

2022 Environmental, Social
and Governance Report

About this report

This Environmental, Social and Governance (ESG) report provides information on certain ESG activities of Synchrony Financial and its consolidated subsidiaries for the period from January 1, 2022, to December 31, 2022, and all data in this report is as of December 31, 2022, except as otherwise noted. It also includes some of the activities of the Synchrony Foundation, a charitable private foundation established by our company. There was no external assurance from third parties with respect to the information in this report. Many of the targets, goals, impacts and programs described in this report are aspirational, and as such, no guarantees or promises are made that these goals and projects will be met or successfully executed.

This report responds to the Sustainability Accounting Standards Board (SASB) reporting guidelines with respect to our significant ESG topics. The SASB index can be found in the Appendix of this report.

In this report we may use certain terms that SASB or others refer to as “material” to reflect the issues or priorities of Synchrony and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by, or construed in accordance with, securities or other laws and regulations. Accordingly, issues or priorities considered material for purposes of this ESG report may not be considered material in the context of our financial statements, our filings with the U.S. Securities and Exchange Commission (SEC) or our other public statements.

This ESG report includes certain non-financial data and information that is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

This ESG report contains forward-looking statements that are provided under the “safe harbor” protection of the Private Securities Litigation Reform Act of 1995, including statements regarding our ESG targets, goals, impacts, programs and other business plans, initiatives and objectives. Forward-looking statements include all statements that do not relate solely to historical or current facts and involve a number of known and unknown risks, uncertainties and other important factors that may cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Actual results and financial outcomes may differ materially from those expressed in or implied by any of these forward-looking statements due to a variety of factors, including, among others, macroeconomic and operational risks, technology and cyber related risks, climate-related conditions and weather events, legislative and regulatory changes, and other unforeseen events or conditions. This ESG Report speaks only as of the particular date or dates indicated in the ESG Report and contains information that is subject to known and unknown risks, uncertainties, changes in circumstances and assumptions that are difficult to predict and are often beyond Synchrony’s control. Such risks, uncertainties and other important factors include, without limitation, those described in our recent filings with the SEC, including, without limitation, in Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We expect that certain disclosures made in this ESG Report may be amended, updated or revised in the future as the quality and completeness of our data and methodologies continue to improve. If a circumstance occurs after the date of this ESG report that causes any of our forward-looking statements to be inaccurate, whether as a result of new information, future developments or otherwise, we undertake no obligation to announce publicly the change to our expectations, or to make any revision to our forward-looking statements, to reflect any change in assumptions, beliefs or expectations, or any change in events, conditions or circumstances upon which any forward-looking statement is based, unless required by law.



 synchrony

CEO LETTER

Synchrony's environmental, social and governance priorities respond to the needs of our business and the expectations of our stakeholders today and in the future.

More than ever, as Synchrony and our partners, customers, employees and communities adapt to the lasting impacts of the pandemic and ongoing economic uncertainty, we believe our ESG initiatives will be critical components for achieving sustainable, long-term growth. We developed our approach to ESG with the objective of doing what's right, reducing risk and creating value. Our ESG program embraces our vision to build a future where every ambition is within reach; our mission to create financial and technology solutions to move our customers and partners forward; and our values to be honest, passionate, caring, responsible, bold, and driven.

I am pleased with how far we have come in our ESG journey in the past year and the recognition we have received, including:

- Ranking #20 on *Fortune's* 100 Best Companies to Work For® list in 2023 (in the United States), up from #25 in 2022;
- Ranking #7 on *Fortune's* Best Workplaces in Financial Services & Insurance™ list;
- Ranking #23 on PEOPLE's Companies that Care list;
- Ranking #77 on JUST Capital's annual JUST 100 list of America's best corporate citizens; including #1 for Workers and #2 for Communities in our assigned industry; and
- Earning a 'AA' ESG Rating from MSCI.

This ESG report shares some of the stories behind this recognition.

Looking ahead, Synchrony and its Board of Directors, executives and employees stand as motivated as ever to promote the pursuit of sustainable growth for our stakeholders through thoughtful action on ESG matters significant to our company.

Sincerely,



BRIAN DOUBLES

President and CEO



Our Business

Doing what's right. Reducing risk. Creating value.

Thoughtful stewardship of ESG topics that meaningfully impact Synchrony and our stakeholders is the right thing to do, and can support long-term value creation and reduce risk. Synchrony strives to maintain high standards of corporate governance to promote effective oversight of our business and ESG priorities.



Well-qualified, independent guidance

Under the leadership of our Nominating and Corporate Governance Committee, Synchrony's Board of Directors (Board) and its committees routinely evaluate our Board and Board committee composition and leadership, as well as our latest updated skills matrix. This established process helps to ensure that the Board has the requisite experience to oversee Synchrony's business today and as it evolves under our strategy for the future. As a result, since 2019, we have added four new directors, adding experience in healthcare, digital, technology, the consumer sector and risk management in the consumer banking sector. As a group, our Board possesses experience in areas directly relevant to our business and strategy—including accounting, consumer banking, credit cards, cyber security, government affairs, healthcare, marketing, retail, risk management, digital and technology.



BOARD OF DIRECTORS DIVERSITY & SKILLS MATRIX

	FERNANDO AGUIRRE	PAGET ALVES	KAMILA CHYTIL	ARTHUR COVIELLO	BRIAN DOUBLES	ROY GUTHRIE	JEFFREY NAYLOR	BILL PARKER	LAUREL RICHIE	ELLEN ZANE	
DIVERSITY	Gender Diversity										
	Male	●	●	●	●	●	●	●			
	Female			●					●	●	
	Ethnic Diversity										
	Black or African American		●						●		
	Hispanic	●									
White/Caucasian			●	●	●	●	●	●		●	
SKILLS/EXPERTISE/OTHER	Financial Expert	●	●	●	●	●	●			●	
	Risk Expert		●		●	●	●	●			
	Credit Cards			●		●	●	●			
	Core Banking/Retail Lending			●		●	●	●			
	Direct Consumer/Retailers	●	●	●			●		●		
	Healthcare	●								●	
	Government/Regulatory	●				●	●	●		●	
	Tech/Digital/Cyber		●	●	●						

Five of our 10 directors are women and/or minorities, nine of our 10 directors are independent; and three are women and three are minorities. This diversity enables our Board to guide and oversee management more effectively, bringing strategically relevant, forward-looking and inclusive perspectives to our boardroom.

Our Board has established governance policies and practices that they believe enhance sustained value creation for our stockholders and other stakeholders—routinely monitoring emerging corporate governance topics, trends and principles, while incorporating best practices and stockholder feedback where appropriate.

