring that as we innovate, we do so ethically and securely. To learn more about how we are integrating sustainability into our technology strategy, see the [Environmental Responsibility](#) chapter.

We have made several organizational changes to align to our strategy, modernize how we work and help achieve operational excellence. For example, we have transitioned to a more collaborative and product-centric operating model, insourced complex and strategic work from third-party vendors, and realigned reporting structures.

Through our technology transformation, we aim to increase speed and innovation, improve the reliability and security of business-critical platforms and applications, and drive efficiency. We believe achieving these outcomes will help us better serve our customers with innovative solutions and a more seamless, secure experience.



**“Sustainability plays an integrated role in our technology strategy. As we continue to increase efficiency and modernize our operations, we remain committed to reducing our environmental impact while prioritizing a disciplined investment approach to drive long-term value.”**

**Allegra Driscoll,**  
Executive Vice President and  
Chief Technology Officer

## OUR TECHNOLOGY MODERNIZATION STRATEGY

Our technology modernization strategy positions Bread Financial to operate as an agile, customer-centric and future-ready enterprise in an evolving digital landscape.

### PEOPLE & PROCESS

- Changing the way we work
- Bringing business and technology teams closer together
- Expanding our skills and knowledge

### CORE TECHNOLOGY

- Modernizing our technology foundation, including cloud migration
- Refining software applications
- Optimizing costs to drive efficiency and scalability

### PRODUCT & SERVICE

- Strengthening capabilities
- Creating seamless customer interactions
- Ensuring ethical and innovative artificial intelligence (AI) adoption



### Responsible AI

We continue to explore opportunities to harness the potential of AI as part of our digital transformation and technology modernization. We believe AI adoption will enable us to not only drive efficiency and process improvements, but also enhance risk management, digital experiences and our understanding of customer needs. According to [a survey](#) we conducted in 2025, seven in 10 people believe AI will play a significant role in financial services in the next decade, underscoring the importance of developing AI solutions that help consumers manage their money and improve financial wellness.

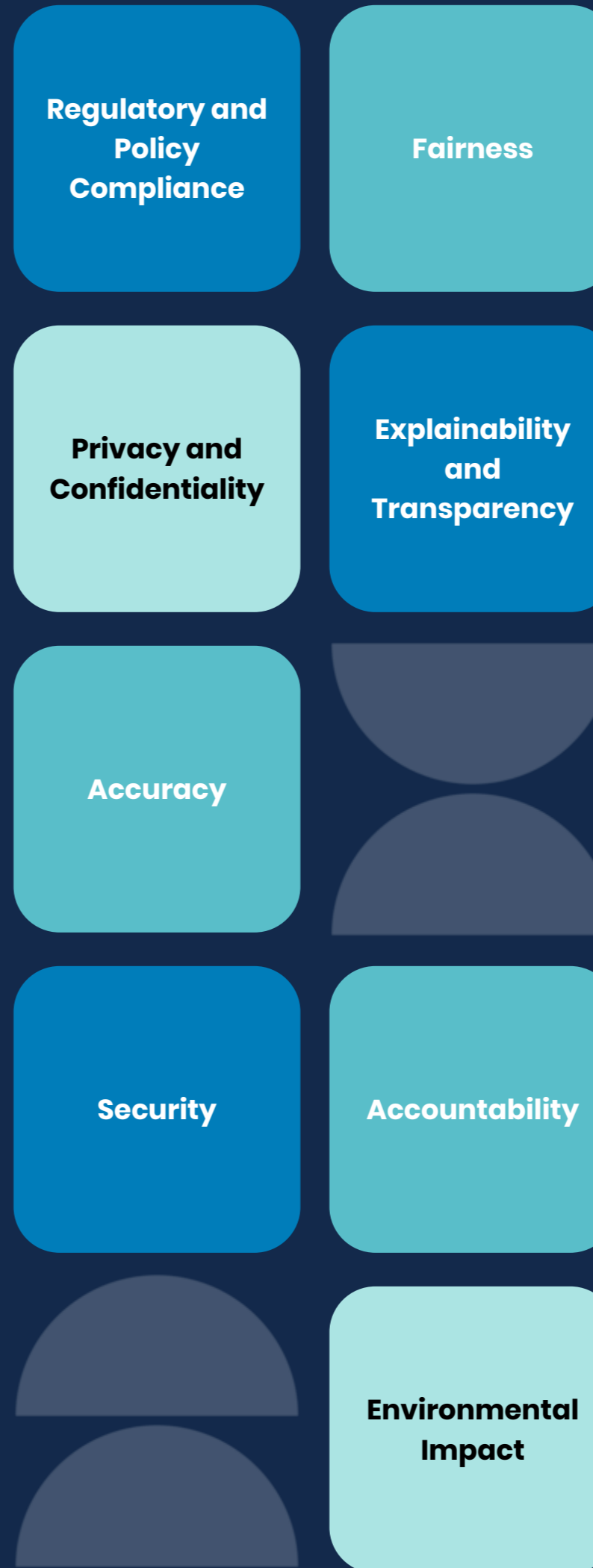
Recognizing the importance of developing AI-enabled solutions that align with customer needs and expectations, we are actively integrating artificial intelligence across key areas of the business including: customer service, fraud, credit risk, cybersecurity, product and marketing.

As AI technologies become increasingly integral to our operations and products, it is essential that we uphold high governance standards of integrity, security, fairness and safety in its development and use. We have strengthened our approach to responsible AI through governance groups, cross-functional oversight, risk-aligned delivery processes and automated controls. We have established Board and executive-level oversight of our AI activities, supported by formal governance structures designed to promote the responsible use of AI.

Our **Responsible AI Policy** outlines our governance protocols for designing, developing and deploying AI systems in a manner that is ethical, transparent and aligned with our core values. As outlined in the policy, our AI Oversight Council must assess and approve all use of generative and agentic AI to determine if solutions are safe and appropriate for our business and stakeholders. Additionally, the council oversees prioritization, risk review and value tracking for all AI investments. The council comprises representatives from various functions, including Architecture, Cybersecurity, Engineering, AI Strategy, Data Governance, Privacy, Legal, Finance and Operational Excellence.

As we continue our adoption and use of AI-enabled tools and technology, we will support these efforts by advancing data governance, building foundational infrastructure, and evolving our AI governance approach. Additionally, we will expand our enterprise-wide training and awareness to equip associates with the skills and information needed to thrive and drive value from our AI investments.

## AI GUIDING PRINCIPLES



## AI-POWERED CUSTOMER CARE SUPPORT

As part of our efforts to develop and expand our generative AI capabilities, we integrated Spark, an advanced AI-powered search function, into our internal information hub. Launched in 2025, this tool empowers our customer care agents to ask questions and receive precise, contextually relevant answers, which enhances the customer experience by delivering accurate information quicker and reducing hold and transfer times. Additionally, Spark's ability to summarize complex information has transformed the associate onboarding process, helping new team members learn more effectively.

## 2025 AI ADVANCEMENTS

**60+**

AI initiatives in motion



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 believe it is essential to manage risk proactively through sound corporate governance practices and by maintaining ethical policies and procedures that govern key risk areas.

## 2025 Business Accomplishments

Obtained credit ratings upgrades from Fitch and Moody's

Improved the effectiveness, efficiency and proactive capabilities of our risk management function

Launched a supplier registration portal to support supplier engagement and opportunity

Submitted FDIC application to merge bank subsidiaries which, if approved, would simplify our bank structure and reduce operational and regulatory complexity



## Alignment with Material Business Topics

Risk Management & Compliance

Corporate Governance

Political Policy Engagement

Responsible Supply Chain

Business Ethics & Integrity



## Corporate Governance

Bread Financial recognizes the importance of strong corporate governance to promote the sustainability and resilience of our operations. As part of our commitment to responsible business practices, we take a multi-tiered approach, including oversight by the Board and its standing committees, to ensure comprehensive oversight and management of issues that contribute to our success as a business.

### 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 financial reporting, compensation, human capital, succession planning, compliance, risk management, and cybersecurity. In addition, the Board oversees our sustainability strategy and initiatives, including those related to climate change and human rights.

Our Board delegates 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 nine 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 [2026 Proxy Statement](#).

### Board Refreshment

Our Board has maintained an active and successful Board refreshment process, with seven new directors in the last seven 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.

### 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. The questionnaire is designed to help assess the Board’s performance and effectiveness and solicit feedback for improving board effectiveness. The committee has previously engaged an independent third party to conduct candid, one-on-one interviews with each director to gain additional insight and will do 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.

### 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 ongoing director education, including from outside experts who present on various topics of interest relevant to our business. In 2025, these topics included AI, agentic AI, and related board governance and oversight; stablecoins; industry insights; and emerging trends.

#### DIRECTOR NOMINEE SNAPSHOT\*

**64**  
Average age of directors

**56%**  
of the Board are diverse by race or gender

**5.8 years**  
Average tenure of directors

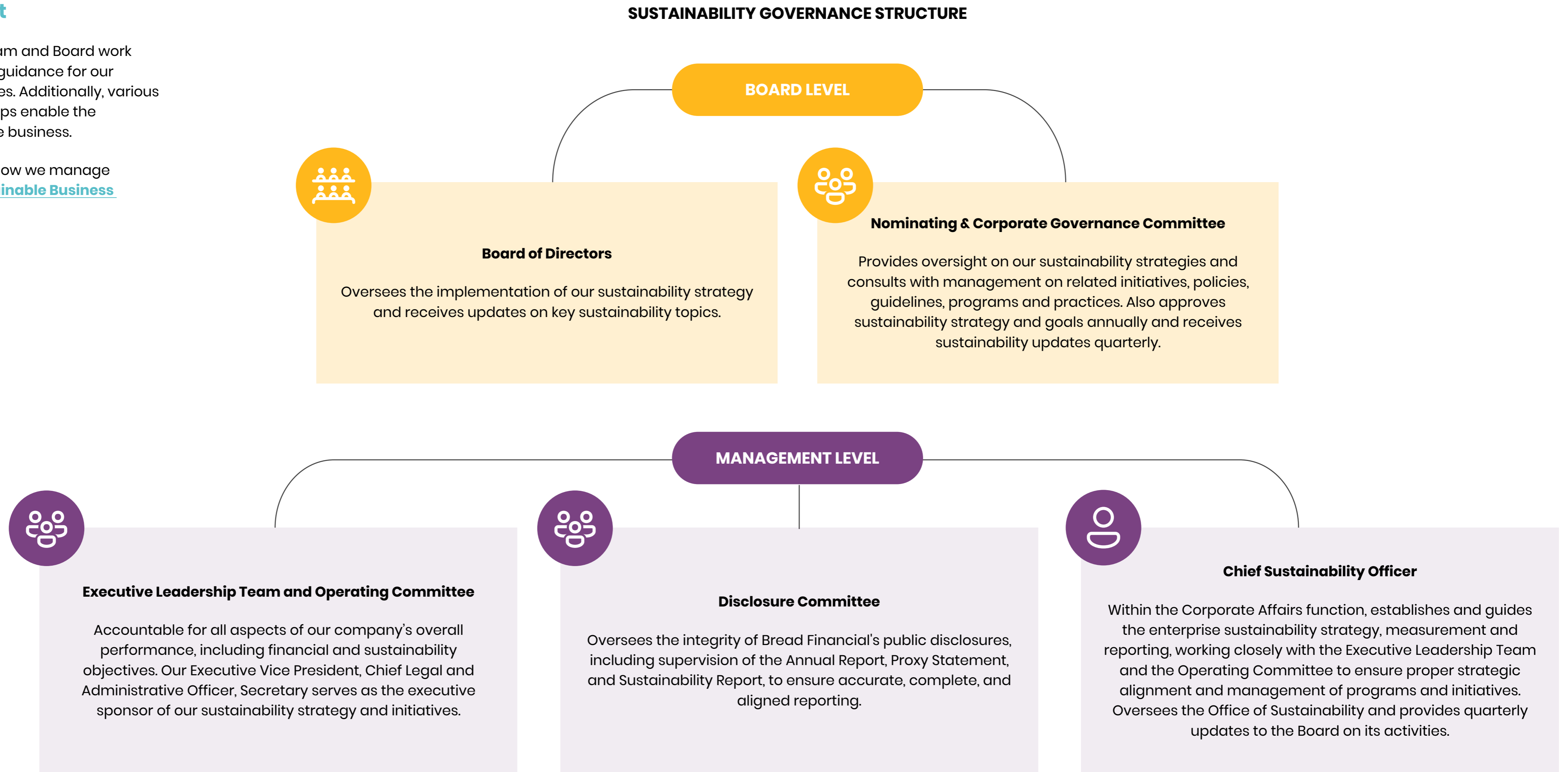
\*Based on director nominees in 2026 Proxy Statement.



## Sustainability Oversight

Bread Financial's management team and Board work together to provide oversight and guidance for our sustainability strategy and initiatives. Additionally, various internal advisory and working groups enable the integration of sustainability into the business.

For more detailed information on how we manage sustainability, please see the [Sustainable Business Strategy](#) chapter.





## 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 maintain a risk-focused culture that promotes proactive risk identification and mitigation, encourages behaviors that are consistent with our core values and reinforces organizational resilience.

Our business resilience program ensures that we can meet business objectives and maintain critical operations during disruptions and unplanned events. Our **Business Resilience Policy** provides requirements for creating, maintaining and testing business continuity and disaster recovery plans. As part of the planning process, we evaluate potential risks and develop strategies to minimize the business impact of disruptions.

### 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. The core risk pillars include credit, market, capital, liquidity, operational, compliance, strategic and reputational 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 Indicators**, 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 [Environmental Responsibility](#) chapter.

Over the past three years, we have transformed risk management into a more effective, efficient and proactive function, strengthening transparency and engagement. We modernized our Enterprise Risk Management Framework, updated risk policies, enhanced oversight across key risk areas, and refined our risk appetite and metrics. These efforts resulted in more efficient remediation while elevating talent, skills and engagement.

Our goals for 2026 include the following:

- Maintain regulatory vigilance and proactive risk management.
- Strengthen control effectiveness.
- Accelerate risk automation and AI integration.
- Enhance risk culture, talent and engagement.
- Deepen strategic partnership and value creation.

## 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 Enterprise Risk Management Framework and identifying, monitoring and reporting 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

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 combat the financing of terrorism (CFT). 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 **AML/CFT/Sanctions 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 [2025 Annual Report](#) for additional information on key risks and associated factors.

### Our Community Reinvestment Act Commitments

We recognize our responsibilities under the Community Reinvestment Act (CRA), which encourages depository institutions to meet the credit needs of the communities where they operate, including low- and moderate-income neighborhoods. Led by our banks with oversight by our CRA Committee, 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 priorities. Our CRA strategy is guided by three principles: 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.

Please see the [Creating Possibilities for Our Communities](#) chapter for more information on our CRA commitments.