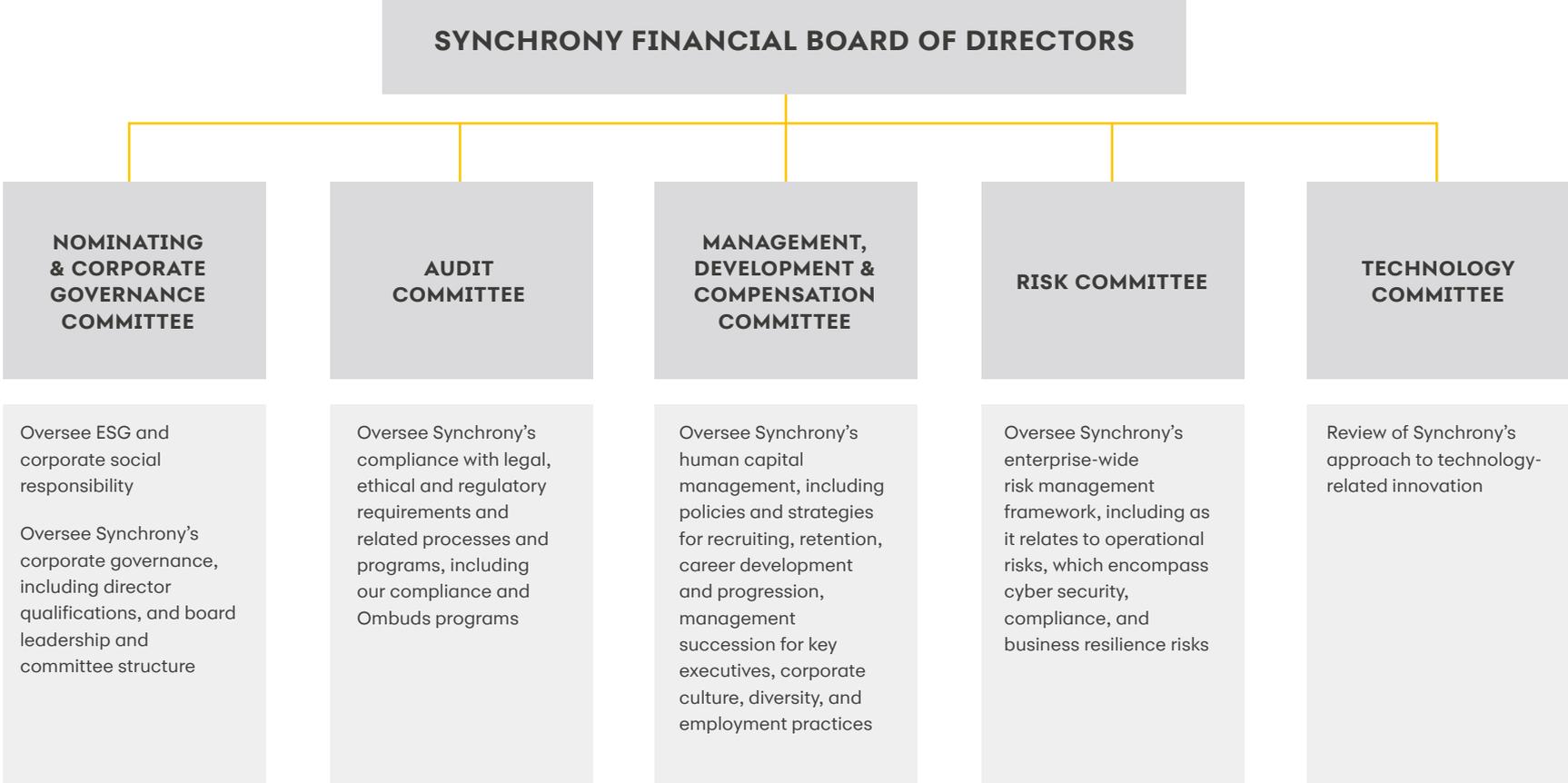
Our Board's dedication to strong governance and regular evaluation of Board and executive leadership and succession supported our most recent Board leadership transition in April 2023. At that time, as part of a planned succession process, Margaret Keane retired as Executive Chair, and Jeffrey Naylor was appointed non-executive Chair of our Board. Mr. Naylor has served as an independent director on our Board since 2014, and served as Lead Independent Director of our Board since April 2021. During her time with Synchrony, Ms. Keane helped lead our journey to become an independent company and guided the company through times of prosperity, challenge and growth. Her contributions helped establish Synchrony as a thriving and growing company living its values every day.

Our focus on ESG

Based on ESG materiality assessments conducted in 2018 and 2021, we determined that our most significant ESG topics as a consumer financial services company are fair lending; responsible marketing; financial inclusion and access; information security and data privacy; human capital management, including equity, diversity, inclusion and citizenship (EDIC); and community investment. Our ESG materiality assessments incorporate internal and external inputs. Among other resources, we considered our strategic priorities and plans; our enterprise risk assessments; feedback from a cross-functional group of our senior leaders; statements on ESG priorities from our regulators; policy statements and direct feedback from our stockholders; and topic guidelines for our industry sector under ESG disclosure frameworks.

Our full Board actively engages on our most significant ESG topics throughout the year. Our Board delegates primary responsibility for oversight of our ESG strategy and performance to our Nominating and Corporate Governance Committee. The Committee receives updates from management on ESG matters at least four times per year. All our Board committees oversee matters that impact our ESG strategy and performance. For example: our Audit and Risk Committees oversee compliance matters; our Risk Committee oversees cyber security risks associated with information security and data privacy; and our Management Development and Compensation Committee oversees human capital practices, including our EDIC efforts. Our Nominating and Corporate Governance Committee and our Management Development and Compensation Committee hold an annual joint meeting on ESG reflecting the significance of human capital and community initiatives in our overall ESG strategy and performance.

ESG OVERSIGHT BY OUR BOARD COMMITTEES



Since 2020, our Board has elevated its attention to social justice and racial equity within Synchrony and in our communities. Our Board receives regular updates on the progress of Synchrony’s EDIC efforts. Our directors hosted several all-employee events on EDIC in the workplace, participated in our annual Global Diversity Experience and shared their thought leadership on EDIC at conferences. For more information on our EDIC efforts, please see the “Our Employees” and “Our Communities” sections of this report.

Our Board continues to engage on matters relating to the impact of the COVID-19 pandemic on our employees, operations, partners, customers, communities and overall financial performance, including Synchrony’s response to the evolving strategic risks and opportunities presented by the pandemic and the post-COVID-19 world. Our Board committees oversee and support our organization’s to our new way of working, with the goal of being flexible, nimble and agile, with a heightened focus on cyber security and other risks of our new models of work.

We maintain a cross-functional working group comprised of senior executives and employees who monitor our current ESG progress. In addition to developing our ESG strategy, the members of the working group, together with Synchrony’s ESG Leader and ESG Manager, work with our business and functional leaders to further integrate ESG across our company.



Integrating ESG into our business

At Synchrony, we aim to deepen and expand the integration into our business of the ESG priorities identified as significant to our company and stakeholders in our ESG materiality assessments.

We utilize enterprise-wide processes to develop strategic plans and strategic imperatives that are informed by our enterprise risk assessment and in line with our risk appetite. ESG factors are considered within these processes to inform our business, strategy and financial planning. Since 2021, one of our strategic imperatives was to ensure sustained focus on EDIC, and we describe some of our progress against this goal under the “Our Employees” section of this report.

To strengthen our company-wide embrace of our ESG strategy, beginning in 2021, our Management Development and Compensation Committee adopted corporate culture and strategy, including EDIC and other ESG priorities, as components of our annual incentive plan for executives. As a result, all employees on our company-wide annual bonus plan—representing over 4,500 employees—have a component of their cash incentive compensation tied to ESG factors.

Our Synchrony Ventures team has executed on opportunities to support our EDIC goals. In 2021, Synchrony Ventures committed \$15 million in venture capital funds led by diverse partners with a track record of investing in minority-owned startups. Since our initial commitment, Synchrony has engaged with the partner funds to support their investment process and the growth of their portfolio companies. In 2022, Synchrony Ventures committed a further \$5 million to support this strategy.

In 2021, our Synchrony Ventures team committed up to \$100 million towards opportunities spearheaded by Ariel Alternatives, a private equity subsidiary of Ariel Investments, LLC, whose mission is to scale sustainable minority-owned businesses and position these companies as leading suppliers to Fortune 500 companies. In 2023, Ariel Alternatives’ Project Black Fund, and Synchrony’s \$100 million investment in this fund, was announced. Project Black invests in middle-market companies that are not currently minority owned, as well as existing Black- and Hispanic-owned businesses, providing capital, resources and minority executive talent. Under Project Black’s ownership, these companies are expected to be transformed into certified minority business enterprises of scale to fuel Fortune 500 vendor and supply chain diversity.

Synchrony, along with other investors, plans to explore collaboration opportunities with portfolio company management teams to pursue growth strategies. We believe this strategic initiative will generate jobs, economic growth and equality within underrepresented populations from the entry level to the boardroom. This important initiative builds on Synchrony’s ongoing goal to treat equity, diversity and inclusion as a strategic business imperative and advance long-term progress across all areas of our business and communities.

As the lead sponsor of Money 20/20’s “Do. Better. Together.” initiative, Synchrony supported the RiseUp and Amplify programs that provide women, Black and underrepresented communities with a more prominent voice and seats at the table in the fintech industry. Looking to the future, Synchrony Ventures plans to continue pursuing direct investments in startups in the financial services, commerce and healthcare sectors led by diverse founders or those that impact underserved communities.

In July 2020, the Office of the Comptroller of the Currency (OCC) launched the Roundtable for Economic Access and Change (Project REACH) to reduce specific barriers that prevent full, equal and fair participation in the U.S. economy. Synchrony participates as a member on the steering committee of the Alternative Credit Assessment Utility Workstream, one of four workstreams under Project REACH.

The workstream works to:

- evaluate and develop a credit assessment utility that integrates traditional credit bureau data, deposit account data and other alternative data;
- research and explore alternative data sources (including rent payments, utility bill payments, and other direct debit authorizations that can demonstrate on-time payment history and boost the measurable creditworthiness of many Americans); and
- improve credit availability and consumer financial literacy for underserved communities, individuals and small businesses.

In 2022, Synchrony began utilizing bank and deposit account data made available through Project REACH to extend credit to the “credit invisible” population — consumers who have no record at the credit bureau or no trade lines at the credit bureau.

Since our initial public offering (IPO) in 2014, Synchrony has actively worked to include minority-, women- and veteran-owned broker-dealers in our capital markets transactions. These firms participated as active managers in the IPO, secured and unsecured debt offerings and our preferred stock offering. We also included diverse firms in the limited rotation of exclusive brokers for share repurchases since we began repurchasing stock in 2016. In 2022, diverse firms earned approximately 14% of our debt fees paid and approximately 22% of our share repurchase commissions paid.

Supplier diversity

In 2022, Synchrony took steps to further integrate our ESG priorities into our supplier diversity program. We broadened the focus of our program beyond finding and utilizing diverse suppliers to take into account our suppliers’ alignment to our core values and their commitment to ESG topics that could be most impactful on their businesses and, by extension, on their ability to supply goods and services to Synchrony.

Synchrony’s Supplier Code of Conduct sets the expectation that our suppliers share our values, including our dedication to EDIC. To that end, we have begun monitoring our suppliers’ ESG practices as part of our overall supplier management program.

Synchrony continues to recognize the benefits of a broad supplier base that includes diverse businesses. We aim to build and develop relationships with diverse suppliers that reflect the customers and the communities where we live, work and serve. Our supplier diversity program seeks to engage with certified diverse businesses to find opportunities to support our business needs as well as stimulate and promote economic development. We have recently added to our procurement channels, an option in which items with sustainability certifications and items from small business and diverse-owned sellers are preferred.

In 2022, we strengthened our supplier diversity program in a number of ways, including:

- launching a program to encourage our suppliers to engage diverse suppliers when delivering products and services to Synchrony;
- initiating a supplier development program to identify and prepare diverse suppliers to be “contract ready” for clients in the financial services sector; and
- streamlining internal data collection and validation procedures to enhance our existing robust monitoring and reporting processes, which incorporate third-party data validation.

We continue to expand our efforts to identify and engage with diverse businesses and future diverse business leaders at local and national conferences, including those organized by Connecticut Supplier Connection, Georgia Minority Supplier Development, and the National Minority Supplier Development Council, as well as speaking engagements at Historically Black Colleges and Universities on the importance of corporate supplier diversity programs. We remain a national member of the National Minority Supplier Diversity Council, and in 2022, we became a corporate member of the Women Business Enterprises Council. In addition, our commitment to Ariel Alternatives described above is intended to support a new class of underrepresented entrepreneurs and position these companies as leading suppliers to Fortune 500 companies like Synchrony. Within Synchrony, a cross-functional supplier diversity council, made up of executives and a task force of committed leaders, is driving program initiatives and helping communicate and promote supplier diversity throughout our company.

In 2022, we achieved a 200% increase from prior year in the number of diverse suppliers included in requests for proposals. Of the diverse suppliers included in requests for proposals, nearly 80% were selected to do business with Synchrony. As a result, we ended 2022 with our diverse supplier spend increasing by 31% from 2021.



Doing what's right

Synchrony strives to maintain high standards of corporate governance, transparency, equity, diversity, inclusion and ethical behavior.

Our vision is to build a future where every ambition is within reach. Our mission—to create financial and technology solutions to move our customers and partners forward—is how we bring our vision to life. Our values—honest, passionate, caring, responsible, bold and driven—shape our actions every day.

Synchrony's leadership aims to set the bar high when it comes to ethical business conduct. We believe our integrity is essential to maintaining the trust of our partners, customers and stakeholders. The way we conduct our business is as important as the results we achieve. We all have a shared responsibility to do the right thing.

Accordingly, all Synchrony employees are required to adhere to, and complete annual training on, the standards set forth in our Code of Conduct (Our Code). Our Code outlines the legal, regulatory and ethical standards and expectations placed on each Synchrony employee, offering guidance on topics such as dealing fairly with customers and partners, preventing unfair, deceptive or abusive acts or practices, and protecting customer data and privacy. Our Compliance function reviews Our Code biennially and updates Our Code as standards, expectations or circumstances evolve, including to address our shift to a hybrid work environment.

We are open, honest and trustworthy in the way we work with partners, customers, employees, regulators, service providers and the public.

We obey the letter—and the spirit—of all applicable laws and regulations.

We make effective compliance and governance the way we work.

We work to create and sustain a culture where ethical conduct is owned by all and raising concerns about compliance with laws, regulations, Synchrony policies and Our Code is expected, encouraged and valued.



Synchrony also expects third parties such as partners, agents, representatives and suppliers to adhere to the high standards of ethical conduct outlined in Our Code.

Synchrony's Ombuds program solicits, accepts and handles concerns raised by employees, consumers and third parties such as our suppliers. Our Code expressly prohibits any form of retaliation for reporting concerns, participating in an investigation or encouraging or assisting others in reporting a concern.

Our Code describes the many channels through which an employee can raise a concern (including an anonymous option). Channels include a manager, a human resources manager, a legal or compliance representative, Synchrony's Ombuds team, our toll-free Ombuds telephone helpline and via a website link. Our Ombuds program also handles concerns raised by third parties to Synchrony's Corporate Secretary (including those raised anonymously) through written correspondence, by email or by phone as described on the Corporate Governance page of our website. Our Ombuds Committee meets monthly to oversee the program, and its membership includes five members of our executive leadership team and reports on a semi-annual basis to our Enterprise Risk Management Committee. The Audit Committee of our Board, which is charged with the oversight of the integrity of our business conduct, also receives semi-annual reports on the Synchrony Ombuds program.



Our Customers

Putting fairness into action. Putting customers first.

At Synchrony, caring for our customers starts with treating them fairly and honestly. Our Code describes this as “fair dealing.” That phrase underpins many of our internal policies, including our Fair and Responsible Financial Services Policy and our Fair Lending Policy.

Fair and honest

Synchrony seeks to comply with the letter and spirit of laws and regulations related to fair lending and responsible marketing. To achieve this objective, we typically review each variable used in our underwriting process and where appropriate, utilize a third party to examine and test for evidence of unintentional bias or discrimination. Legal and compliance teams review customer facing marketing materials to support our goal of fairness and transparency.

Our compliance training program seeks to embed our compliance culture and requirements into the way we work. All employees (including part-time employees) and our Board receive training on Our Code, which covers a broad range of topics, including data security; fair lending; preventing unfair, deceptive or abusive acts or practices (UDAAP) and illegal discrimination; anti-money laundering and sanctions; and anti-bribery and anti-corruption. To best champion our customers, all employees with roles that may directly or indirectly impact our customers, as well as our Board, receive additional targeted training, including an overview of banking laws and regulations; more in depth content on fair lending, UDAAP, and anti-money laundering and sanctions; and modules on fair debt collection practices. This population of employees — which constitutes nearly all of our employees — is required to refresh their training in these areas annually. Our compliance training program provides employees with further support in the form of functional training, detailed procedures and job aids, and regular communications to reinforce key compliance topics.

Fair dealing extends to our suppliers' employees, too. We assign them courses based on the type of work they perform and their level of interaction with Synchrony customers. Most supplier employees in the training program complete similar courses on fair lending, UDAAP and other banking laws on the same timetable as our own employees.

Retail partner and provider oversight

Training is provided to our clients across all sales platforms covering fair lending, transparency, UDAAP and other laws and regulations specific to Synchrony's products. We continue to enhance our Client Oversight Program, which is designed to identify, monitor and manage client-controlled risks. We want all our products offered fairly and transparently with appropriate customer consent; non-compliance identified is taken seriously.

New product compliance

We follow a comprehensive new product implementation (NPI) process, overseen by an NPI sub-committee of our Management Committee. This ensures all new, modified or expanded financial products or services satisfy fair dealing, regulatory and other requirements.