### 2025 TRAINING STATISTICS

# 99.9%

Completion rate for Regulatory Compliance training



## Managing Our Business Responsibly

### Safety and Soundness

We maintain the safety and soundness of our operations through disciplined risk management, regulatory compliance, and efficient management of 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.

In 2025, we demonstrated financial resilience and responsible growth amid macroeconomic uncertainty. Our commitment to sound, value-driven capital allocation is critical to how we create sustainable long-term value.

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. Significant accomplishments include:

- Reduced and refinanced parent debt.
- Issued subordinated debt and preferred equity.
- Returned \$350 million in capital to shareholders.
- Earned credit ratings upgrades from Fitch and Moody's, and positive outlooks from Moody's and S&P.
- Improved our net loss rate, reflecting the effectiveness of our credit risk management strategies and improvement in credit performance.
- Increased our common equity tier 1 (CET1) ratio.

- Increased our tangible book value.
- Submitted FDIC application to merge bank subsidiaries, which, if approved, would simplify our bank structure and reduce operational and regulatory complexity.

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

### 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 consolidated balance sheet. Applicable Board committees oversee the performance and management of these programs, while our Asset and Liability Management Committees provide direction and recommendations.

Please refer to our [2025 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 business opportunities and ventures 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.

## HOLDING COMPANY CREDIT RATING — LONG TERM\*

Fitch

# BB

(Stable)

Moody's

# Ba2

(Positive)

S&P Global

# BB-

(Positive)

\*As of December 31, 2025.



Managing Our Business Responsibly

## Responsible Public Policy Engagement

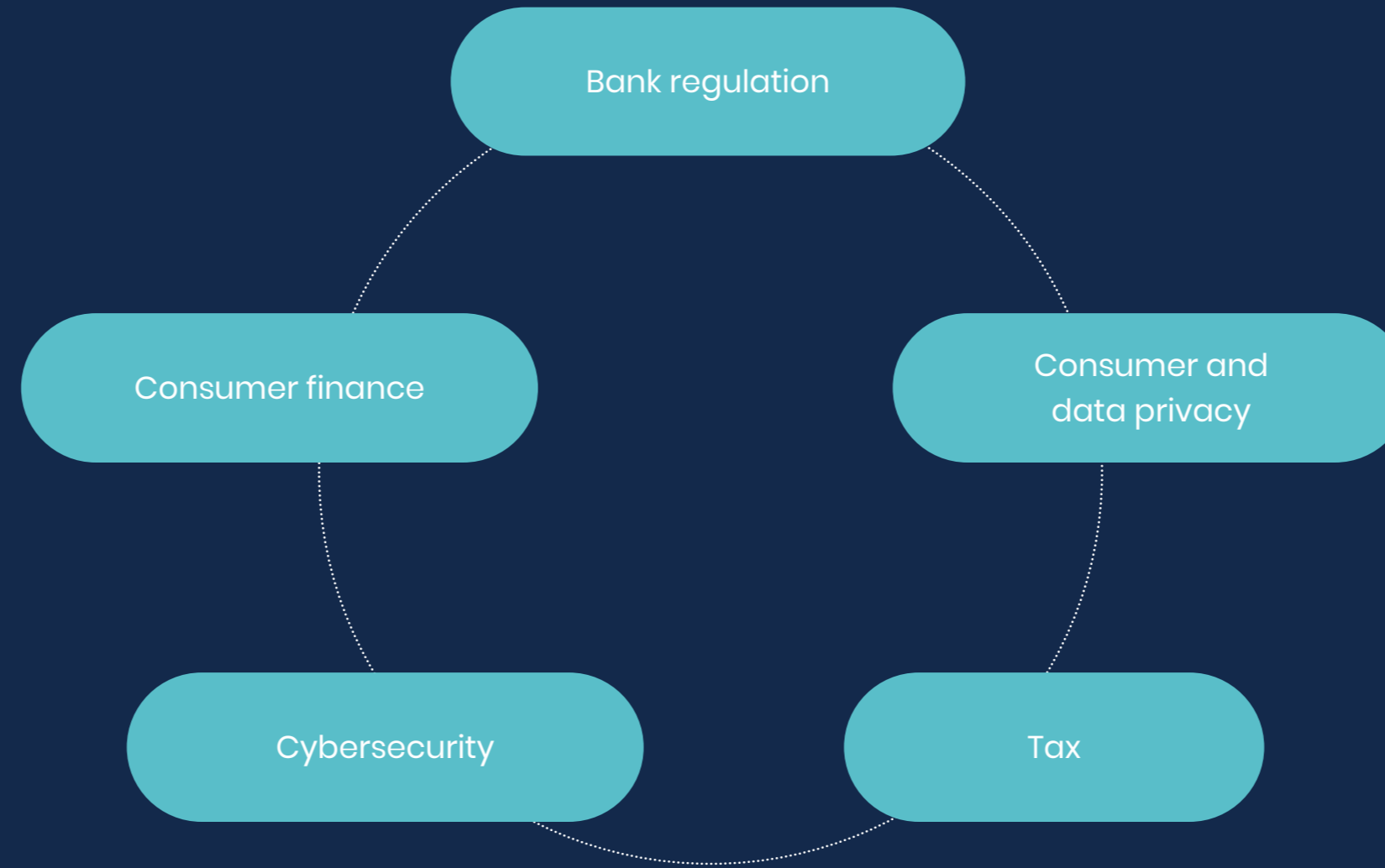
In an ever-changing regulatory environment, we are actively engaged in advocating for and managing our business interests at both the state and federal level. We engage in activities regarding policy and regulatory issues that directly impact our operations and could affect our company's overall operations 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 2025, designated company representatives had 56 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 which includes volunteers from our senior leadership team. The PAC Board meets quarterly to discuss policy issues affecting the business and to review and approve PAC contributions and 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



# \$211,762

raised from 246 associates and Board contributors to fund our nonpartisan issues-focused PAC

PAC disbursements to federal and state candidate committees in 2025:

# \$51,250





Managing Our Business Responsibly

## 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 supplemental Code of Ethics for Senior Financial Officers and a Code of Ethics for Board Members, which 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, all managers are required to attend our **Ethics Roadshow**, which provides in-depth and interactive training covering our Code of Ethics, other key policies and processes, and additional areas of responsibility for 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 2025:

# 82%

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

# 89%

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

## 2025 TRAINING STATISTICS

# 99.9%

Completion rate for Code of Ethics training

# 99.9%

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](http://www.breadfinancial.ethicspoint.com)) and can be made anonymously. We have an anti-retaliation policy that prohibits 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

We are committed to protecting human rights across our operations, in line with principles outlined in the United Nations Universal Declaration of Human Rights. Our [Human Rights Statement](#) outlines our commitment to fair treatment and a respectful culture for all associates, and extends these standards to our customers, partners, and the communities 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 unions, safety, compensation and pay practices, anti-discrimination, and other workplace laws. We prohibit any involvement in slavery, human trafficking, or any other forced, compulsory or child labor. 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.





## Responsible Sourcing and Supplier Opportunity

We aim to maintain an inclusive, responsible supply chain that delivers high-quality services, ensures equal access for all qualified suppliers, and prioritizes those who uphold ethical and sustainable practices. 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.

Our **Enterprise Procurement Policy** ensures that all suppliers are considered in the evaluation process, including small and local businesses. By providing opportunities to all suppliers, our business has the flexibility to choose products and services that help us meet our needs, ensure fiscal responsibility, and provide our customers with lasting and sustainable value.

In 2025, we launched a supplier registration portal to make it easier for suppliers to engage with us. Our key suppliers provide technology, marketing, consulting and other essential services supporting our operations. We have adopted a risk-based approach to assess our top suppliers' responsible business practices, such as their dedication to environmental responsibility and human rights. Our suppliers must follow all environmental laws and aim to preserve natural resources while minimizing any harm their operations might cause to the environment.

### Supplier Risk Management

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. 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. Failure to meet the expectations set forth in the Supplier Code of Conduct could affect current and/or future business with Bread Financial.

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.

We developed a questionnaire to assess suppliers' sustainability and responsible business practices, such as greenhouse gas measurement and reduction. We also solicit their input on how we can collaboratively create a more sustainable and responsible partnership. Conducting these risk-based assessments on an ongoing basis provides insight into the sustainability maturity of our supplier base and which relationships require deeper engagement. This information helps us determine how suppliers' sustainability practices should influence our sourcing decisions. We incorporate sustainability practices within our supply chain strategically and are working to increase program visibility with suppliers.

For more information on supplier emissions and emission reduction strategies, please see the [Supplier Engagement](#) section in the **Environmental Responsibility** chapter.





Empowering Our Customers

# Empowering Our Customers

Empowering and caring for our customers is at the heart of everything we do. We meet customers where they are in their financial journeys, offering a range of solutions that help them buy, borrow, and save with confidence. Through seamless digital experiences and flexible payment, lending, and savings solutions, we deliver simplicity, choice, and ease at every interaction. Our goal is to drive a customer-oriented culture at all levels of the company to create best-in-class experiences, meeting and exceeding customers' expectations to earn their trust, loyalty and satisfaction.

## 2025 Business Accomplishments

Conducted our first Brand Partner Relationship Survey to assess partner satisfaction and drive continuous improvement

Earned the BenchmarkPortal Center of Excellence certification for the 20<sup>th</sup> consecutive year, confirming our place among the top 10% of contact centers for efficiency and service quality

Completed the rollout of our mobile app to all eligible branded credit card programs



## Alignment with Material Business Topics

Customer Privacy

Customer Satisfaction

Cybersecurity

Fair & Responsible Banking

Associate Career Development

Financial Health & Wellbeing



## Empowering Our Customers

We deliver simple, smart financial solutions that enable responsible buying, borrowing, and saving—through choice-driven, seamless experiences customers can trust:

- **Buy:** We help customers buy with confidence through a diverse suite of flexible payment products. With these products, customers can access benefits such as rewards, discounts and promotional offers that enhance purchasing power and create value when engaging with the brands and partners they use most.
- **Borrow:** We empower customers to make informed borrowing decisions by offering loan solutions designed with clarity, flexibility and transparency in mind. Competitive rates and clear terms help customers understand their options and choose borrowing solutions that align with their financial needs. When used responsibly, our loan products can help customers start, build and maintain a healthy credit profile.
- **Save:** We support customers' financial wellness by making saving simple, accessible and rewarding. Our savings offerings feature a highly competitive interest rate, no monthly maintenance fees, and a low minimum balance to provide a clear, straightforward way for customers to grow their savings and plan for the future.

## HOW WE EMPOWER OUR CUSTOMERS

### 1 Building Financial Confidence

We design, operationalize and deliver solutions that support and improve customers' financial confidence.

### 2 Providing a Seamless Customer Experience

Putting the customer first, understanding their needs and expectations, and providing seamless, connected technology that enables them to manage their needs within their channel of choice.

### 3 Protecting Our Customers

Ensuring equitable, fair and transparent practices across our banking services, products and operations, while protecting customer accounts and data through strong cybersecurity controls.





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 design and deliver solutions that enable customers to buy, borrow and save wisely.

We are committed to empowering customers with the tools, resources and support they need for a more secure financial future. Our financial solutions are designed to be accessible and straightforward for everyone. We actively promote consumer financial health by offering a variety of educational resources designed to improve financial literacy and help our customers make informed decisions tailored to their unique circumstances. Additionally, we have partnered with Financial Health Network, connecting other business leaders, policymakers, and innovators to improve financial health for everyone.

Looking ahead, we will keep advancing our financial wellness imperative by shaping our offerings to support consumers' financial lives. In doing so, we aspire to build trust and support the long-term financial stability of those we serve. Helping our customers succeed financially isn't just a priority—it's our purpose.

### WHY FINANCIAL WELLNESS IS IMPORTANT\*

# Top 5

Financial Wellness is a top 5 consideration when choosing a payments or lending company among business-to-consumer customers

# 50%

of consumers place high importance on understanding their personal financial health

\*Based on research conducted by our market research team.

### 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 financial wellness benefits and programs for associates, please see the **Financial Wellness** section in the **Engaging Our Associates** chapter. For information about our community financial wellness programs, please see the **Creating Possibilities for Our Communities** chapter.





## Empowering 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 assigning credit limits that are within their capacity to repay. Our banks use advanced analytics and established industry capabilities and standards, and we evaluate them regularly for accuracy and consistency. Our fully automated proprietary lending process enables us to evaluate each application and issue credit based on unbiased statistical modeling criteria.

We also provide our 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 and regulatory requirements.

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 offer accessibility support services to help customers with disabilities manage their accounts. We align with various accessibility standards for our digital account center, such as Web Content Accessibility Guidelines (WCAG), and we can provide large print and braille materials to customers

upon request. Additionally, customer service associates help customers better understand their billing statements through over-the-phone support and offer assistance in English and Spanish, as applicable. We continually strive to provide credit and deposit solutions responsibly to our diverse customers, with a commitment to making our services inclusive for all.

### Responsible Marketing

We believe that well-informed customers are able to make the best choices to build financial wellness and confidence. In the spirit of empowering customers to make educated decisions, we are committed to being fair, truthful and transparent in our advertising and marketing materials. We have controls in place for our products, marketing materials, and terms and conditions to comply with applicable regulations and standards.

Because our associates are integral to our marketing efforts and customer communications, we provide regular training to ensure they are familiar with relevant company policies and procedures, as well as legal and regulatory expectations. Our Ethics Policy prohibits associates from engaging in unfair, deceptive, abusive or manipulative practices.

### 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 fee forgiveness and annual percentage rate reductions. Our debt relief options may include income-based considerations and other factors.

Customers can learn more about their relief 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. We also launched a digital option for customers to begin the process of requesting hardship relief.

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 2025, we mobilized teams from across our business to quickly provide relief for customers affected by devastating floods in Texas and wildfires in California. The response included proactively preventing fees from being applied to those customers' accounts, as well as issuing credits to affected customers requesting assistance.

We recognize that natural disasters and severe weather events may present increasing challenges for our customers. In response, we have strengthened our customer relief program in the following ways:

- Enhanced our playbook to enable our associates to respond more quickly following natural disasters.
- Provided more targeted and sustained relief for customers by using a data-driven tool to channel our resources to where they are needed most.
- Improved customer outreach alerting affected customers that relief is available.

## BANKING AWARDS

### GoBankingRates

Best High-Yield Savings Accounts

### WalletHub

Best 2% Cash Back Credit Cards

### Real Simple Smart Money Awards

Best High-Yield Savings Account

### Money

Best Banks for CD Rates

### Money

Best Banks for High-Yield Savings Accounts



**Comenity Bank and Comenity Capital Bank each maintained an A+ rating from the Better Business Bureau in 2025.**





Empowering Our Customers

## Providing a Seamless Customer Experience

Our Customer Experience team empowers every associate to create best-in-class experiences for our customers across all touch points. We aim to proactively deliver seamless, personalized experiences that empower and inspire customer trust, loyalty and satisfaction. The Customer Experience team drives business value by listening to our customers and advocating across our organization to develop and implement the right solutions with excellence.