Our process adheres to a governance framework that guides the design, implementation and post-launch monitoring of new, modified or expanded products and services. Additionally, every product and service undergoes an evaluation of the adequacy of existing controls to mitigate potential risks.

We also closely monitor our product offerings, marketing materials, and product terms and conditions for ongoing compliance with applicable laws, including fair lending and UDAAP laws.

Addressing consumer complaints

We care for our customers, value their opinions and work hard to do what we can to resolve their concerns swiftly. Customers can contact us through a variety of channels which include: phone, secure email, eChat, and social media.

We attempt to resolve customer inquiries and concerns during the initial customer interaction. Moreover, our complaints program uses a centrally managed set of processes and procedures to capture expressions of consumer dissatisfaction, while striving to meet regulatory expectations.

We closely monitor our customers' complaints to identify risks of potential customer harm and service issues. We continue to strengthen our root cause analysis program, identifying trends and recommendations for risk mitigation and opportunities to improve the customer experience. Our Board receives an annual update on our complaints program.

Compliance program

Synchrony's compliance program is a key component of our overall risk governance framework. Our compliance team provides oversight and supervision by identifying regulations with which Synchrony must comply, assessing risks associated with non-compliance, developing policies and training, and monitoring risk through assessments, testing and reporting. Our compliance team is led by our Chief Compliance Officer, who reports to our Chief Risk Officer, who functionally reports to the chair of our Board's Risk Committee.

Our compliance function includes personnel aligned to business processes, including fair lending and responsible marketing, and our sales platforms. The compliance team also leads our Ombuds program and provides oversight of the consumer complaints program. Our compliance program relies on several important centers of excellence within our risk management function, and the effectiveness of Synchrony's compliance program is reviewed on an ongoing basis by our internal audit function and at least annually by regulators.





Information security and data privacy

Information security and maintaining the privacy of consumer data in accordance with applicable laws are top priorities at Synchrony. Our information security team, in collaboration with our Board's fully independent Risk Committee, which is responsible for oversight of cyber security risks, and our executive leadership team, maintains intense scrutiny of our information security program with the goal of ensuring that our strategy, information security policies and practices remain effective against a rapidly evolving landscape of threats. We strive to maintain the confidentiality and integrity of our customers' information across services and deliver innovative products and capabilities that drive value for our customers and partners. Access to and appropriate use of data is a critical component of our ability to do so.

Our information security team continuously reviews and adapts its strategy, information security policies and practices, informed by our intelligence team and supported by regular training of information security employees and awareness activities for employees company-wide. In 2022, we continued to make enhancements to our Security Awareness programs, further strengthening heightened awareness messaging for users in their various roles across the organization. Synchrony utilizes a multi-tier approach to its Information Security Awareness Training program. General Security Awareness training is required annually for all employees and is supplemented by additional awareness communications and campaigns. We conduct focused Security Awareness events, communications and exercises, including phishing simulation campaigns and cyber security exercises with our executive leadership team, as well as awareness campaigns during National Cyber Security Awareness Month in October. Lastly, we have Role-Based Security Training for users in specific job functions.

In 2022, we further adapted and enhanced our end-point controls and technologies, which are designed to enable us to continue safely and securely working in the new hybrid workplace. We continue to bolster our supplier risk assessment processes and have enhanced our data breach response requirements for critical supplier relationships. We have an ongoing, innovation partnership with the University of Illinois and the University of Connecticut, via the Synchrony Cybersecurity

Center, where faculty and students collaborate with Synchrony staff on emerging technology. We also support fellowships, student scholarships and senior projects as well as faculty positions, most notably an endowed chair within the Computer Science & Engineering Department at the University of Connecticut.

Our information security team works closely with clients to share best practices and detect, track and mitigate threats. To stay abreast of developments in cyber security, data security, privacy and legislative landscapes, we actively engage with several trade associations representing banks and other financial institutions. We also participate in working groups that analyze and provide feedback to proposed new laws, rules, regulations and assessment frameworks in these critical and perpetually changing areas.

We continually test the effectiveness of our controls and data protection processes through internal and independent audits and assessments, including regular penetration tests, application code reviews, vulnerability scans, disaster recovery tests and cyber exercises to simulate hacker attacks.

Our information security program is designed and managed to be consistent with the Cyber Risk Institute (CRI) Profile, a cybersecurity assessment framework which is a financial services industry-specific extension of the NIST CSF cyber security framework. We measure and monitor the maturity of the information security program against industry guidance, including Federal Financial Interagency Executive Council (FFIEC) CAT, and a risk-driven metrics program aligned to our business requirements. Along with continually being examined and audited by our regulators, Synchrony regularly engages external experts to evaluate and validate our controls against these standard frameworks. The results of the maturity assessments are reviewed with executive leadership and the Risk Committee of our Board, and Information Security updates are provided to the Risk Committee of the Board on a quarterly basis. Additionally, Synchrony's Information Security program is designed to adhere to Section 501(b) of the Gramm-Leach-Bliley Act of 1999 (GLBA) requiring covered institutions to implement a comprehensive written information security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the institution and the nature and scope of its activities. Synchrony's program is also designed to align with

the guidelines issued by the FFIEC, requiring our Board to approve the program and policies and assess its effectiveness on an annual basis. The results of these assessments are reviewed with Financial Services regulators, including the OCC and Federal Reserve Board. Furthermore, we continue to align our payment card practices with the Payment Card Industry Data Security Standard (PCI-DSS) including the required independent testing and assessments.

As a regulated financial institution, Synchrony's Privacy Office, led by the Chief Privacy Officer who reports to our General Counsel, maintains a comprehensive privacy program designed to ensure enterprise-wide compliance with the GLBA provisions relating to its access to and processing of nonpublic personal information of consumers for provision of its financial products and services. In addition, this program manages and maintains appropriate processes designed to ensure Synchrony's compliance with all applicable privacy regimes including the EU General Data Protection Regulation, the California Consumer Privacy Act, the Health Insurance Portability and Accountability Act, and the Right to Financial Privacy Act, and monitors all proposed state and federal privacy bills to determine potential changes to existing business policies, processes and procedures necessary to comply with any proposed legislation or regulation that ultimately becomes applicable law.

In addition, the Privacy Office continues to conduct periodic and ongoing identification and assessment of privacy risk to the enterprise in connection with existing and proposed Synchrony processes, products and services, and third-party engagements; maintain privacy policies, procedures and training; and maintain a functional interdependent engagement model across first line of defense processes with primary responsibility for execution of privacy-related activities. This includes reporting of associated execution performance, risks and issues, and engagement with regulatory bodies and industry organizations on privacy-related areas of focus.



Our Employees

Engaging and developing our most important asset.

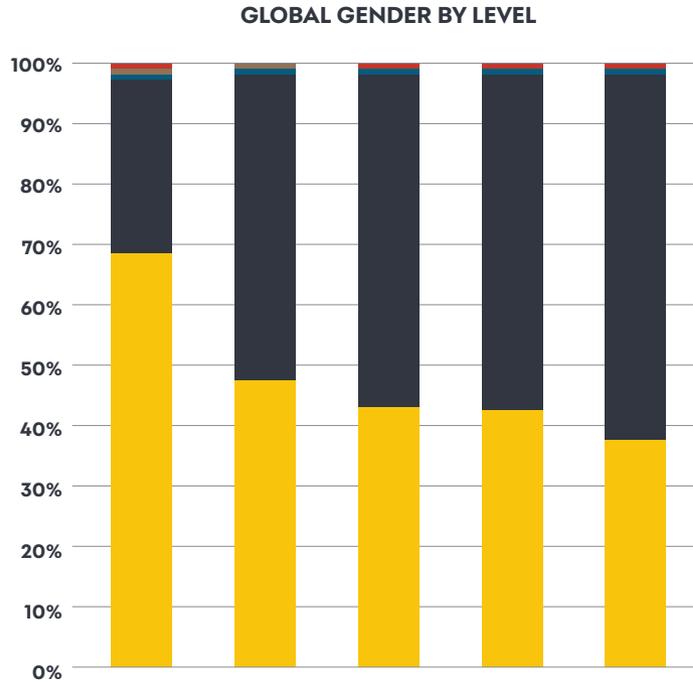
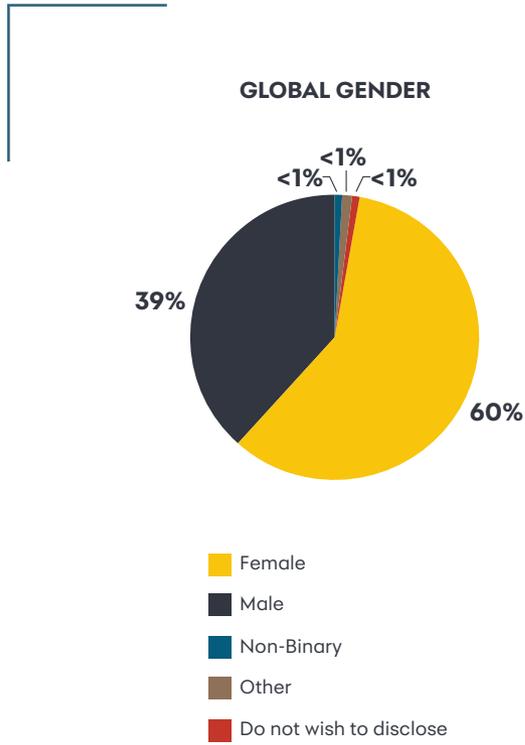
Diversity: a strategic imperative

Synchrony has made Equity, Diversity, Inclusion and Citizenship (EDIC) a continued priority and a strategic imperative for the company. Creating a culture designed to enable every colleague to be their complete, authentic self takes work and a lot of honest talk. At Synchrony we strive to doing just that. We know we won't always have every answer, nor will we tackle every issue perfectly, but we don't shy away from the conversation. In fact, we elevate it. Over the past year, we've had dialogues with our employees around race, social injustice, politics and more—driving awareness and education across our organization. Our efforts helped bring attention to the impact these events have on each of us, our families and our communities. We've supported each other as we explored new ways of getting past a turbulent time in our society. We create spaces designed to allow each person in the Synchrony family to be seen and have their voice heard.



The power of data

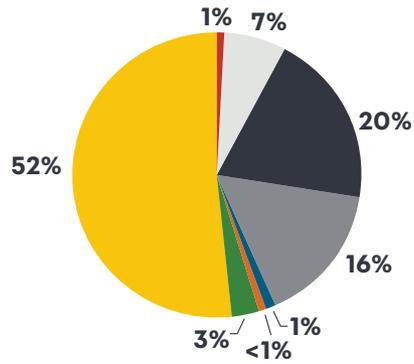
At Synchrony, we aim to recruit, retain and cultivate a culture where diverse talent can thrive. We believe that everyone can champion diversity and identify opportunities for continual improvement. Through our Advancing Diverse Talent (ADT) initiative, data and analytics help identify gaps and opportunities within our workforce and inform our strategies to hire, develop and advance underrepresented talent. As a result, we have put more focus on increasing Black and Hispanic employee representation at all levels of the company, particularly at the vice president level and above. Data is not only instrumental in helping us set strategies for advancing diverse talent, but it also helps us hold each other accountable. For example, increasing diverse representation year-over-year is now one of the metrics used by our Board in determining bonus funding for more than 4,500 leaders across the company. Look out for more on our EDIC story and commitment to measurable outcomes using data and insights in our inaugural Diversity Report (launching later this year).



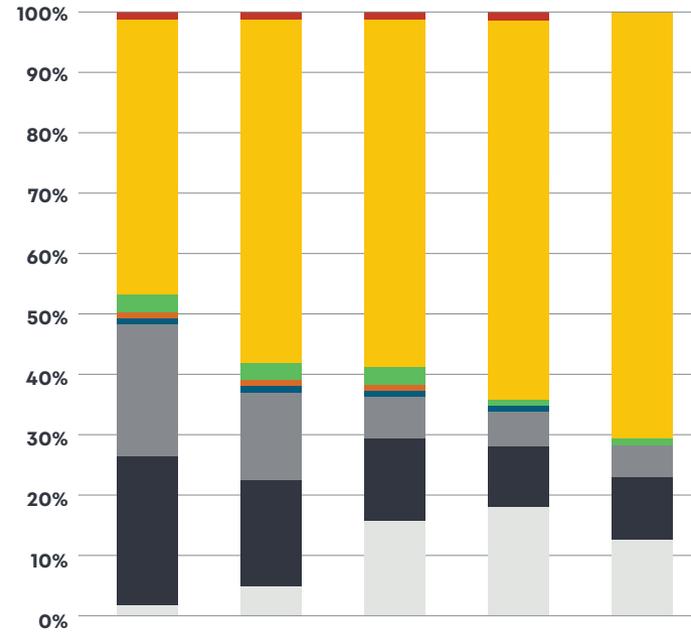
Do not wish to disclose	0.07%	0.00%	0.05%	0.17%	0.33%
Other	0.14%	0.10%	0.00%	0.00%	0.00%
Non-Binary	0.15%	0.10%	0.09%	0.06%	0.33%
Male	31.02%	52.44%	56.71%	57.33%	61.79%
Female	68.61%	47.37%	43.15%	42.44%	37.54%

*Percentages may not add up to 100% because of rounding

US ETHNICITY



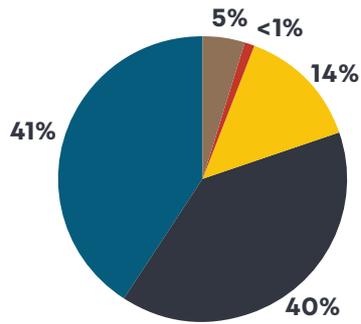
US ETHNICITY BY LEVEL



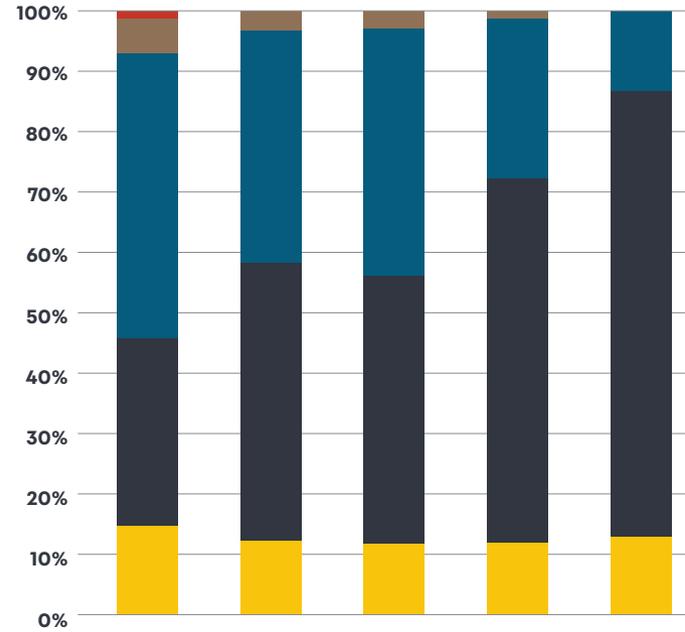
Undisclosed	1.12%	0.93%	1.21%	1.40%	0.00%
White (United States of America)	46.24%	57.64%	57.22%	62.23%	70.41%
Two or More Races (United States of America)	3.89%	3.50%	3.58%	2.37%	1.36%
Native Hawaiian or Pacific Islander (United States of America)	0.11%	0.12%	0.26%	0.00%	0.00%
Native American or Alaska Native (United States of America)	0.70%	0.58%	0.51%	0.18%	0.00%
Hispanic (United States of America)	21.54%	13.42%	8.05%	5.83%	5.10%
Black or African American (United States of America)	24.89%	18.67%	12.71%	10.08%	10.54%
Asian (United States of America)	1.52%	5.13%	16.48%	17.91%	12.59%

*Percentages may not add up to 100% because of rounding

US GENERATION



US GENERATION BY LEVEL



	4-7	8-9	10-11	12-14	15+
■ Silent Generation (1928-1945)	0.14%	0.00%	0.00%	0.00%	0.00%
■ Generation Z (1997 and onwards)	6.79%	3.73%	3.00%	0.06%	0.00%
■ Generation Y/Millennials (1981-1996)	47.36%	37.11%	41.51%	27.87%	12.93%
■ Generation X (1965-1980)	31.12%	46.67%	43.36%	60.35%	73.81%
■ Baby Boomers (1946-1964)	14.59%	12.49%	12.13%	11.72%	13.27%

*Percentages may not add up to 100% because of rounding

Diversity Networks+: Everyone has a voice

More than 50% of our workforce—over 9,500 employees—belong to one or more of our eight Diversity Networks+ (employee resource groups). The "+" is there to encourage all employees to partner as an ally and "be the plus." Together, they help promote a diverse, equitable culture of inclusion at Synchrony. They are voices to be listened to. Their ideas, actions and passion help foster a workplace where everyone feels welcomed, valued and accepted for who they are. To learn more about our eight Diversity Networks+ look out for our inaugural Diversity Report (launching later this year).