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.

As a tech-forward financial services organization, technology is central to how we deliver an exceptional customer experience. Our enterprise-wide technology transformation is accelerating and enhancing our ability to fuel innovation and enable seamless, simple experiences across every customer touch point. This transformation allows us to equip customers to achieve their financial goals while driving resiliency and efficiency in our service. We are focused on driving digital experiences, including payment modernization, digital disputes, card replacement and chat capabilities.

### We improved customer experience in 2025 by:

- Enhancing the application, login and payment experiences.
- Launching a Brand Partner Relationship Survey, which uncovered insights that led us to prioritize improvements to customer servicing, digital capabilities, marketing, technology ticket prioritization and reporting.

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 focus significant resources towards improving the readiness of our associates to provide best-in-class customer service, including the following programs and strategies:

- **Immersive Training Experiences:** Our immersive training camps help associates improve their customer experience and servicing skills. Participating associates demonstrate increased performance and have shared positive feedback from the experience.
- **Incorporating AI:** We employ AI coaching to simulate customer interactions, assess associate performance, and provide feedback to associates. Using a speech transcription and call recording tool provides better call intelligence, including call summaries, making it easier to identify instances where coaching is needed.

- **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:** Brand-partner-specific training modules help associates further develop the soft skills needed to deliver an exceptional customer experience that effectively represents the partner's brand.
- **Optimal Supervisor-to-Associate Ratio:** We optimize the supervisor-to-associate ratio to ensure our supervisors can focus on individual associate learning and development opportunities.
- **Soft Skills Training:** All customer care associates across the globe completed Legendary Service training, followed by "Level Up" sessions throughout the year to reinforce skills such as creating positive customer conversations, communicating clearly and effectively, and exceeding customer expectations.

### DRIVING A CULTURE OF CUSTOMER EXPERIENCE

In 2025, we celebrated Customer Experience Week with our associates as part of our efforts to drive a culture of customer experience. More than 2,000 associates participated in activities throughout the week, including fireside chats with leadership and brand partners, educational events, and customer call listening sessions. Additionally, Bread Financial associates visited brand partners to thank them for their support of credit programs in stores.

## CUSTOMER SERVICE RECOGNITION



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 2025, Bread Financial earned the Center of Excellence certification for the 20<sup>th</sup> time, becoming the only financial institution to receive it consecutively for two decades. 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.
- Interactive voice response 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 and will continue throughout 2026. Key digital initiatives to improve the customer journey included:

- **Launched a generative AI customer service assistant, Spark**, enabling associates to use AI search functionality within our knowledge management system to find answers and resolve customer issues more quickly.
- **Scaled AI-enabled call intelligence and automation** to improve service consistency while enhancing productivity.
- **Completed the rollout of the Bread Financial® mobile app** to all eligible 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. In 2026, we will continue expanding digital self-service options and tools to provide customers with greater convenience. Additionally, we plan to use AI to connect our customer information platforms to gain better insights on customer pain points and how our agents are helping.

### CUSTOMER CARE FIRST CALL RESOLUTION



# 15M

Calls received by our Customer Care Center

Approximately

# 85%

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.

Listening to our customers allows us to continually improve our products, services and customer experiences to build financial confidence and wellness. We 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 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 and completion rates on their tasks.
- Text analytics, customer data and machine learning to better understand 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 2025, 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, First Call Resolution, 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. We focus on associate training, which we believe is important for providing timely and effective resolutions. We have also developed greater root cause reporting and analysis, and launched enhanced speech analytics to improve issue identification. Our banks, Comenity and Comenity Capital Bank, both maintained an A+ rating with the Better Business Bureau in 2025.

#### 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:

- FDIC
- Consumer Financial Protection Bureau (CFPB)
- Better Business Bureau
- 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

## Protecting Our Customers

### Safeguarding Customer Data and Privacy

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 successful 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. We invest significant resources in integrating, aligning and enriching our data management practices across the organization.

Our Code of Ethics outlines our commitments to appropriately safeguarding financial and other personal data of individual customers, as well as the confidential information of our brand partners. We monitor our associates, contractors and suppliers to ensure they adhere to these commitments to help protect client and customer data.

### Data Governance

Data governance helps ensure that data used across the company is reliable, of high quality, and used appropriately and protected throughout its lifecycle. It establishes clear ownership and expectations for how critical data is managed, supporting consistent handling of customer and other critical information. This structure reinforces responsible use, security and confidentiality of data.

Data governance is supported through defined oversight and accountability measures that help manage risk related to how we collect, use and maintain data across the business. We maintain a cross-functional, multilevel approach to assign ownership and accountability. Through the use of common standards, Bread Financial promotes responsible data management practices that reduce the risk of errors, misuse, and inconsistency, supporting transparency, ethical use of information, and trustworthy customer and business interactions. This structure supports regulatory compliance and confidence in the data used for decision-making.

At the highest level, enterprise data governance is overseen by our Board's Risk & Technology Committee with our Operational Risk Management Committee providing guidance and oversight of our data governance strategy, roadmap, policies and data management capabilities.





## Empowering Our Customers

### Cybersecurity and Technology

With the growth of digital transactions opening new doors for cybercriminals, we are committed to safeguarding our customers from increasingly sophisticated and more frequent threats. We strive to continuously enhance our cyber program's strategy, capabilities and governance to collaborate more deeply across the company, expand our talent, elevate associate education and training, and increase automation, including leveraging AI and machine learning models.

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. For more information on our Three Lines of Defense Model, please see the [Risk Management](#) section of the **Managing Our Business Responsibly** chapter.

Our Chief Technology Officer is responsible for technology governance and strategy aligned with business objectives, subject to annual reviews by the Risk & Technology Committee. Our Chief Information Security Officer leads and develops our enterprise cybersecurity strategy, applies a risk-based approach to continuously improve cybersecurity practices, and reports regularly to the Committee on technology and cybersecurity risk.

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 closely monitors the threat environment. In addition to implementing strategies aimed at preventing data loss, we employ methods to mitigate operational vulnerabilities. Additionally, we conduct regular cybersecurity-related internal audits.

We have established a **Fusion Center** that monitors our technology stack and business processes and is responsible for aiming to respond to IT and cyber events 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 comply with the Gramm-Leach-Bliley Act and are certified to the Payment Card Industry Data Security Standard (PCI DSS), which includes annual assessments.

We will continue to advance our cybersecurity capabilities by improving our tools and technology, strengthening cyber governance, maturing our capabilities, and investing in talent and organizational growth.

### Cyber Incident Resilience and Recovery

As part of our compliance with PCI mandates, our cyber 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.

In addition, we conduct technical tabletop exercises that brings together a cross-functional, hands-on team to practice incident response. These are carried out 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 Risk & Technology Committee, and members of our Board participate in select tabletop exercises.

For more information on our business resilience program, see the [Risk Management](#) section of this report.





Empowering Our Customers

### Data Privacy

Our data privacy program is aligned to 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.

In 2025, we continued to mature the data privacy program by growing our team, as well as engaging an external consultant to conduct a gap assessment and create a new strategic roadmap. We prioritized key initiatives based on risk and are continuing to evolve our program.

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. During Cybersecurity Awareness Month in October, we amp up our communications around data privacy and security to remind associates of their role in protecting data and reinforce our commitments to customers.

We take measures aimed at granting associates access only to the systems and customer data required for their jobs. Additionally, we have established processes to enforce security controls consistently and help restrict the sharing of sensitive data both within and outside of the organization.

### Fraud

We are dedicated to helping prevent, detect, investigate and resolve 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.

As part of our holistic approach to fraud mitigation, we employ a variety of fraud mitigation controls during the lifecycle of accounts, including capabilities related to account acquisition, transaction processing and account management. We use proprietary custom fraud models developed by our data scientists, along with external scores and solutions. Additionally, we leverage device intelligence technology to assess risks associated with digital applications and online servicing channels. We subject monetary transactions to authorization and approval scrutiny through a variety of techniques designed to help identify and halt fraudulent transactions, including machine-learning models, rules-based decision-making logic, report analysis, data integrity checks and manual account reviews.

As fraud perpetrators in the banking industry remain persistent, our cross-functional team of risk, fraud and security professionals regularly evaluate and enhance our fraud-prevention capabilities and monitor emerging industry trends and solutions.

## 2025 TRAINING STATISTICS

# 100%

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
- Institute of Applied Network Security
- International Association of Privacy Professionals



Engaging Our Associates

# 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.

## 2025 Business Accomplishments

Received multiple awards and recognitions for our workplace culture and wellbeing program

Implemented an online learning platform to help associates advance their technology skills and foster a culture of innovation

Established the Operational Excellence Training Academy, supporting associate development in areas such as AI, change management, design thinking and Lean Six Sigma

Achieved high ratings for “belonging” on associate engagement surveys



## Alignment with Material Business Topics

- Associate Career Development
- Associate Health & Wellbeing
- Corporate Culture
- Corporate Governance
- Financial Health & Wellbeing
- Inclusion & Belonging



## Engaging Our Associates

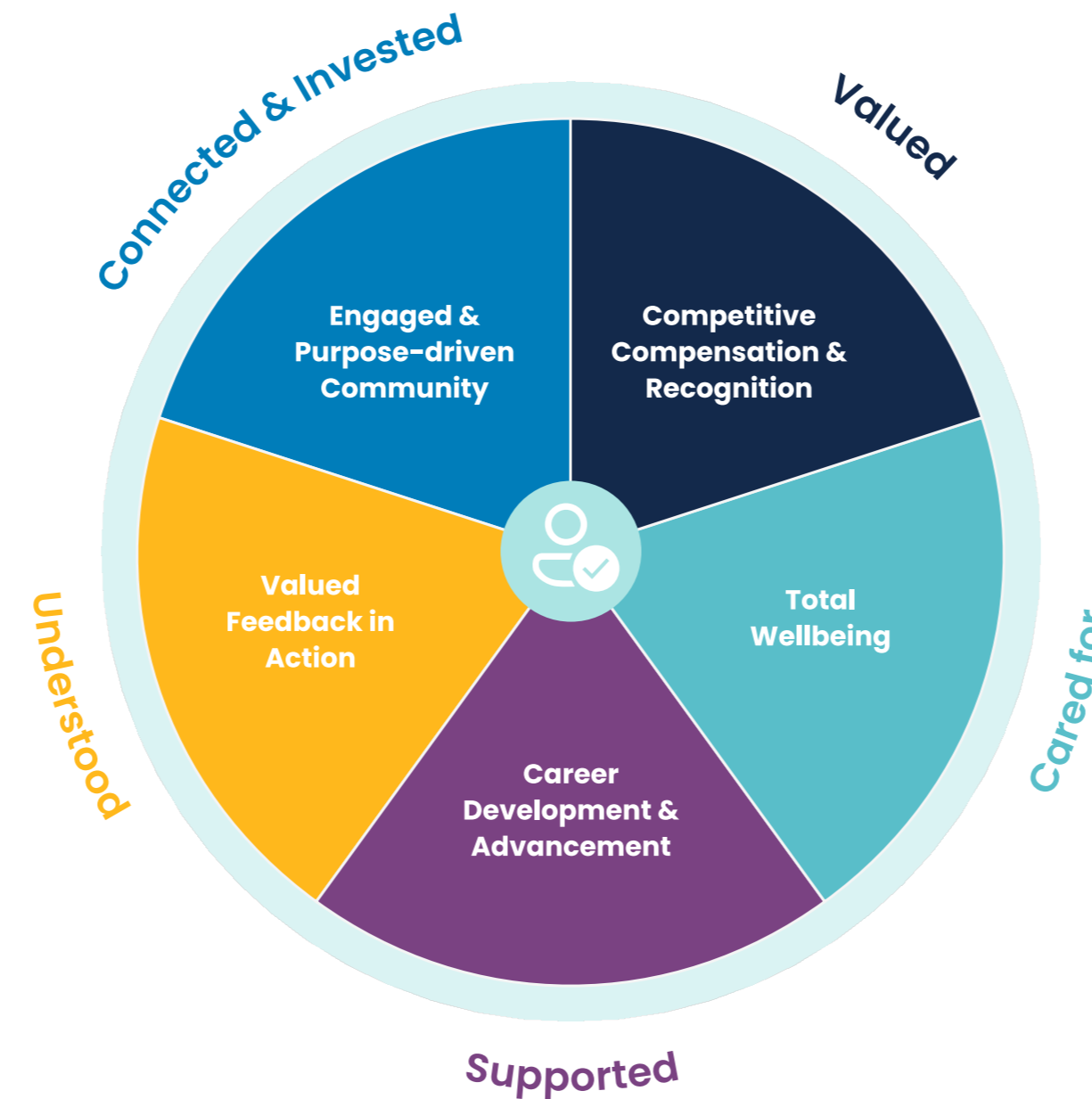
At Bread Financial, we aim to cultivate an engaging and rewarding experience for our associates. Achieving high levels of associate engagement demands focused efforts on areas like training and development, competitive compensation and recognition, and supporting the evolving needs of our workforce. 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.

As a predominantly hybrid workplace, our associates appreciate having the flexibility to work from home and from the office, contributing to a positive associate experience. In 2025, surveys showed the vast majority of associates feel Bread Financial supports them in achieving work-life balance and view our flexible work arrangements as a competitive advantage.

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

Ensuring we support associates' **financial, physical, mental and social wellbeing**

## WORKPLACE AWARDS

### Forbes

- America's Best Large Employers
- World's Top Companies for Women

### Fortune

Best Workplaces in Financial Services and Insurance

### Newsweek

- America's Most Trustworthy Companies
- America's Greatest Workplaces for Culture, Belonging & Community
- America's Greatest Workplaces for Inclusion
- World's Most Trustworthy Companies

### TIME

India's Best Employers

### U.S. News & World Report

Best Companies to Work For:

- Overall
- Information Technology
- Midwest
- Supporting Family Caregiving

### Great Place to Work®

In 2025, we earned the Great Place to Work® Certification™ in the U.S. for the fourth consecutive year and in India for the third consecutive year. Bread Financial's Bangalore, India, location was also named a top five company on the Best Workplaces in Fintech-India list for the second consecutive year.

# 87%

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. In 2025, we also conducted our biannual Internal Communications Survey to identify strengths and opportunities in how our Corporate Affairs team communicates with associates, gathering their views on topics such as communication timeliness, relevance and personalization. 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. For example, in 2025, one initiative that resulted from associate survey results was the development of a new in-plan Emergency Savings Account (ESA) within the 401(k) Plan, detailed in the [Financial Wellness](#) section in this chapter.

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. Our leaders host 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.

## 2025 ASSOCIATE SURVEY RESULTS\*

### COLLABORATION

*Collaboration* between associates across geographies and work locations continues to improve. Overall, 91% of associates rate collaboration with colleagues in different work locations as effective.

### CONFIDENCE IN LEADERSHIP

In 2025, our associates demonstrated strong *confidence* for the future of our organization, with 83% 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. Additionally, 89% of associates say Bread Financial shows a commitment to ethical business decisions and conduct.