**ASIAN PROFESSIONAL
ENGAGEMENT NETWORK+**



BLACK EXPERIENCES+



HISPANIC NETWORK+



**NATIVE AMERICAN
NETWORK+**



**PEOPLE WITH
DISABILITIES NETWORK+**



PRIDE+ NETWORK



VETERANS NETWORK+



WOMEN'S NETWORK+



Over the past year, our Diversity Networks+ have played a big role in our dialogues with all employees around race, social injustice, voting and more—helping us increase understanding and awareness of the impact these events have had on employees and their families.

In addition, our eight Diversity Networks+ participated in company events focused on elevating and driving understanding of diverse experiences and perspectives in the U.S. and around the globe.

A few examples include:

Spotlight Months & Year-Round Diversity Learning Events:

Beyond everyday engagement with our Diversity Networks, our employees can participate in Spotlight Months, which provide dedicated time for each Diversity Network to create content and host events relevant to the populations they serve. In addition to Spotlight Months, our Networks work year-round to not only create spaces for our diverse employees and allies to have a voice and feel connected, but also to provide perspective to help the organization drive greater inclusivity. Guided by the “5 Cs” framework – Career, Culture, Community, Communication, and Continual Learning – our Networks provide a dynamic set of offerings including cultural education events, cross-network open role dialogs, open office hours, mental wellness check ins, and personal development opportunities.

Diverse Well-Being Coaches: To further support employees during our discussions around racial injustice and discrimination, we added programming with diverse mental health experts as part of Synchrony Assist, our employee assistance program. Today, our wellness coach team includes Black, Asian, Hispanic, women and PRIDE+ representation.

Annual Global Diversity Experience: Synchrony has hosted our Global Diversity Experience (GDE) since our IPO in 2014. This unique experience is an annual three-day live and virtual event, where colleagues from the U.S., India and the Philippines, come together to connect, share ideas, listen to outside speakers, attend workshops and take part in community service activities.

The live event, held in Washington, DC, was attended by 400 employees (including global employees and hourly associates). Employees not attending the live event could listen to a livestream of the GDE. They could also participate in local hub activities, including facilitated local discussions, workshops, community service activities and networking opportunities. Some hubs also hosted local outside speakers. In total, 2022 GDE reached nearly 3,000 employees across DC, our Hubs, and our virtual audience.

Our theme in 2022 was “Reflect Forward, Beyond All Boundaries.” It was a chance to pause, reflect on past achievements, and prioritize our focus on the future of equity, diversity, inclusion, and corporate citizenship. To us, putting equity first emphasizes its importance to our long-term progress. Equity doesn’t mean we stop evaluating people on their merits, but rather, give individuals from historically underrepresented groups the tools they need to compete on the same footing with their peers.

Congresswoman Joyce Beatty joined us in Washington, DC, to stuff over 10,000 backpacks with school supplies to benefit children across America. As part of this educational outreach, we donated \$10,000 to the local Prince George Public Schools.

Honest discussions took place throughout the three-day event. The Global Diversity Experience created the space and opportunity to go beyond the boundaries of a traditional corporate environment to create a place where all points of view can be respected. The tone was genuine and open. We talked about real issues and events. Employees shared their personal experiences: how vulnerable they sometimes felt and how they overcame barriers (many times with the support of others). That dialogue continued after the event, where empowered employees shared more about their own experiences and reactions. It was a valuable learning experience for all of us.

Lisa Ling, Executive Producer and Host of “This Is Life” on CNN, was the closing speaker. She shared her thoughts on the shifting media landscape and how, by aligning with our personal values, it shapes our own perspectives. Her talk centered around the role we all play in recognizing and solving real challenges. She stressed that we have an opportunity to come together to create positive change, not only within our organization, but also in the world around us.

The major takeaway from our 2022 GDE is encapsulated in its theme: Reflect Forward, Beyond All Boundaries. It means we must reflect and learn from the past, and from each other, to drive progress that truly matters.

The Great Transformation: Synchrony has recently joined a cohort of companies on a multi-year journey called “The Great Transformation.” It’s a bold new initiative to crack the code on diversity, equity, inclusion and belonging, leveraging the power of our combined Diversity Networks+.



Strategic partnerships with colleges & universities, The Mom Project, AfroTech, and Latinx Executive Alliance

With the help of our Black Experiences+ Network, we strengthened our partnerships with Historically Black Colleges and Universities (HBCUs), including North Carolina A&T State University, Howard University and Florida A&M University. Our Hispanic Network+ was instrumental in providing scholarships to Hispanic scholars through organizations like the Hispanic Scholarship Fund. They have also created partnerships with the University of Central Florida, and Association of Latino Professionals for America (ALPFA). And our PRIDE+ Network helped with our partnership with Out for Undergrad (O4U).

Our academic partnerships support campus recruiting, student development programming and scholarships. With multiple Synchrony leaders serving in advisory capacities, we lend corporate perspective to our higher education partners, while providing programming for the next generation of leaders of all backgrounds in the business.

The Mom Project	Synchrony continues to provide funding for minority-led startups, including The Mom Project. This startup is committed to helping women remain active in the workforce in every stage of their journey, including motherhood. Currently, there are over 1.2 million talented professionals in the network and over 20,000 companies signed up to hire moms to drive their businesses forward. The Mom Project was one of Synchrony's first diverse venture partners. To date, we've invested over \$1.5 million in the business.
AfroTech	A subsidiary of Blavity, AfroTech is the hub for Black entrepreneurs building the technology of our future. It serves to empower and inform the most talented innovators, operators and entrepreneurs in technology and business. We have participated in live discussions with their Facebook community about Synchrony's culture, community and customers. In 2022, over 40 Synchrony professionals attended the AfroTech conference to engage with potential candidates during the AfroTech Career Fair and a Synchrony-hosted Networking Reception.
The Latinx Executive Alliance	Founded by Synchrony and sponsored by our Board of Directors, The Latinx Executive Alliance (LEA), is a coalition of C-suite executives and business leaders from different companies, industries and sectors. LEA is dedicated to collectively helping Latinx employees advance in corporate America. In 2022, LEA hosted a series of webinars and roundtables to explore three pillars of focus which include the importance of mentors and sponsors, the criticality of investing in our future Latinx leaders, and the need to be intentional about networking with key decision makers. LEA has a 15-member Board of Advisors and over a thousand LinkedIn followers. More information about the Latinx Executive Alliance can be found on its recently launched website (https://www.latinxecalliance.com).
Other Partnerships	Synchrony also partners with organizations such as Disability:IN, Girls Who Code, The Asia Society and American and Indigenous Business Leaders, OneTen and the Executive Leadership Council. These relationships help us conduct unique hiring initiatives for all diverse populations.



Developing the next generation of leaders

Synchrony supports our employees' professional goals by offering a variety of development programs, courses, experiences and resources that will enhance their skills and help them grow their career.

Our leadership development programs begin at the associate level and continue through to our senior and executive leadership. We partner with educational institutions, such as Harvard, eCornell (Cornell's Online Education Programs), the Thayer Leadership Development Group hosted at United States Military Academy West Point, Franklin Covey and other prominent learning solutions providers, to develop joint training programs for our employees. In addition, our online Learning Center provides virtual training across all hubs, offering relevant and contemporary learning experiences, open-enrollment courses and nomination-based leadership courses at every career level. Our employees completed over 636,000 courses during the year, averaging about 34 course completions per employee, or approximately 17.5 hours of training per employee. In addition, our frontline associates completed a total of over 2.1 million daily knowledge checks and weekly mini lessons through their associate learning portal.

Mosaic Leadership Institute

Formerly the Advancing Diverse Talent Leadership Institute, Mosaic offers a career development framework designed to increase the diversity of our leadership pipeline and retain high-potential diverse talent. It offers four programs of study.

Women's Leadership Experience	This immersive, nine-month experience helps cross-functional, vice president-level women leaders at Synchrony accelerate their professional growth. A facilitated partnership with Asbury Group focuses on advanced leadership skills development, relationship building and organizational impact. Participants are selected by our executive leadership team and senior HR leaders. The program journey includes a 360 assessment and reflection, small group and individual learning, leadership coaching, solving for real business challenges, and skill-building learning sessions. Since 2018, 46% of all participants have been promoted, 31% have taken on a new role with increased scope/responsibility and 24% have had multiple career moves.
Strategic Pathways	A nine-month immersive program through which senior executive leaders mentor and coach vice president-level participants on how to grow their career. It aims to provide employees with exposure and opportunities that allow them to showcase their skills and prepare them for their next opportunity. The program offers executive coaching, career assessment, direct manager engagement, self-directed learning/reflection and SVP+ mentor.
Fellows	In partnership with Synchrony's executive leadership team, participants in this sponsorship program engage in networking opportunities to grow the skills required to become a senior vice president. The program offers executive coaching, career assessment, direct manager engagement, and an ELT Sponsor.
Leadership Experience for Advancing Professionals (LEAP)	New for 2022, this nine-month program is focused on developing associate vice president talent, providing participants with leadership coaching, direct manager engagement, and senior leadership sponsorship. This experience prepares participants for vice president level opportunities.

Since the launch of Strategic Pathways and Fellows in 2020, and LEAP in 2022, 49% of all participants have been promoted and 19% have taken on a new role with increased scope/responsibility. There have been 68 total participants across three unique programs.

Business Leadership Program (BLP)

Our full-time Business Leadership Program is an accelerated, immersive, two-year training program for recent college graduates. Once accepted into the program, BLP participants are given rotational assignments within Synchrony to build deep, functional expertise. Participants also have access to Synchrony executives and networking opportunities.

In 2022, we reconfigured our rotational structure to add customizable cross-functional experiences to broaden participants' skill sets.

To support Synchrony's customer focus, the Business Leadership Program partnered with the Operations function to maximize support, giving incoming interns and full-time BLPs short-term experience in our Customer Solutions organization before beginning their program tenure.

To ensure that our participants are prepared for the future of our business we now include a Technology Trek Immersion program to give our early career leaders skills training and competency in the technology space.

A one-month Community Service Experience provides BLPs with an opportunity to lend their skills to one of Synchrony's non-profit partners. BLPs can create a sustainable solution for a real business need that impacts our partner organizations and our community, further strengthening the role Synchrony plays beyond our business.

At the end of their BLP experience, successful participants are offered an opportunity to continue their career path with Synchrony.



Additional BLP options include:

BLP Paid Internship

This intensive, paid BLP internship program is open to rising juniors, seniors and first-year HR graduate students. It runs for 10 to 12 weeks during the summer.

BLP Sophomore Externship

This version of BLP features a four-day immersion in our business and it is designed for rising juniors.

Skills Training for Evolving Professionals (STEP)

The STEP program helps develop and grow nonexempt associate employees whether in the U.S., India or the Philippines. The six-month program combines a dynamic learning plan with leadership interaction and project engagement. There are four distinct program levels. Advancing to the final level—leadership—is not automatic; participants are selected based on their performance in Levels I through III.

In 2022, 88 participants completed Level III and 42 participants completed the final Level IV. Successful graduates can qualify for promotions, including roles such as senior specialist, analyst, frontline manager or entry-level exempt roles.

MEET BILL

Bill joined Synchrony in April 2021 as a Client Service Specialist. He was accepted into the Skills Training for Evolving Professionals (STEP) development program for associates and graduated in 2022. He was recently promoted to Client Service Frontline Manager. He also serves as the Community Lead for the Rapid City, SD, chapter of the Veterans Network+.

Before joining Synchrony, Bill had successful careers in both law enforcement and the military. He credits Synchrony for looking beyond his age and taking the time to shape and influence his new career. Bill and his wife, who also works for Synchrony, like the work/life balance that Synchrony champions. “Synchrony is that rare company that recognizes work is not the only focal point of employees’ lives.”

Bill’s mother recently passed away. His direct manager encouraged Bill to use his paid time off benefits and bereavement leave, so he could focus on his family. For added support during this difficult time, his manager also recommended tapping into Synchrony Assist’s EAP resources and Well-Being coaches.





Synchrony Leadership Development Experience (SLDE)

SLDE helps identify high-potential talent and provides them an opportunity to enhance their leadership skill set, increase their business knowledge, grow peer networks and provides exposure and access to senior leadership.

Previously held virtually, in 2022 we moved to a hybrid approach offering leadership sessions, networking events and a global communications simulation virtually and at Thayer Leader Development Group (TLDG) at United States Military Academy West Point. Curriculum topics included leadership identity, organizational change management and team building. In 2022 we offered this as an opt-in experience. Out of over 150 employees who applied, 20 were chosen.

McKinsey Leadership Academy

New for 2022, Synchrony partnered with McKinsey & Company to offer a Management Accelerator program for our diverse vice president population. The Accelerator program consisted of cohorts of our Hispanic, Black and Asian employees. During the 6-month self-paced virtual experience, participants learned enhanced leadership and general management skills focused on business fundamentals, setting and leading business strategies and problem solving for impact. We had over 50 participants across the cohorts successfully complete the program.

Double Dare to Dream Paid Internship Program

In 2022, Synchrony held the Double Dare to Dream internship program—a four-month paid internship for recent U.S. high school graduates and college students. It's an immersive work experience virtual that focuses on skill development. The program provides dedicated mentors and coaches for participants to help guide their progress. Since the start of the program in 2021, we have had 34 diverse high school participants with 18 being hired into full-time customer service positions at Synchrony.

Creating Opportunities for All

Synchrony has designed industry leading programs that support the unique needs and aspiration of our employees. We are a strong supporter of continuing education and providing employees the tools and benefits they need to obtain the skills and higher education they need to advance their careers.

- **Tuition Reimbursement Options:** Synchrony has always had an industry leading tuition reimbursement program that provides up to \$20,000 per year for full-time employees and \$5,000 per year for part-time employees. It covers degrees relevant to their job as well as healthcare and education-related degree programs. In addition, Synchrony covers academic fees of up to \$4,000 per year. In partnership with the Bright Horizons EdAssist program, Synchrony pays employees' tuition directly through our Debt-Free Tuition option, offering no out-of-pocket costs to the employee. If a school does not participate in this program, employees still have access to our traditional tuition reimbursement program.

MEET MICHAEL

A former Marine, Michael has been with Synchrony for five years. Thanks to Synchrony's tuition reimbursement program of up to \$20,000 a year, he's the first in his family to earn a bachelor's degree in Intelligence Studies. After graduation, Michael became a senior specialist in surveillance at Synchrony. But he's not stopping there. Looking to pursue a career in Cyber Security & Fraud at Synchrony, he's on track to earn a master's degree in Homeland Security from American University, again, with the help of Synchrony's tuition reimbursement.

Like many returning veterans, Michael has had some mental health challenges. He credits Synchrony Assist, our employee assistance program (EAP) for mental health services, for helping him work through them. Michael appreciates Synchrony's focus on work/life balance and the quality time he spends with his family. He also loves that Synchrony's culture is one of giving back. He feels supported in pursuing his passion of destigmatizing mental health issues and helping other veterans to recover from them.