### BELONGING

86% associates feel they belong at Bread Financial, up from 83% in 2024. Associates cite 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 87% saying Bread Financial supports them in achieving a good balance between work and their personal lives. 91% associates see our flexible work arrangements as a competitive advantage, a slight increase from 2024.

### 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 2025, our overall favorability score on each of the five items under talent competitiveness exceeded the Fortune 500 benchmark by at least five points.

BENEFITS	88%
WORK CULTURE	89%
LEARNING & DEVELOPMENT	84%
PAY & REWARDS	78%
CAREER OPPORTUNITIES	71%

# 82%

Overall Talent Competitiveness Score

\*The Collaboration metric reflects responses from U.S. associates only; all other metrics reflect responses from global associates.



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. We continue to receive high ratings in our annual associate survey for our efforts to foster a sense of belonging, with 86% of associates feeling that they belong at Bread Financial. An engaged and fulfilled workforce helps ensure we can deliver on our business commitments and meet the needs of our stakeholders.

### Associate Resource Groups

Our Associate Resource Groups (ARGs) are open to all associates and provide personal and professional development to enhance traditional company offerings. Our ARGs offer an additional forum for associates to share their experiences and expertise, collaborate, connect through mutual interests, and get involved in the community. In 2025, nearly 30% of associates belonged to at least one ARG. All nine of our current ARGs are available in both our U.S. and non-U.S. locations, with associates holding ARG leadership and liaison positions in each.





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 referral program that rewards associates with a bonus for referring a successfully hired candidate.

Embedding fairness and consistency into our hiring policies and processes is essential to our talent recruitment strategy.

### Learning, Training and Development

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. 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 2025, 27% of roles were filled internally.

#### Building Job-Related Skills

- **Degree/Certification Programs:** To support our associates in acquiring new job-related skills and knowledge, 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. In 2025, we introduced **ThrivePass**, a new platform that makes tuition reimbursement simple for associates.
- **Job-Specific Training:** Bread Financial provides a variety of options for associates to pursue job-specific training, including access to Pluralsight, webinars offered by our partners, internal training, and external training on a case-by-case basis.



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.

# 20

Hours of training per global associate

# \$1,533

Investment in training and development per global associate



## Engaging Our Associates

### Personalized Career Development

- **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.
- **Individual Development Plans:** Associates submit their career goals and individual development plans annually via Workday, then discuss them with supervisors in one-on-one meetings. Individual development plans detail each associate's plan to learn on the job through coaching and mentoring, and through educational resources and training.
- **MentorcliQ:** We partner with MentorcliQ to support our cohesive, enterprise-wide associate mentor program, fostering collaboration and engagement in support of associate development.
- **Ongoing Feedback and Performance Reviews:** We value regular reflection on performance and individualized career planning. Associates regularly discuss performance feedback, growth and career goals with supervisors. 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.

### Building Cross-Functional Skills

- **Flex Experiences:** 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 job-share experiences for associates, while providing opportunities to rotate into other areas of the business.

- **Operational Excellence Training Academy:** This academy supports all associates in developing valuable insights and ideas for significant improvements. Topics include AI, design thinking, Lean Six Sigma, change management and other skill-related topics to help improve the way we work every day.
- **Stretch Assignments:** By assuming the responsibilities of a different role for six months, associates gain new skills and insights into their next career steps, while fulfilling a business need.

### Talent Pipeline Development

- **Apprenticeship Programs:** These six-month programs are designed to create opportunities for our non-exempt associates aspiring to take on corporate roles within Bread Financial. In 2025, 93% of participants moved into a permanent position on their apprentice team.
- **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 six-month India program are available to college and graduate students. We retained several interns as part-time associates at the conclusion of the program.
- **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.

### Leadership Development

- **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.
- **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.
- **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.
- **Rise Program:** The Rise Program is a six-month cohort-style program that focuses on leader-level and role-specific topics through 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.





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.
- **Pass It On** is Bread Financial's recognition platform where associates can thank colleagues for reflecting the company's mission and values, which may include points to redeem in a global marketplace. It supports both peer-to-peer and manager recognition.



## 2025 ASSOCIATE AWARD RECIPIENTS

19

leaders received the Leadership Excellence Award

102

associates received the Hall of Fame Award

80

associates received the Extra Mile Award



Engaging Our Associates

## 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 no-cost 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 and based on consistent criteria. Once every three years, we conduct a more intensive assessment to ensure our job salaries, job titles and career paths align with the marketplace.





## Engaging Our Associates

### Physical Wellness

We provide health and wellness benefits designed to support associates' physical health, access to care, and overall well-being.

- **Health Insurance:** We are proud to cover approximately 82% of the cost of health insurance premiums on behalf of our associates, and we continually look to improve the plan design and affordability. In 2025, approximately 86% of our associates were enrolled in a medical plan.
- **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 51% average reduction in pain and pelvic floor symptoms, along with a 59% average reduction in depression and anxiety.

**“This program has helped me tremendously! I cannot express the appreciation I have for helping me with daily chronic pain!”**

**– A Bread Financial associate on their experience with Hinge Health**

- **Included Health:** As our partner for care advocacy and navigation, Included Health enables associates to connect with doctors who align with their specific needs and preferences.
- **LivingWell Reward:** In 2025, 93% of our associates 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, nutritional counseling, mindfulness apps and home office furniture. We introduced new categories in 2025, such as books and art supplies, to better meet associates' needs. A 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 2025, 36% of clinically eligible members successfully enrolled in the diabetes program, with over 94% actively engaged, and 25% of eligible members enrolled in the hypertension program, with over 94% actively engaged.

**“I now have every confidence that I can manage my blood sugar, my A1C is down to normal range, and I thank Livongo for keeping me on track!”**

**– A Bread Financial associate on their experience with Livongo®**

- **Support for New Parents\*:** We support new mothers with two additional paid 30-minute breaks and private lactation suites at all locations. Associates at our headquarters also have onsite access to **Milk Mate**, an FDA cleared breast pump program featuring recyclable breast shield kits. For business travel, we provide **Milk Stork** so associates can ship breast milk home at no cost.
- **Virtual Fitness Classes:** Associates have access to free, live virtual fitness classes each week, including Yoga, Pilates, Strength Express, Yamuna Body Rolling and more.
- **Virtual Primary Care:** We offer virtual primary care alongside virtual urgent care and mental health support. In 2025, there were 1,430 virtual visits across the three offerings.
- **Wellness Challenges:** To support our associates' total wellbeing, we host several wellness challenges throughout the year. Topics include: movement, nutrition, sleep, screen time, gardening, recovery and gratitude. In 2025, our associates logged nearly 25,165 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 October.

## RECOGNITION FOR OUR LIVINGWELL PROGRAM



### Gold-level Recognition in the Healthy Business Council of Ohio's 2025 Healthy Worksite Recognition Program

This marks the 10<sup>th</sup> consecutive year of recognition and the 5<sup>th</sup> consecutive year of gold-level recognition.



### Platinum Bell Seal Recipient from Mental Health America

With a total score of 94%, Bread Financial was among fewer than 200 employers to earn the highest distinction.



## 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.

- **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.
- **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. We offer access to their dedicated family concierge team to assist our associates in maximizing their benefits based on their needs. Associates saved 742 workdays in 2025 through their participation in the program.
- **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.
- **Mental Health:** We partner with Spring Health to provide associates and their immediate family members with no-cost access to mental health support, including personalized recommendations, therapy sessions (eight free sessions per person each year), medication management (U.S. only), 24/7 crisis support, and work-life resources. We also offer mental health and substance-use visit coverage through our medical plans, along with discounted virtual psychiatry and psychology services via Doctor on Demand.
- **Paid Parental Leave:** In the U.S., eligible associates receive eight 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 for childbirth, resulting in a total of 15 weeks of 100% paid time off. Eligible non-U.S. associates receive 26 weeks for maternity leave and three weeks for paternity leave.
- **Paid Time off for Voting:** Eligible associates receive paid time off to complete certain important tasks during the workday, such as voting.
- **Progyny\*:** Progyny is a family-building benefit that provides unlimited, comprehensive coverage and personalized support for all paths to parenthood, including fertility treatments. All U.S. associates, regardless of medical plan coverage, have access to financial assistance of up to \$10,000 per child for adoption or surrogacy expenses.
- **Workplace Flexibility:** Eligible associates are supported in establishing a work routine that balances their professional responsibilities with personal obligations while meeting the needs of the business.



### AVERAGE WAIT TIME FOR A THERAPY APPOINTMENT

Bread Financial Associate (via Spring Health)

National Average

# 1.5 days

# 3-4 weeks



## 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 to help them save and plan for the future:

- **Bread Financial 401(k) Plan\***: We provide associates with a 3% non-discretionary contribution and the opportunity to receive a 3% company match (\$0.50 for every \$1 contributed, up to 6%). Bread Financial covers administration fees for plan participants and requires no waiting period to participate. By the end of 2025, 84% of associates were enrolled in our 401(k) plan, with an average deferral rate of 11%. In 2026, we will add a 401(k) in-plan Emergency Savings Account feature in the U.S. to help associates build accessible short-term savings.
- **BrightPlan**: This confidential financial wellness resource offers AI-powered coaching, personalized planning tools, and expert, fiduciary-certified guidance at no cost to associates and their immediate family members, as well as anyone (including former associates) who still holds a balance in our Bread Financial 401(k) plan. In 2025, 33% of associates were enrolled in BrightPlan.
- **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 2025, 293 associates utilized this resource for the first time, linking nearly \$725,000 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.

- **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 Roth 401(k) contributions, financial wellness toolkit, health savings accounts, managing debt, understanding your credit score, calculating your net worth, and planning for your future.
- **Employee Stock Purchase Plan (ESPP)\***: Full-time and part-time associates are eligible to purchase Bread Financial stock at a discount.
- **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 anonymously for a non-taxed grant of up to \$1,250 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. Bread Financial provides dollar-for-dollar matching when associates donate to the program.
- **529 Plan Finder\***: Through Candidly, associates can discover and compare available 529 plans to help them save for education expenses, while growing their investment and unlocking tax advantages.

### RECOGNITION FOR OUR RETIREMENT PROGRAM

#### Plan Sponsor Council of America's "Innovation in Promoting Participation" Signature Award

In collaboration with T. Rowe Price, Bread Financial earned second place for our 401(k) Plan messaging. Our communication campaign featured clever bread puns to promote Bread Financial's first 3% free money deposit for U.S. 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 benefit both society and our business.

## 2025 Business Accomplishments

Increased associate volunteer hours by 14% over last year

Gave \$14.1M in charitable donations to support financial wellness, thriving communities and protecting our planet

Increased associate donations and participation in our annual Giving Campaign, with donations reaching \$2M

Executed 10 cause marketing campaigns promoting shared values with our brand partners



## Alignment with Material Business Topics

Community Engagement

Corporate Culture

Corporate Governance

Financial Health & Wellbeing

Inclusion & Belonging



## Creating Possibilities for Our Communities

Our community strategy is rooted in creating meaningful, measurable impact by fostering collaboration and driving positive outcomes. Through partnership-driven philanthropy, community development loans and investments, and associate-led initiatives, we unite the company to empower communities and create possibilities.

We align our community efforts with our business strategy, focusing on three Purpose-Driven Priorities: Financial Wellness, Thriving Communities and Protecting Our Planet. These priorities guide our investments and initiatives, ensuring they deliver sustainable benefits for society and the communities we rely on.

This work is a collective effort. Our Office of Sustainability collaborates with stakeholders across the business to activate nonprofit partnerships, amplify their missions through strategic initiatives, and lead internal fundraising campaigns. Our Executive Leadership Team reviews and approves charitable contributions exceeding \$100,000 on a quarterly basis, ensuring alignment with our values. Additionally, our CRA Committee oversees compliance with the Community Reinvestment Act, reinforcing our commitment to responsible and impactful community investment. Please see the [Regulatory Compliance](#) section of the **Managing Our Business Responsibly** chapter for more information on our CRA commitments.



## 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, and improving the wellbeing and living conditions of populations disproportionately impacted by climate change.



Creating Possibilities for Our Communities

## Partnering to Support Our Purpose-Driven Priorities

We collaborate with local and national nonprofits whose missions align with our Purpose-Driven Priorities. Our investments and grants are designed to create opportunities by fostering thriving communities, advancing financial wellness and protecting our planet.

### Partnership-Centered Philanthropy

We believe our responsibility to the communities we serve extends far beyond our business operations. Through our Partnership-Centered Philanthropy Framework, we transform the traditional funder-grantee relationship into a collaborative partnership that drives scalable, lasting impact.

This framework is built on five key drivers that enable us to cultivate authentic, effective partnerships. By combining financial support with our corporate resources, expertise and networks, we amplify the mission of our nonprofit partners and create a ripple effect of positive change. Together, we empower nonprofits to think bigger, scale their reach and build a resilient future.

## PARTNERSHIP-CENTERED PHILANTHROPY FRAMEWORK





Creating Possibilities for Our Communities



## FINANCIAL WELLNESS



of New York City

Our ongoing partnership with **Girls Inc. of New York City** provides financial literacy programming for girls from underserved communities. Our grants contributed to developing Her Future, an innovative program that blends classroom learning with a gamified app to teach budgeting, saving, loans, investing and financial planning. The program has helped more than 4,200 teen girls strengthen their financial literacy, with 94% reporting they have increased their financial knowledge and responsibility, including understanding credit card debt, student debt and money saving strategies.



## THRIVING COMMUNITIES



BOB WOODRUFF  
FOUNDATION



The Kids  
Mental Health  
Foundation™

Bread Financial's long-standing focus on building thriving communities includes strategic partnerships with organizations addressing the unique challenges faced by children of military-connected families. In 2025, we built upon our partnership with **Bob Woodruff Foundation**, announcing a three-year commitment to improve the mental health of military children. Our investment will fund accessible, high-quality clinical mental health care, clinician training, and programs that strengthen social connection and overall wellbeing. Additionally, our support of **The Kids Mental Health Foundation** will help develop specialized resources for parents, teachers, coaches and others. The resources will provide guidance on how military life affects mental health and strategies to help kids from military families build wellness skills.



## PROTECTING OUR PLANET



American  
Red Cross

In 2025, we reaffirmed our support for the **Red Cross** with a contribution to the **Annual Disaster Giving Program**. Donations to the program help equip the Red Cross with the essential infrastructure, volunteers, technology and resources needed to quickly and effectively provide relief after a disaster. Our donation also supports disaster preparedness education and helps fund basic needs for families affected by individual disasters such as home fires.

Our more than 25-year partnership with the Red Cross has helped the organization support thousands of individuals affected by disasters, while also allowing us to show up for our associates, customers and communities when they need it most.



Bread Financial has a long history of supporting **The Nature Conservancy** and its mission to conserve the lands and waters on which all life depends with investments totaling \$3 million since 2020. In 2025, Bread Financial provided grants for three areas preserving the rich biodiversity and supporting sustainable livelihoods in the Appalachian region, restoring clean water systems in India where millions are facing severe water scarcity and the Plant a Billion Trees initiative focused on planting trees to help curb the effects of climate change.



Creating Possibilities for Our Communities

## Investments That Drive Change

At Bread Financial, we leverage our expertise, talents and resources to help improve the quality of life in our communities. Our community development loans and investments aim to drive change across our Purpose-Driven Priorities, meeting needs such as providing financial services to underserved communities, financing affordable housing and stimulating economic activity.

### 2025 New CRA Investments and Loans:

**\$90M**

### Total CRA Investments and Loans Portfolio:

**\$287M**

## 2025 LOANS AND INVESTMENTS

The following examples represent two of our many investments in mission-driven funds, reflecting our commitment to investing in our communities:



### FINANCIAL WELLNESS

#### Mission Driven Bank Fund

We invested \$5 million in Mission Driven Bank Fund, an impact-first investment fund formed to foster a stronger and more inclusive banking system. The fund invests in FDIC-insured Minority Depository Institutions and Community Development Financial Institutions, many of which are privately owned with limited access to capital. These institutions play a critical role in expanding access to financial services in unbanked and underbanked communities.



### THRIVING COMMUNITIES

#### Rocky Mountain Community Reinvestment Corporation

We committed \$65 million to the Rocky Mountain Community Reinvestment Corporation, a nonprofit dedicated to financing safe, clean affordable housing in low- and moderate-income communities. The nonprofit provides loans to fund the development or preservation of affordable housing units. It offers financial products for both nonprofit and for-profit developers and service providers.

## 2025 COMMUNITY INVESTMENT BY THE NUMBERS



### Single-Family Affordable Housing Finance

**\$10.2M**

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

**\$5.0M**

in housing bonds purchased



### Multifamily Affordable Housing Finance

**\$65M**

in new commitments

**\$4.3M**

in commitments remaining from previous years

### Contributed to

**16**

affordable housing projects that developed or preserved

**1,789**

affordable housing units



### Small Business Support

**\$6.1M**

in commitments remaining from previous years

### Provided

**\$2.2M**

in capital



Creating Possibilities for Our Communities



**THRIVING COMMUNITIES**

## Associate-Led Impact

Our commitment to fostering thriving communities does not stop with investments and grants. Our associates play a significant role in advancing our value to “be kind and pay it forward.” We match their donations, encourage them to volunteer, and create opportunities for every associate to give back in a way that’s right for them. We also offer our non-exempt workforce up to eight hours of paid time off per year to volunteer in their communities.

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 14% increase in associate volunteer hours compared to 2024.

# 94%

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

<p><b>Giving Campaign</b></p>	<p><b>\$2M</b> donated to 1,111 nonprofit organizations</p>	<p>Since our inception, our annual giving campaign has been the cornerstone of our 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><b>Operation Feed</b></p>	<p><b>\$258,295</b> donated to food banks, funding 2,582,945 meals—triple the donation made in 2024</p>	<p>Through this campaign, associates come together to help end hunger in their communities by volunteering with and donating to local food banks, with matching donations from Bread Financial. We run the program in summer, when children are on break and lose access to school meals.</p>
<p><b>Matching Programs</b></p>	<p><b>\$84,600</b> donated as a result of 6,872 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><b>Pay it Forward Week</b></p>	<p><b>1,017 hours</b> volunteered with 33 charities</p>	<p>In observance of Pay it Forward Week, we encourage associates to volunteer with nonprofit organizations, including virtual volunteering opportunities.</p>
<p><b>Giving Tuesday</b></p>	<p><b>\$50</b> for each associate to donate</p>	<p>We give every associate a \$50 charitable gift card to donate to a nonprofit of their choice.</p>
<p><b>TOTAL IMPACT</b></p>	<p><b>12,157</b> volunteer hours</p>	<p><b>\$1,267,624</b> matching gifts</p>



Creating Possibilities for Our Communities



## PROTECTING OUR PLANET

### VOLUNTEERISM IN ACTION

On Earth Day 2025, associates from our Bangalore office installed 12 water purifiers across 10 government schools to provide clean drinking water for schoolchildren in partnership with **Upkriti**, an organization supporting underprivileged children in India's rural areas. As a result, more than 1,000 children now have access to potable drinking water year-round. Associates also attended an educational conservation session and participated in plogging—an activity that combines jogging with picking up litter—to help clean around a lake near one of the schools.



## THRIVING COMMUNITIES

### GIVING TUESDAY

Each year, we celebrate Giving Tuesday, a global day dedicated to supporting our communities. During the week of Giving Tuesday, associates logged over 500 volunteer hours and directed more than \$121,000 to charities of their choice using a \$50 charitable gift card provided to all associates. We also encouraged associates to participate in local office activities, such as writing holiday cards for service members, assembling appreciation gifts for high school teachers, and crafting cozy blankets for senior citizens.





Creating Possibilities for Our Communities



**THRIVING COMMUNITIES**

## Cause Marketing

Bread Financial takes a strategic approach in promoting the values we share with our brand partners by supporting their charitable priorities. Throughout 2025, we engaged with 10 brand partners on cause marketing campaigns, building purpose-driven brand awareness while working together toward common community goals.

### PARTNERING TO SUPPORT GIRLS

Bread Financial has a longtime community partnership with Ruling Our eXperiences (ROX), a leader in programming, research and education focused on girls. In 2025, we identified an opportunity to connect the nonprofit organization with our brand partner Maurices to help meet a basic yet essential need for the girls ROX serves— clothing.



Nearly 300 volunteers from Bread Financial and ROX dedicated more than 665 hours to sort, pack and distribute approximately 75,000 pieces of clothing donated by Maurices. The items were distributed to girls in need via ROX facilitators, area educators and nonprofits during a three-day drive.

Maurices, a leading women’s fashion brand that celebrates feel-good fashion for real life, has long been known for its positive message and trusted service—values that strongly align with both ROX and Bread Financial. “Young girls are our future, and we’re proud to help create a movement of empowerment,” said Sue Ross, Chief Administrative Officer of Maurices.

By partnering with Maurices, we were able to expand our support of ROX to empower girls. As Dr. Lisa Hinkelman, Founder and Chief Executive Officer of ROX said, “This is just another meaningful and tangible example of how Bread Financial makes connections and gives ROX opportunities to shine in ways that are substantial for the girls we serve.”



### RECOGNITION FOR OUR COMMUNITY EFFORTS

Nominated by our community partner ROX, Bread Financial received **The Medical Mutual Pillar Award for Community Service** from Smart Business Network Columbus, which honors businesses dedicated to making central Ohio a better place to live.





Creating Possibilities for Our Communities



### RAISING FUNDS FOR YOUTH WELLNESS

We are proud to collaborate with our brand partner Ulta Beauty to extend its support for Big Brothers Big Sisters, the preeminent youth mentoring organization in the United States.

In 2025, Ulta Beauty launched its second campaign to give guests an opportunity to donate to Big Brothers Big Sisters at check-out. Bread Financial matched every donation made with the Ulta Beauty Rewards Credit Card in stores, up to \$75,000.

The campaign helped expand the reach of Big Brothers Big Sisters. As a national wellbeing partner to Big Brothers Big Sisters, the Ulta Beauty Charitable Foundation supports access to self-care, self-expression and self-discovery resources to hundreds of thousands of young people.

In an announcement, Anita Ryan, Chief Human Resources Officer at Ulta Beauty and President of the Ulta Beauty Charitable Foundation, remarked on the campaign's success: "I'm incredibly proud of how our associates, guests and partners came together to increase access to mental health and wellbeing programs, helping more young people realize their full potential and unleash their possibilities."



### CELEBRATING EFFORTS TO BUILD INDEPENDENCE

Bread Financial is proud to support Canine Companions, a national organization that enhances the lives of people with disabilities by providing highly trained service dogs at no charge. In addition to providing financial support and engaging employees in meaningful volunteer opportunities, in 2025 we enlisted the support of the National Hockey League's Columbus Blue Jackets to help raise awareness of this life-changing organization.

In honor of Canine Companions' 50th anniversary, we hosted a special event at a Blue Jackets game, where players walked into the arena accompanied by service dogs. Fans also had the opportunity to meet service dogs in training and learn more about how the non-profit enhances the lives of children, adults and veterans with disabilities. Additionally, one of the organization's veteran clients was honored during the game.

By partnering with the Blue Jackets, we were able to support Canine Companions in its mission to create independence, demonstrating our shared commitment to improving lives throughout our community.



# Environmental Responsibility

Integrating environmental responsibility into our business practices is an important aspect of how we operate and manage risk. Our environmental goals focus on improving operational efficiency, enhancing resilience and supporting the long-term sustainability of our company, with an approach grounded in accurate measurement and transparent management of environmental impacts across our operations and value chain. We take practical measures to improve efficiency, reduce emissions and support long-term business performance.

## 2025 Business Accomplishments

Strengthened climate and environmental performance through continued progress toward our long-term emissions reduction goals

Continued integration of sustainability as part of our technology transformation strategy

Enhanced customer relief program by adding proactive efforts to better support communities affected by natural disasters

Increased our paperless billing statement rate by 7 percentage points year-over-year

## OUR ENVIRONMENTAL PERFORMANCE

	2025	2024	2023
<b>Total GHG emissions (in MTCO<sub>2</sub>e)</b>	<b>88,687</b>	<b>96,409</b>	<b>154,806</b>
<b>Total energy consumed (in gigajoules)</b>	<b>53,383</b>	<b>59,737</b>	<b>71,301</b>
<b>Electricity from renewable sources</b>	<b>52%</b>	<b>64%</b>	<b>42%</b>

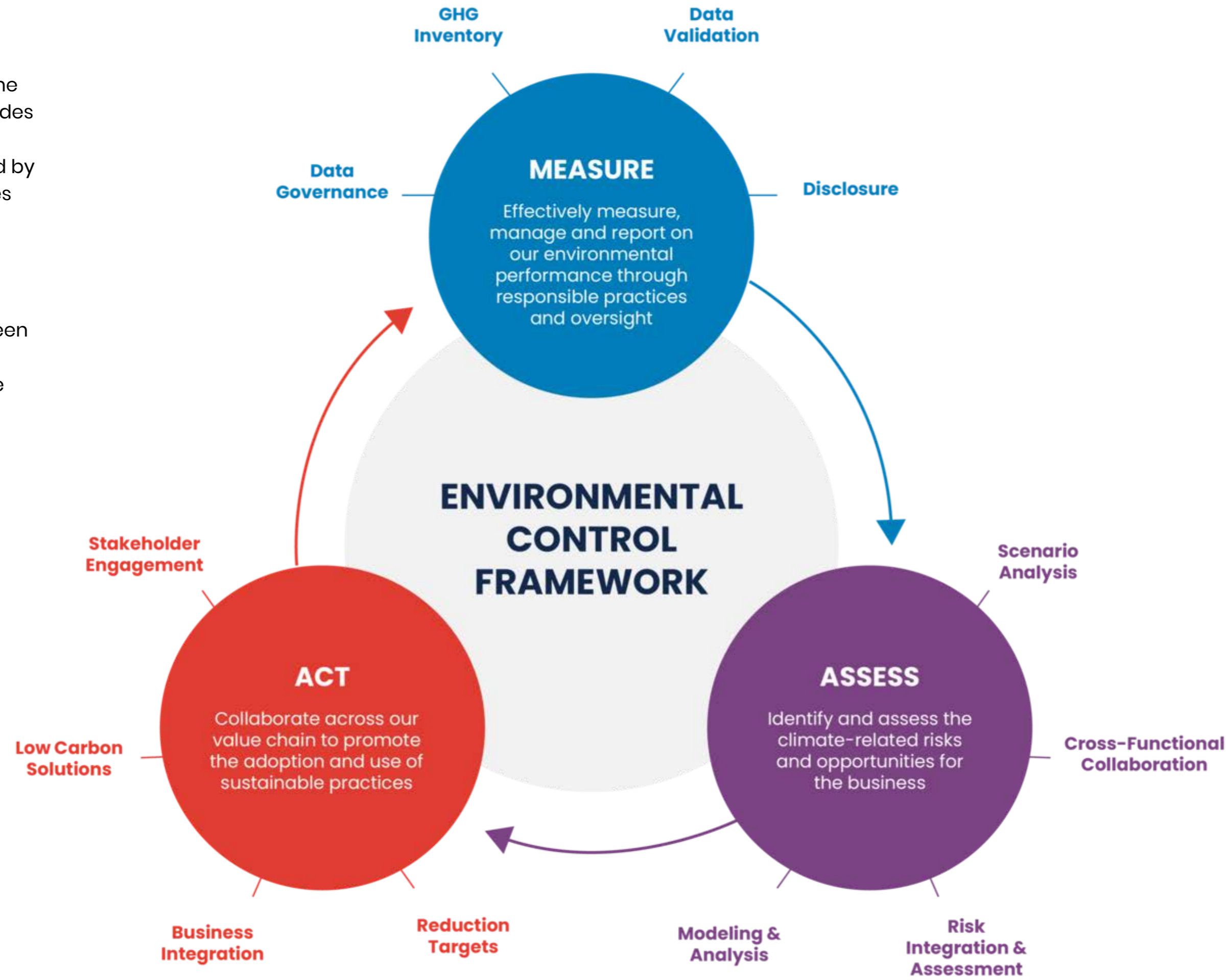
## Alignment with Material Business Topics

- Risk Management & Compliance
- Corporate Culture
- Community Engagement
- Corporate Governance
- Low Carbon Products & Services
- Greenhouse Gas Emissions
- Renewable Energy
- Physical Climate Risk
- Waste Management
- Water Management



Environmental Responsibility

Embracing environmental responsibility is an essential aspect of our comprehensive 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 provides the foundation for our environmental management strategy. It describes the actions and commitments designed to protect and preserve the environment and reduce 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.



**ENVIRONMENTAL AWARDS**

**Newsweek**

America's Greenest Companies

**Newsweek**

America's Most Sustainable Companies

**Newsweek**

World's Greenest Companies

**TIME**

World's Best Companies for Sustainable Growth





## Assessing Climate-Related Risks and Opportunities

Our **2023 Materiality Assessment** identified environmental and climate-related risks as important considerations for our stakeholders and solidified climate risk management as an area of continued focus for the company. These risks are evaluated alongside other enterprise risks based on relative impact, supporting operational resilience and transparency within our disclosures.

We continue to incorporate climate-related risks into our enterprise risk management practices and refine our approach to ensure appropriate oversight and governance as expectations and regulatory requirements evolve. 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 internal and third-party data about the impact of past events, the geographical concentration of our customer base, and the severity of past and current natural disasters. 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 considerations 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.



Environmental Responsibility

## Managing and 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. We collect and track scopes 1, 2 and 3 emissions across our operations annually, completing our 14<sup>th</sup> inventory in 2025. We leverage a carbon accounting tool to elevate the accuracy and our understanding of the data, and have also adopted data governance controls. Our 2025 GHG inventory has been verified by an independent third party, helping to reinforce confidence in our data and our commitment to reducing emissions and mitigating climate risk. This transparency and rigor inform our reduction strategies and support the accuracy and completeness of our emissions data.

In 2025, we announced GHG reduction targets based on our emissions data and informed by commonly accepted target-setting strategies. These targets are further aligned with both strategic and operational company goals.

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.



# A-

CDP Climate Change score in 2025

We have reported our emissions data annually to CDP since 2014. In 2025, our enhanced reporting efforts improved our score in Climate Change from B to A-.

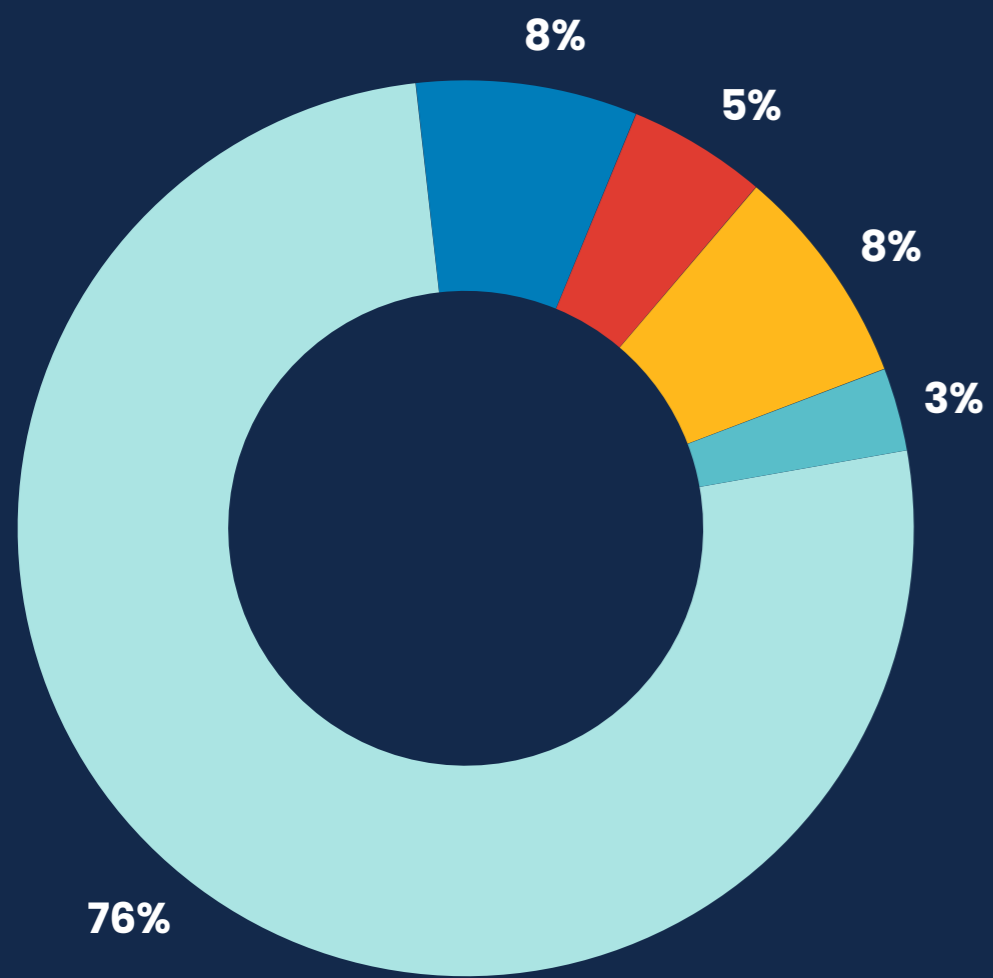
**“Setting reduction targets marks a significant milestone in the maturation of our environmental strategy and demonstrates our long-term commitment to responsible, sustainable business operations. The increase in our CDP score over the last two years is a testament to the actions we’ve taken to reduce our impact, mitigate climate risk and increase transparency.”**

**Dana Beckman,**  
Vice President and Chief Sustainability Officer





### 2025 GHG EMISSIONS BREAKDOWN\*



- Scope 3 - Purchased Goods & Services
- Scope 3 - Upstream Transportation & Distribution
- Scope 3 - Employee Commuting
- All Other Scope 3
- Scope 1 and 2 (Market-based)

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.

### GHG TARGETS (BY 2030)

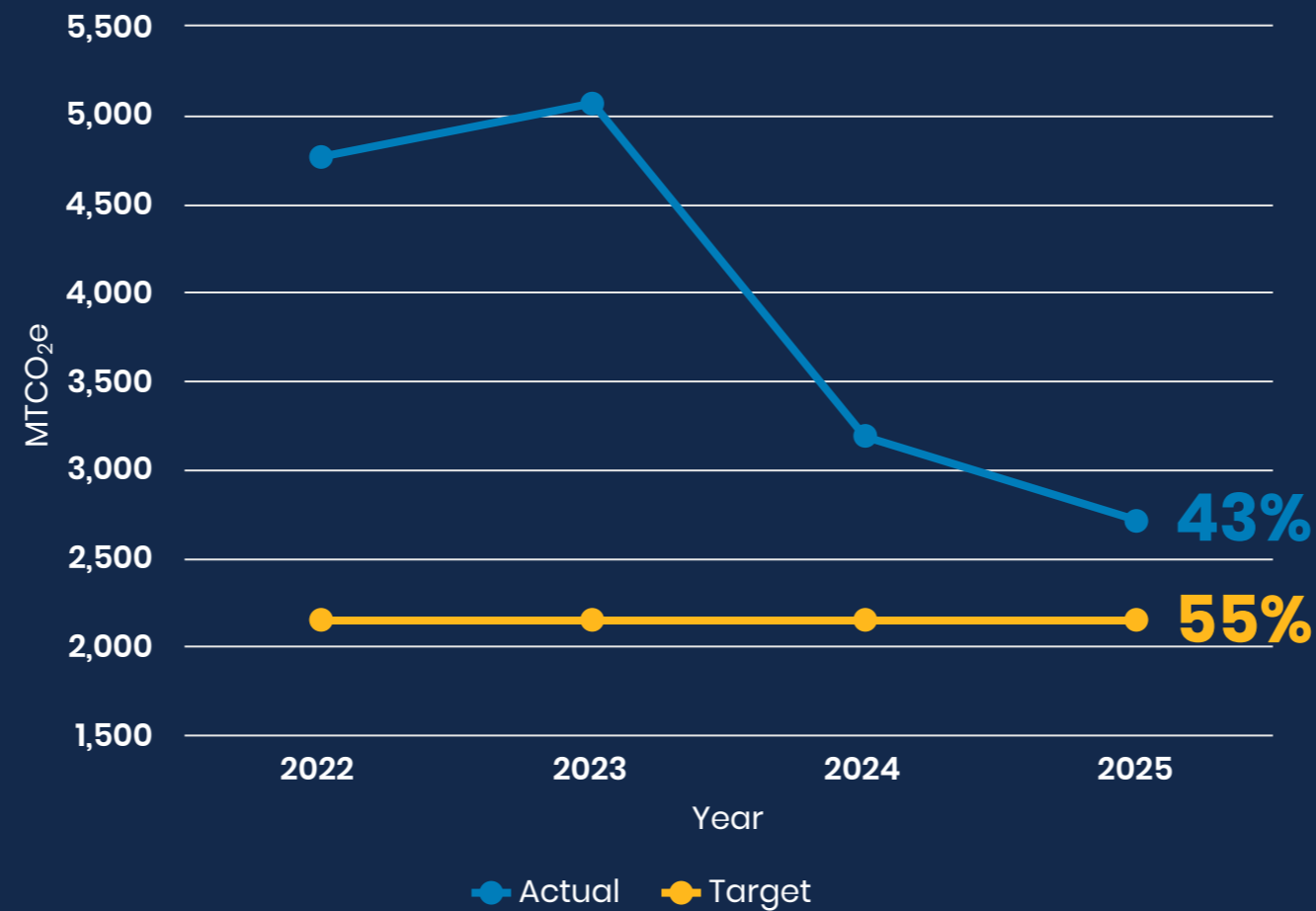
Reduce *our* direct impact to the environment

SCOPE 1 & 2

# 55%

reduction in emissions compared to 2022

### OUR PERFORMANCE AGAINST SCOPE 1 & 2 GHG REDUCTION TARGET



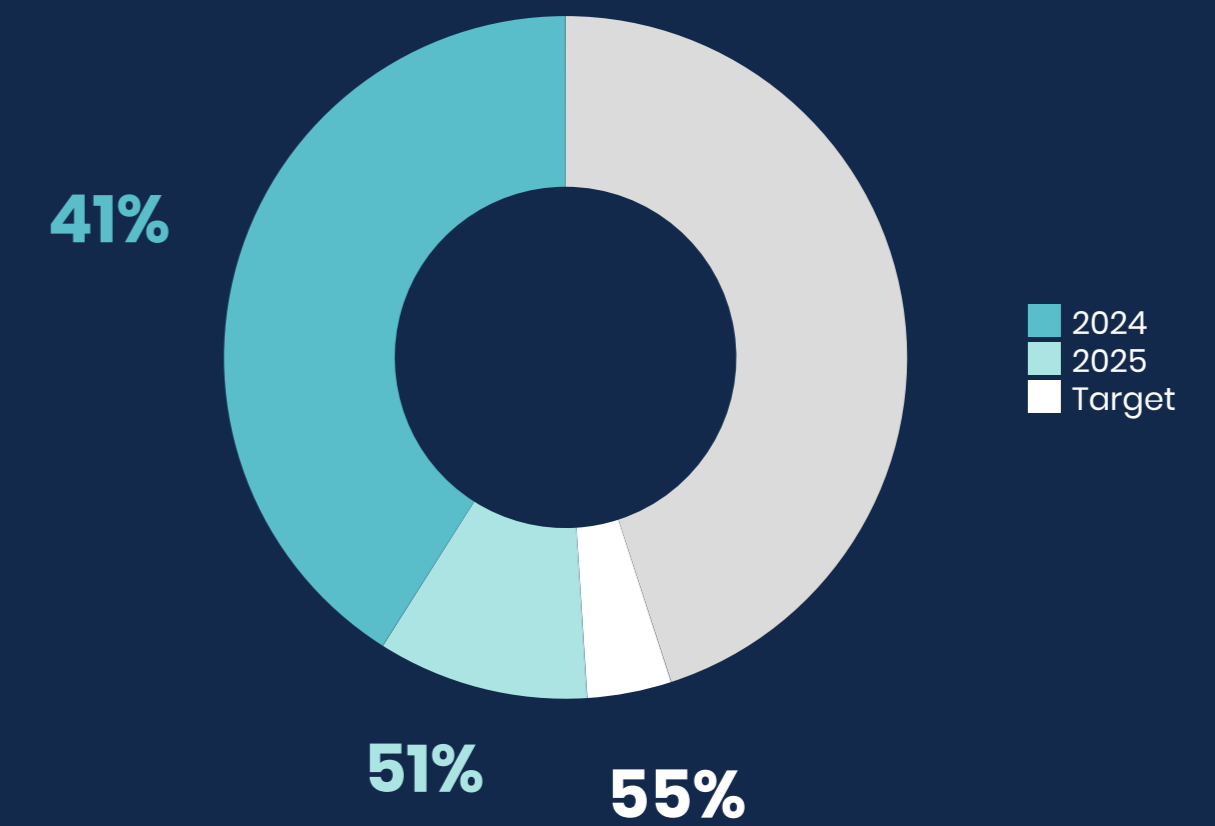
Reduce our *suppliers'* impact to the environment

SCOPE 3

# 55%

of our suppliers\*\* (by emissions) adopt defined sustainability practices\*\*\*

### OUR PERFORMANCE AGAINST SCOPE 3 GHG TARGET



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

\*\*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.



## Greenhouse Gas Reduction Pathways

Click the icons to learn more about each reduction pathway strategy and the progress we are making towards our goals.



### Supplier Engagement

Engage key suppliers to improve performance, manage risk, and reduce value chain emissions.

**51%**

Suppliers\* (by emissions) with defined sustainability practices\*\*



### Card Production & Fulfillment

Optimize card production and fulfillment processes to increase efficiency and reduce waste.

**1.9M**

Sustainable cards issued



**46%**

Card insert inventory destructions (YoY)

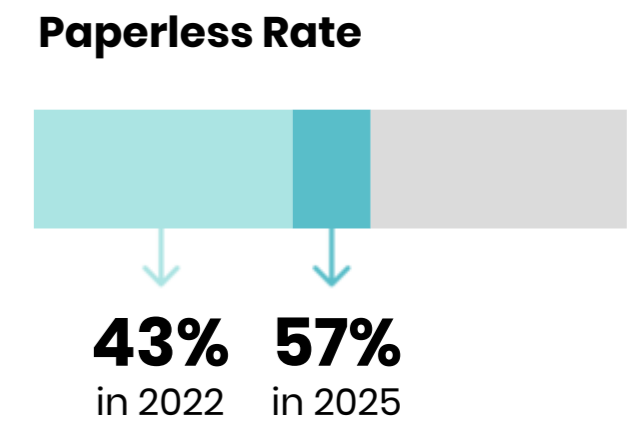


### Digitalization

Drive adoption of digital solutions to enhance the customer experience while reducing unnecessary paper use.

**3.9M**

Payment envelope mailings prevented by identifying customers who paying digitally



### Facilities Management

Implement efficient, appropriately scaled facility operations to manage costs and environmental impact.

**52%**

Renewable electricity



**65%**

Real estate footprint since 2020



**43%**

Energy consumption since 2022



### Sustainable Technology

Modernize and optimize technology to deliver energy efficient, resilient operations.



**73%**

Energy for migrated workloads

**21,567 lbs.**

Recycled or donated e-waste

\*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.



## Environmental Responsibility

### Supplier Engagement

With Scope 3 representing our largest greenhouse gas category, supplier engagement is a key lever for strengthening the resilience of our supply chain, managing risk and reducing our overall footprint. We use a targeted sustainability questionnaire to evaluate suppliers with the greatest environmental and business impact and to assess their responsible business practices. Our 2025 analysis showed that approximately 51% of suppliers, by emissions, have adopted greenhouse gas reduction targets, supporting progress toward our 2030 target of 55%. These efforts complement our broader responsible sourcing approach, which integrates sustainability considerations into supplier engagement and risk management practices. For more information, please see the [Responsible Sourcing and Supplier Opportunity](#) section in the **Managing Our Business Responsibly** chapter.

### Card Production & Fulfillment

We offer a range of sustainable card options to help our brand partners reduce the environmental impact of their card programs while maintaining performance and durability. Our updated specification guide provides clearer information on available materials, enabling more informed decision-making. In 2025, we issued approximately 1,930,000 sustainable plastic cards.

Our sustainable plastic options include recycled polyvinyl chloride (rPVC) and polylactic acid (PLA), a bioplastic derived from renewable, organic sources. We have adopted a carbon offset strategy for our Bread Cashback® and Bread Rewards® American Express® PLA cards, using the **Thales Gemalto Carbon Offset Program**, resulting in certified carbon-neutral cards. For every million PLA cards produced instead of traditional polyvinyl chloride (PVC), Bread Financial helps save 18 MTCO<sub>2</sub>e in GHG emissions and four and a half tons of virgin PVC usage.

For programs where a traditional card is not required, we offer paper or cardless options, as well as digital wallet compatibility.

In addition to expanding the use of more sustainable card materials, we strive to reduce the environmental impact of our card programs by improving how cards and related materials are designed and produced. We encourage design and production approaches that use fewer resources, reduce excess inventory, and support more flexible, on-demand printing. These efforts include promoting and exploring printing methods and card designs that minimize ink use and enable greater flexibility, helping reduce waste associated with pre-printed inventory. We are also evaluating on-demand solutions for related materials and opportunities to improve inventory forecasting and controls, with the goal of reducing excess stock and supporting more efficient, scalable operations. As a result, in 2025 we reduced card insert inventory destructions by approximately 46% and printed approximately 300,000 credit card agreements using a new dynamic printing process.



### 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 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.



Environmental Responsibility



Digitalization

Digitalization efforts support our reduction targets by enhancing efficiency, optimizing resources and reducing paper. We drive adoption of digital servicing throughout the customer experience through our mobile app and electronic credit card agreements (CCAs), billing statements, letters and marketing materials. In 2025, we completed the rollout of our mobile app across all eligible branded credit card programs.

We are exploring ways to reduce the use of paper CCAs in stores. For example, we use pilot programs with our brand partners to leverage QR codes for customers to access a digital version of the CCA. Not only does this reduce paper usage, but it allows customers to see the most current version of the agreement.

We executed a paperless billing statement auto-enrollment campaign across select card programs to increase digital statement adoption while maintaining a customer-first approach. Customers received advance notice and retained the ability to opt out of paperless billing at any time. Building on the results of this campaign, we plan to conduct additional analysis in 2026 to identify other card programs where auto-enrollment may be appropriate.

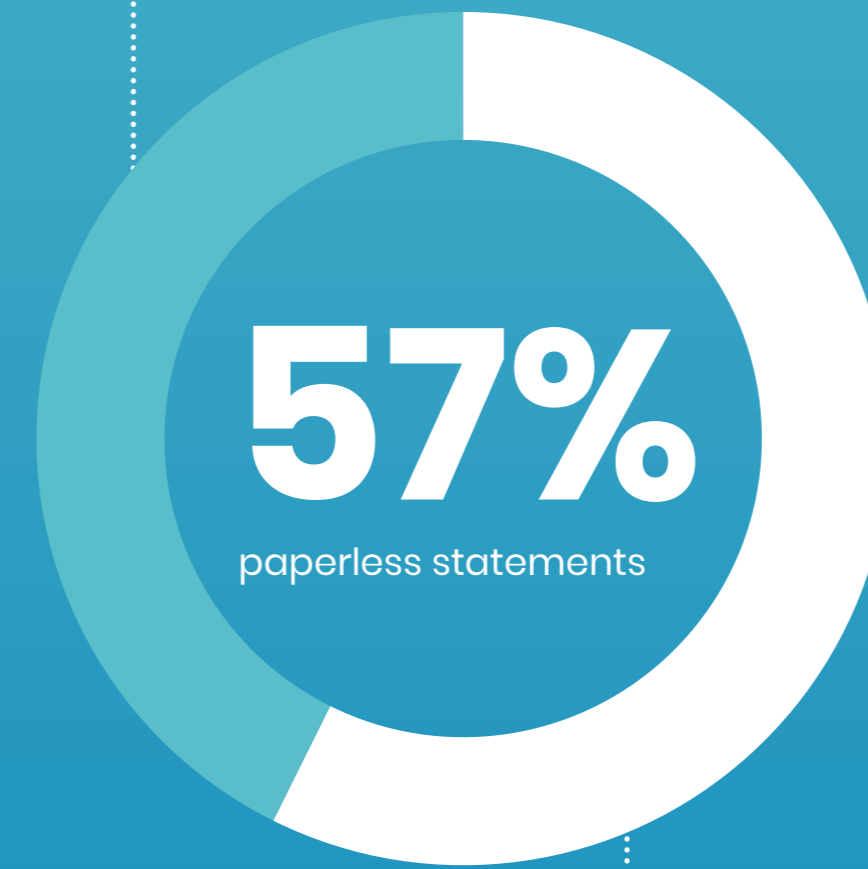
We also conduct quarterly campaigns inviting individual customers to “Go Paperless” and have invested in technology to help create a secure and seamless transition for participating customers. For example, a prompt in our interactive voice response system makes it easy for customers to enroll in paperless billing when they contact our care centers. Together, these campaigns resulted in 185,000 new enrollments in paperless billing in 2025.

When customers make online payments for two consecutive months, we eliminate payment envelopes from being included in their billing statements, which led to 3,931,180 envelope mailings prevented in 2025. We also provide education to our customers highlighting the benefits of digitalization, including improved account security and monthly payment email reminders.

We believe our ongoing investment in improving the digital customer experience, combined with education and training, will help increase paperless adoption in 2026 and beyond, resulting in financial savings and a reduction in our environmental footprint. We continue to evaluate which customer communications can switch from mail to digital for those who prefer electronic messaging, taking care to communicate with customers in their channel of choice while reducing our environmental impact.

84 million

paper statements



57%

paperless statements

113 million

paperless statements





Environmental Responsibility

**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. For associates in our Bangalore office, we offer a ride sharing service which is used by approximately 60% of associates. Additionally, we offer 36 EV charging spots at our U.S. locations, which resulted in 190 MTCO<sub>2</sub>e of avoided GHG emissions in 2025.\*

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 2025, we completed a further reduction of approximately 8% of our office square footage. In total, we have dispositioned approximately 65% of our real estate 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.

To further increase the accuracy of our reported environmental data, we are exploring the addition of standardized language outlining utility data requirements in applicable commercial building contracts.

**Energy**

We continually evaluate our operations for energy efficiency opportunities. These efforts, combined with the decrease in our real estate footprint, resulted in a 43% reduction in energy consumption since 2022. 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 2025, we:

- Completed multiple energy efficiency improvements at our facility in Bangalore, India, which will enable cost savings and emissions reductions through reduced energy use.
- Procured 52% of electricity through renewable sources.
- Expanded our renewable electricity procurement program to include an additional facility.

**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 2025 was 10,639,903 gallons.\*\*

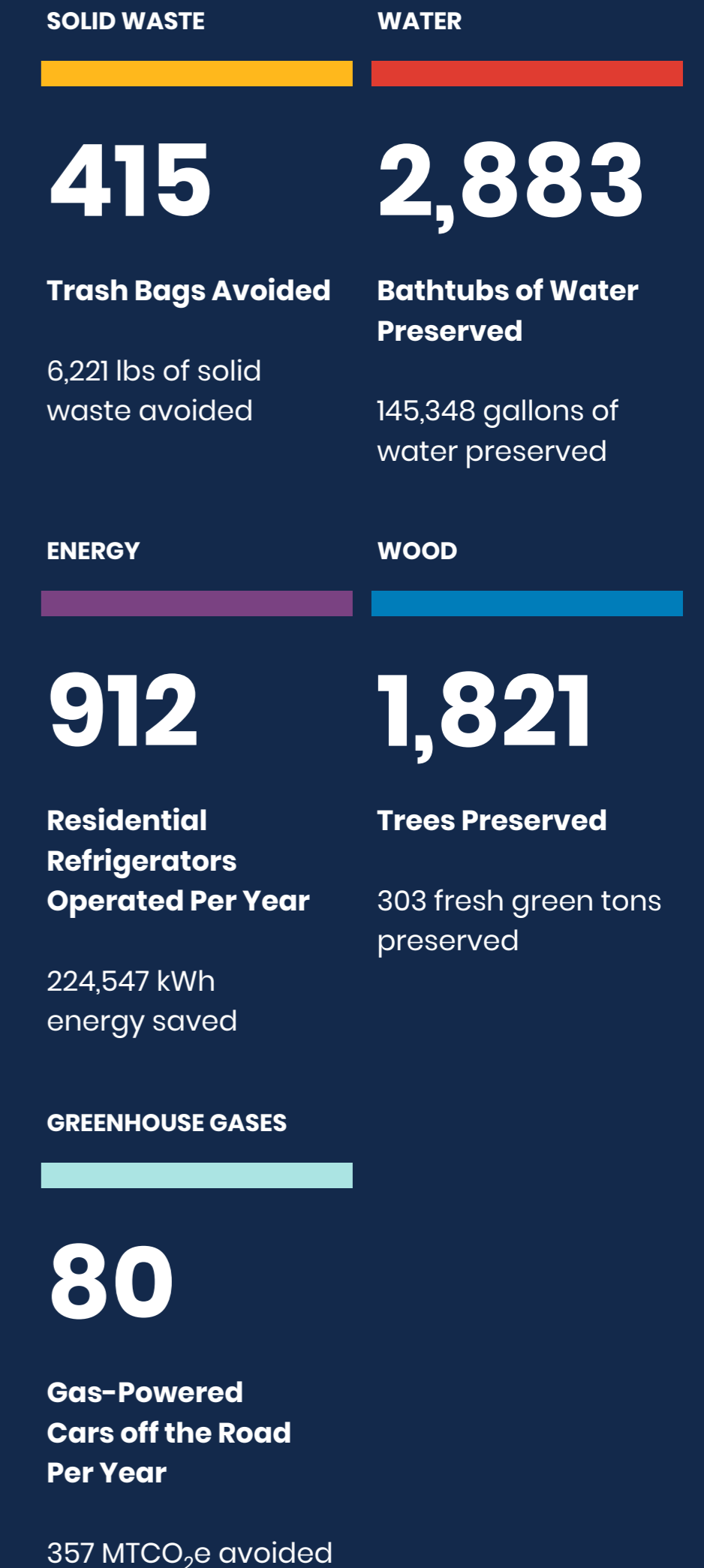
**Waste**

We employ several practices to reduce waste at our facilities, including encouraging our associates to recycle. We also donate, recycle and responsibly dispose of our e-waste. Additionally, at our headquarters in Columbus, Ohio, we compost food scraps, use paper straws and compostable containers, and recycle our used fryer oil.

These actions resulted in the following impacts in 2025:

- Sent 73 short tons of waste to landfills and recycled or donated 121 short tons of waste.\*\*
- Recycled or donated 11 short tons of e-waste.
- Recycled 78 short tons of paper globally.

Partnering with Iron Mountain in 2025, we shredded and recycled 76 short tons of paper in the U.S. Iron Mountain used the Environmental Paper Network's Paper Calculator to provide relevant equivalencies.



\*Figure includes EV charging spot usage from subtenants at our U.S. locations.

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



## Environmental Responsibility



### Sustainable Technology

As we advance our technology transformation, we apply the principle that efficient technology is *sustainable* technology. By modernizing systems, optimizing workloads and designing solutions with efficiency in mind, we improve performance, reliability and cost effectiveness while also reducing our environmental impact.

A key focus of this work is transitioning workloads from traditional on-premises environments to more efficient infrastructure models, such as scalable cloud platforms, and optimizing how computing resources are used within those environments. Applying established best-practice frameworks, we design systems that use only the resources needed to deliver required performance, reducing unnecessary energy use and waste. Our workload migration efforts led to a 73% reduction in energy consumption, resulting from lower energy requirements of co-located data centers, compared to our internal data centers.

Responsible sourcing and disposal are key elements of our sustainable technology approach. We prioritize energy-efficient equipment where available and responsibly manage end-of-life electronics through recycling and reuse. As part of these efforts, we donated 20 laptops to the **I Know I Can** nonprofit in 2025, supporting Columbus City Schools and aligning with our commitment to making a positive impact in our communities. We plan to expand our donation of retired technology assets where feasible in 2026.

We approach artificial intelligence with a focus on strong governance, ethical use and efficiency, recognizing its importance to risk management and long-term value creation. Please see the [Responsible AI](#) section of the **Sustainable Business Strategy** chapter for more detail.

## SUSTAINABLE TECHNOLOGY PRIORITIES

**Vision:** Align our technology and sustainability strategies to increase efficiency, modernize operations and create long-term stakeholder value, while reducing our environmental impact.

### Enable People

Build skills and promote efficiency.



### Optimize & Integrate

Embed sustainability into technology and business decisions.



### Use AI Responsibly

Apply AI with appropriate governance, oversight and efficient use.





## Associate 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, including several volunteer initiatives during Earth Month (April). This celebration serves as a reminder of our collective responsibility to protect the planet. These efforts also have helped increase associate awareness of our environmental initiatives. In our annual associate survey, 86% of associates agreed that Bread Financial is taking action to be environmentally responsible, up 5% from 2024.

In 2025, associates participated in the following initiatives:

### Donations

- **Donation Matching:** We matched associate gifts to environmental charities on Earth Day, doubling our associates' impact.
- **Sneaker Drive:** During Earth Month, we collected 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.
- **Clothing Drives:** In partnership with Dress for Success, our Easton (Columbus, OH) and Plano, Texas offices collected professional women's attire to support women who are looking for work and starting new jobs.

### Volunteering

- **Improving Access to Water:** Associates from our Bangalore office spent a day installing water purifiers to provide underprivileged schoolchildren with improved access to clean drinking water. For more information, see the [Associate-Led Impact](#) section of the **Creating Possibilities for Our Communities** chapter.
- **"Ride & Drive" Event:** Associates at our Easton location received hands-on education and drove EVs at this event hosted in partnership with Smart Columbus.

### Recycling

- **Recycling Webinar:** Hosted in partnership with Waste Management, this webinar for associates covered the regionality of recycling, common misconceptions, and resources for recycling at home and in the office.
- **Battery Recycling:** Throughout the year, including during Earth Month, associates at our Easton and Plano locations dropped off alkaline batteries to be recycled. In total, we recycled 306 pounds of batteries in 2025.
- **Electronics Recycling:** During Earth month, our Easton and Plano sites collected electronics such as TVs, mobile devices, and networking equipment to recycle.
- **Paper Shredding and Recycling:** We offer opportunities for associates to shred and recycle old documents, including a drive during Earth Month.





# 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:** 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 December 31, 2025, unless otherwise noted. Up to three years of data has been provided where available. 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 our Board of Directors reflects the director nominees in our most recently published Proxy Statement available on our website. For all periods presented, non-U.S. associates are based in Bangalore, India. “Per associate” intensity calculations use average headcount of global associates unless otherwise noted. Where applicable, metrics are mapped to relevant external standards or frameworks.

Topic/Issue	Metric/Unit	2025	2024	2023	Alignment with External Standards and Frameworks
<b>FINANCIAL/GOVERNANCE</b>					
<b>Financial Performance</b>					
<i>For a full view of our financial disclosures, please see our <a href="#">2025 Annual Report</a></i>					
Total net interest and non-interest income	US\$ millions	<b>3,845</b>	3,838	4,289	GRI 201-1
Income from continuing operations before income taxes	US\$ millions	<b>615</b>	381	968	
Provision for income taxes	US\$ millions	<b>94</b>	102	231	
Net income available to common stockholders	US\$ millions	<b>518</b>	277	718	GRI 201-1
<b>Governance and Ethics</b>					
Say on pay - executive compensation	%	<b>95</b>	82	75	
Board diversity by race or gender	% minority representation	<b>56</b>	50	44	GRI 405-1
Board independence	%	<b>89</b>	90	89	
Board average tenure	Years	<b>5.8</b>	6.8	6.4	
Total PAC disbursements	US\$	<b>51,250</b>	127,500	40,500	GRI 415-1
Number of disbursements to candidate committees	Number	<b>24</b>	34	17	
Contacts with members of Congress and staff	Number	<b>56</b>	37	60	
Amount of PAC donations raised	US\$	<b>211,762</b>	106,203	89,093	
Associates completing annual, mandatory Code of Ethics training	%	<b>99.9</b>	100	99.9	
Ethics Helpline reports received	Number	<b>31</b>	34	58	



Appendix

Topic/Issue	Metric/Unit	2025	2024	2023	Alignment with External Standards and Frameworks
<b>CLIENTS/CONSUMERS</b>					
<b>Data Privacy and Cybersecurity</b>					
Associates completing Data Privacy training	%	<b>99.9</b>	99.9	99.9	
Associates completing Cybersecurity Awareness training	%	<b>100</b>	99.7	99.9	
Associates completing Regulatory Compliance training	%	<b>99.9</b>	100	99.9	
<b>Customer Care</b>					
Customer Care first call resolution	%	<b>91</b>	92	93	
Customer Care overall customer satisfaction	%	<b>86</b>	74	79	
<b>Fair and Responsible Banking</b>					
Credit card complaints per million active accounts (as reported to the CFPB)	—	<a href="#">CFPB Consumer Complaint Database</a>			



Appendix

Topic/Issue	Metric/Unit	2025	2024	2023	Alignment with External Standards and Frameworks
<b>ASSOCIATES AND SUPPLIERS</b>					
<b>Headcount</b>					
Total associates	Number	5,998	6,099	6,996	GRI 2-7
U.S. associates	Number	4,679	4,988	6,049	
Non-U.S. associates	Number	1,319	1,111	947	
<b>New Hires</b>					
New associates growth rate	%	8	9	10-15	
New hires - U.S. associates	Number	145	246	785	GRI 401-1
New hires - non-U.S. associates	Number	354	313	318	GRI 401-1
<b>Turnover</b>					
Voluntary turnover - U.S. associates <sup>1</sup>	%	5	8	13	GRI 401-1
Turnover - non-exempt (hourly) U.S. associates <sup>2</sup>	%	14	20	37	GRI 401-1
Turnover - exempt (salaried) U.S. associates <sup>2</sup>	%	4	5	5	GRI 401-1
<b>Associate Training and Engagement</b>					
Training and development - total investment	US\$ millions	9	9	9	
Training and development investment per associate	US\$ per associate	1,533	1,307	1,229	GRI 404-1
Training and development hours per associate	Hours per associate	20	19	24	

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



Appendix

Topic/Issue	Metric/Unit	2025	2024	2023	Alignment with External Standards and Frameworks
<b>ENVIRONMENT</b>					
<b>Emissions</b>					
GHG emissions - total	MTCO <sub>2</sub> e	<b>88,687</b>	96,409	154,806	
GHG emissions - Scope 1	MTCO <sub>2</sub> e	<b>770</b>	933	1,147	GRI 102-5
GHG emissions - Scope 2 <sup>3</sup>	MTCO <sub>2</sub> e	<b>1,941</b>	2,250	3,919	GRI 102-6
GHG emissions - Scope 3	MTCO <sub>2</sub> e	<b>85,976</b>	93,226	149,740	GRI 102-7
GHG emissions - Scope 1 + Scope 2 total <sup>3</sup>	MTCO <sub>2</sub> e per associate	<b>0.4</b>	0.5	0.6	GRI 102-8
CDP Climate Change rating	Letter rating	<b>A-</b>	B	C	
Scope 1 + 2 reduction progress (from 2022 baseline toward 2030 target of 55%)	%	<b>43 %</b>	33 %	—	GRI 102-4
Scope 3 - suppliers adopting sustainability practices (2030 target of 55%) <sup>4</sup>	%	<b>51 %</b>	41 %	—	GRI 102-4
<b>Energy</b>					
Total energy consumed <sup>5</sup>	GJ	<b>53,383</b>	59,737	71,301	GRI 103-2
Electricity sourced from non-renewable sources	%	<b>48</b>	36	58	GRI 103-2
Electricity from renewable sources <sup>6</sup>	%	<b>52</b>	64	42	GRI 103-2
<b>Water and Waste<sup>7</sup></b>					
Total water usage <sup>7</sup>	gal	<b>10,639,903</b>	13,545,963	13,972,663	GRI 303-5
Waste landfilled	Short tons	<b>73</b>	101	102	GRI 306-5
Waste recycled/donated	Short tons	<b>121</b>	235	211	GRI 306-4
Non-electronic waste recycled	Short tons	<b>32</b>	45	49	GRI 306-4
Electronic waste recycled/donated	Short tons	<b>11</b>	93	24	GRI 306-4
Paper recycling (globally)	Short tons	<b>78</b>	97	138	GRI 306-4
Waste diversion rate	%	<b>62</b>	70	67	
Paperless adoption	%	<b>57</b>	50	44	
CO <sub>2</sub> savings from electronic waste disposal	MTCO <sub>2</sub> e	<b>26</b>	96	57	

3 - Emissions are market-based.

4 - 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.

5 - Calculation includes both actual and estimated data.

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

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



Appendix

Topic/Issue	Metric/Unit	2025	2024	2023	Alignment with External Standards and Frameworks
<b>COMMUNITY INVESTMENT</b>					
Total donations	US\$ millions	14	10	8	GRI 201-1
Total volunteerism	Hours	12,157	10,642	9,941	
Average associate volunteerism	Hours per associate	2	1.7	1.4	
Value of matching gifts	US\$	1,267,624	952,278	1,010,987	
Participation in matching gifts	%	26	22	23	
Dollars for Doers - volunteerism	Hours	6,872	8,172	3,506	
Dollars for Doers - donations	US\$	84,600	91,500	87,650	

Community Reinvestment Act Rating		2025 Exam	2023 Exam	2020 Exam
Comenity Bank	Rating	Outstanding	Outstanding	Outstanding
Comenity Capital Bank	Rating	Outstanding	Outstanding	Outstanding



## SASB Content Index

TOPIC	METRIC	CODE	DISCLOSURE
<b>Customer Privacy</b>	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 <a href="#">Privacy Policies</a> 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 <a href="#">2025 Annual Report</a> , pages 36-42, F-47 and F-48.
<b>Data Security</b>	(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 <a href="#">2025 Annual Report</a> , pages 25-26.
	Description of approach to identifying and addressing data security risks	FN-CF-230a.3	<a href="#">Safeguarding Customer Data and Privacy</a> section, page 33 of this report.
<b>Selling Practices</b>	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 50 of our <a href="#">2026 Proxy Statement</a> for our Compensation Discussion and Analysis (CD&A), and pages F-36 and F-37 of our <a href="#">2025 Annual Report</a> 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 <a href="#">2025 Annual Report</a> , page F-18.
	(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 <a href="#">Building Financial Confidence</a> section 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 <a href="#">Consumer Financial Protection Bureau (CFPB) Consumer Complaint Database</a> .
	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 <a href="#">2025 Annual Report</a> , pages 36-42, F-47 and F-48.
<b>Activity Metrics</b>	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 <a href="#">2025 Annual Report</a> , we disclose the number of active accounts as of December 31, 2025.
	Number of (1) credit card accounts and (2) pre-paid debit card accounts	FN-CF-000.B	




## TCFD Content Index

TCFD ELEMENT	DISCLOSURE	REFERENCE
<b>Governance</b>	a) Describe the board’s oversight of climate-related risks and opportunities.	See the <a href="#">Sustainability Oversight</a> section of this report. For more detailed information, please see the <b>Governance</b> section of our most recent <a href="#">TCFD Report</a> .
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	See the <a href="#">Sustainability Oversight</a> section of this report. For more detailed information, please see the <b>Governance</b> section of our most recent <a href="#">TCFD Report</a> .
<b>Strategy</b>	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	See the <a href="#">Assessing Climate-Related Risks and Opportunities</a> section of this report. For more detailed information, please see the <b>Strategy</b> section of our most recent <a href="#">TCFD Report</a> .
	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 <a href="#">Assessing Climate-Related Risks and Opportunities</a> section of this report. For more detailed information, please see the <b>Strategy</b> section of our most recent <a href="#">TCFD Report</a> .
<b>Risk Management</b>	a) Describe the organization’s processes for identifying and assessing climate-related risks.	See the <a href="#">Assessing Climate-Related Risks and Opportunities</a> section of this report. For more detailed information, see the <b>Risk Management</b> section of our most recent <a href="#">TCFD Report</a> .
	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 <b>Risk Management</b> section of our most recent <a href="#">TCFD Report</a> .
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	See the <a href="#">Risk Management</a> section of this report. For more detailed information, please see the <b>Risk Management</b> of our most recent <a href="#">TCFD Report</a> .
<b>Metrics and Targets</b>	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 <a href="#">Sustainability Performance Summary</a> section of this report. For more detailed information, please see the <b>Metrics &amp; Targets</b> section of our most recent <a href="#">TCFD Report</a> .
	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.	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 <a href="#">Environmental Responsibility</a> chapter of this report or the <b>Metrics &amp; Targets</b> section of our most recent <a href="#">TCFD Report</a> .



# External Limited Assurance



401 North College Avenue,  
Indianapolis, Indiana 46202  
(317) 685-6600

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(800) 508-8034  
keramida.com

**Limited Assurance for Bread Financial Calendar Year 2025  
Scope 1, Scope 2 and Scope 3 Categories 1, 2, 3, 4, 5, 6, 7,  
12, & 15 GHG Emissions**

May 8, 2026

KERAMIDA Inc. (KERAMIDA) was engaged by Bread Financial to provide independent limited assurance greenhouse gas (GHG) verification of its calendar year 2025 Scope 1, Scope 2, and Scope 3 Categories 1, 2, 3, 4, 5, 6, 7, 12, & 15 GHG emissions inventory and environmental metrics. The data and calculations being verified cover the period from January 1, 2025, to December 31, 2025. The calculation of the GHG inventory is the sole responsibility of Bread Financial, using guidance per the US Environmental Protection Agency and the GHG Protocol standards.

**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 GHG emissions calculations and summary are not a fair representation of the actual GHG emissions data and information.

In KERAMIDA's opinion, 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.

**KERAMIDA'S APPROACH**

Verification was conducted in accordance with ISO 14064-3: 2019 Specification with guidance for the validation and verification of GHG assertion. The scope of work was to provide limited assurance for the verification of Bread Financial GHG emissions inventory and energy use data.

*Validation scope of the reporting company's GHG emissions*


- Organizational boundaries: Operational Control Approach

*Time Period*

- January 1, 2025, to December 31, 2025

*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 compiling, calculating, and preparing the emissions data report and energy data.
- Review of evidence and data in support of key disclosures in the emissions report and energy disclosure.
- 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.
- Evaluation of the reasonableness of any assumptions used in support of disclosures.
- Review of how disclosures were presented and determine if they were representative of data and operations.

**TABLE 1. CY2025 DATA VERIFIED BY KERAMIDA**

Scope	CO <sub>2</sub> e (MT)
Scope 1	770
Scope 2 (Location-Based)	4,254
Scope 2 (Market-Based)	1,941
Scope 3 Total (Market-Based)	85,976
Category 1: Purchased Goods and Services	67,676
Category 2: Capital Goods	1,207
Category 3: Fuel- and Energy- Related Activities	1,263
Category 4: Upstream Transportation & Distribution	7,295
Category 5: Waste Generated in Operations	160
Category 6: Business Travel	3,254
Category 7: Employee Commuting	4,713
Category 12: End-of-Life Treatment of Sold Products	19
Category 15: Investments	389
<b>Total Emissions</b>	<b>88,687</b>
<b>Reduction Goal Progress</b>	
Scope 1 + 2 Reduction Target Progress	-43%
Scope 3 Target Progress (% of supplier emissions with targets)	51%
<b>Environmental Data</b>	
GHG Emissions - Scope 1 + Scope 2 Total	0.4 MT CO <sub>2</sub> e per associate
CDP Climate Change Rating	A-
Emissions Prevented with EVs	190 MT CO <sub>2</sub> e
<b>Energy</b>	
Total Energy Consumed from Scope 1 and Scope 2	53,383 GJ
Electricity Sourced from Non-Renewable Sources	48%
Electricity Sourced from Renewable Sources	52%
Energy Consumption Reduction for Migrated Workloads	-73%
Energy Consumption Reduction Since 2022 (Facilities)	-43%
<b>Waste &amp; Water</b>	
Waste Landfilled	73 Short tons
Waste Recycled/Donated	121 Short tons
Non-Electronic Waste Recycled/Donated	32 Short tons
Electronic Waste Recycled/Donated	11 Short tons

Bread Financial – 2025 GHG Verification 2

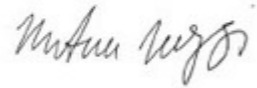


**Waste & Water**


Paper Recycling	78 Short tons
Waste Diversion Rate	62%
Paperless Adoption	57%
CO <sub>2</sub> Savings from Electronic Waste Disposal	26 MT CO <sub>2</sub>
Total Water Usage	10,639,903 Gal

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 Bread Financial to other entities in order to provide disclosure, but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this statement.


Signed by KERAMIDA Inc. on May 8, 2026:



Martina Macaggi  
Senior Analyst, Sustainability  
KERAMIDA Inc.  
Indianapolis, Indiana, United States



Ellie Agioutanti  
Manager, GHG & Sustainability Data  
KERAMIDA Inc.  
Indianapolis, Indiana, United States



Xuqing Xiong, P.E., M.S.  
Accredited Lead GHG Verifier  
Vice President, GHG & Sustainability Data  
KERAMIDA Inc.  
Indianapolis, Indiana, United States

Bread Financial – 2025 GHG Verification 3



## 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,” “significant,” “significance,” the inverse of such terms, and other 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 or significant 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 accounting principles generally accepted

in the United States of America (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, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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: macroeconomic and global political events and conditions; legislative, executive, 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; continued stakeholder interest in environmentally-responsible products and programs; 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 customer behavior; 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 risks, uncertainties and other 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.