- **Skills Certification Reimbursement:** To help employees build the skills important to their futures, Synchrony covers up to \$9,000 per year for skills-based certifications mapped to high-growth fields such as cyber security, software engineering, data science and UX design. Employees are encouraged to add certifications and new skills to their internal worker profile, so we can match them with in-demand job opportunities or quickly redeploy staff into critical roles when necessary.
- **Changing the Talent Game: Skills Over Degrees:** In previous years, we made a significant change to our hiring practices, taking a skills-first approach in an aim to close the opportunity gap and ignite potential for generations to come. In 2022, we launched the non-degreed professional development pilot with over 200 employees participating in behavior assessments, career navigation open houses, building career confidence and storytelling sessions. Our focus on skills and experience vs. having a four-year college degree has opened a wider range of new career possibilities for both our existing workforce and talent pipeline. Over the last two years, we have put that approach into action, partnering with OneTen and hiring nearly 900 Black employees, none of whom had a four-year college degree. We took the OneTen mission and criteria further by hiring over 960 Hispanic employees without degrees. All were given family-sustaining roles. Their success aligns with our broader Education as an Equalizer goals and opens the door to future possibilities in this space.
- **Returns:** At Synchrony, we recognize each career takes its own unique path, and the most valuable skills and experiences can be gained outside of a work setting. Our U.S. Return Program is designed for professionals with at least five years of work experience who have stepped away from the workforce for two or more years. The Return Program is a 90-day framework that offers returners the structure and support to smoothly re-enter the workforce. The program provides networking opportunities, mentors, upskilling programs and more.
- **Veterans Leadership Program:** New for 2023, our Veterans Leadership Program is an immersive one-year program designed for transitioning military veterans into full-time roles that build skills, support development, and prepare participants for a successful career with Synchrony. At the end of the program, participants move into a role within our Technology & Operations, the largest function at Synchrony. Veterans continue to be challenged by the work and supported by our teams.
- **Synchrony Skills Training:** Recruiting launched in 2022 for a twelve-month long Synchrony Apprenticeship Program, which was developed to close gaps in technology skills that could impact our business and future workforce. Individuals interested in technology roles will gain valuable experience in artificial intelligence (AI), business continuity/disaster recovery, analytics, information security and emerging technologies. Apprentices dedicate a combined 40 hours per week working at Synchrony and learning through self-paced and instructor-led training.
- **Career Coaches:** Our employees told us they were looking for more support in navigating their unique career journey and we responded. In 2022, we piloted two new career coaching initiatives, one with our VP and one with our SVP talent. We curated the pilot programs in partnership with Lee Hecht Harrison (LHH) and Ezra, both global leaders in executive and career coaching. They provided access to expert career coaches in a confidential and objective environment. Employees were able to schedule multiple 45-minute virtual sessions with the coach of their choice to: clarify and optimize individual growth and career goals; co-design a development plan to guide their career journey within Synchrony; outline desired critical experiences and stretch assignments imperative to both their career and personal goals; and harness their professional and personal networks to engage in meaningful career discussions.

We had over 400 employees take part in the pilots with participation from over 15 functions globally.
- **Scholarship Program for Children of Employees:** Synchrony is a strong, committed champion of continuing education—not just for our employees, but also their children. Our Synchrony Scholarship Program is open to children of active, retired or deceased employees in the U.S., India and the Philippines. Awards are \$4,000 for recipients attending a four-year college or university and \$2,500 for recipients attending a two-year community college or vocational school.

How we work now

Like tens of thousands of other companies during the pandemic, we sent our employees home out of concern for their safety. At the time, we thought of it as a temporary move. But we quickly saw that nearly any role could be done virtually. Not only that, but employees working from home were more productive and more satisfied with their jobs. So, with the full support of our board of directors, we gave all U.S. Synchrony employees the flexibility to work from home full time. Or, to split their time between the office and their home each week in hybrid fashion.

In 2022, we extended the U.S. job flexibility model to our operations in Southern Asia. In India, we were able to duplicate the model intact. In the Philippines, we offer a flexible hybrid schedule: three days in the office and two days from home, due to government regulations there.

An ancillary hiring benefit: We used to post jobs tied to a specific location. Now we have the flexibility to post jobs and hire from any of our Synchrony Hubs across the U.S. and Asia. This not only broadens our ability to attract critical skills and more diverse talent, but also makes it easier for our employees to grow their careers without having to relocate. We believe allowing people to stay where they are happiest geographically leads to greater engagement and allows employees to bring their best selves to Synchrony.

MEET VIRGINIA

Virginia began her Synchrony career six years ago through the Business Leadership Program (BLP), our full-time, accelerated, two-year training program for recent college graduates. After completing BLP, she focused her career on critical experiences—a vital part of employee development. Today, she is Vice President of Employee Experience working out of our Charlotte, NC, hybrid hub.

As a working mom with two young children and a military spouse, the choice and flexibility that come with a hybrid working culture are important to her and her family. It makes it easier for her to balance family needs with work needs. She enjoys working from home. But she also enjoys going into the Charlotte hub for meetings, engagement activities, leadership roundtables and networking events. “It’s the best of two worlds,” as she puts it. It lets her be the best mom and employee she can be.



A new approach to performance management

Adding more flexibility to the way we work also meant adding more flexibility to how we manage performance. We transitioned from the legacy annual performance review in favor of more frequent coaching and two-way feedback conversations between employees and managers. Now, we can check in more often to discuss how things went, what was accomplished and how we can do better. We require managers and employees to meet formally three times a year but encourage monthly conversations. The two-way dialogue also helps manage employees' career paths and well-being.

Performance-based Goals

Goals are fundamental to Synchrony's strategic execution, performance management and talent development processes. They guide employees on where to focus their passion, energy, time and effort. Employees are encouraged to revisit and update their goals quarterly. This ensures employees are focused on the right priorities throughout the year. Discussing goals and priorities is part of every performance conversation and managers are equipped with the tools to conduct these in a positive way.

The move to continuous coaching conversations has been applauded by employees. A recent pulse survey of our global population revealed that more than 91% felt they received constructive feedback from their manager during their performance discussion.

Both Synchrony and our employees benefit from more frequent performance feedback discussions. They allow us to adjust strategies and actions sooner by focusing our performance on outcomes that we deliver together. In today's intensified, dynamic and competitive landscape, we put greater emphasis on performance, priorities and alignment.

A culture of mutual understanding

At Synchrony, we meet our employees where they are. We constantly ask questions in a genuine way and actively listen to what they tell us. Then we change the things that need changing. It's a relationship built on trust. Employees know their voices count.

It's a constant dialogue—and a key reason we continue to see tremendous employee engagement. What follows are some of the ways Synchrony and its employees come together.

Ask Us Anything Meetings: Held monthly, these company-wide meetings give employees the opportunity to ask questions and offer feedback to senior leadership, including our CEO, Brian Doubles, on a variety of topics. The idea for this interactive format was first suggested by our employees.

Pulse Surveys: Another way we invite employee opinion or feedback is through pulse surveys. These are short (two to five question) surveys we send to employees on a regular basis. Part of what informed our working-from-home decision came from a pulse survey that showed 85% of our employees were in favor of working remotely the majority of the time. In a follow-up pulse survey after we announced the new choice and flexibility work policy, 93% of employees said it gave them the flexibility they wanted.

Great Place to Work®: As we value our employees' input in our decision-making process, Synchrony partners with Great Place to Work® to conduct an annual employee engagement survey. The most recent survey, released in August 2022, showed that globally 94% of our employees believe Synchrony is a great place to work. These results include employee comments, which help us better understand our employees' perspectives on what we're doing right and where we can improve. We then work with employees and managers to create action plans that guide how we address areas of opportunity.

Leadership Roundtables: These discussions are conducted monthly, either virtually or in our physical hubs. They are hosted by our executive leadership team and involve all levels of the organization, from senior vice presidents to hourly associates. No topic is too sensitive to discuss.

Ombuds Channel: Synchrony provides a safe, confidential way for employees to voice or elevate any concerns or questions. Submissions to Ombuds are handled by a dedicated investigations team, assuring anonymity.

MEET ASIA

Asia joined Synchrony five years ago as a call center associate. She has been promoted twice, each time with increasing responsibility. Today, she's a senior specialist in training and performance strategy.

Asia is thrilled with Synchrony's current way of working. She feels more productive working from home. Plus, she has taken advantage of flex scheduling whenever needed, making it easier to handle work and home responsibilities. The raise to a family sustaining wage now allows her to afford private school for her son—which wasn't the case before. If she needs childcare, Synchrony's backup childcare is there to help. Asked about the employee engagement surveys we send, she told us to keep them coming. "It's how I know we're being listened to." As to her future, she's researching career options through Synchrony's EdAssist portal, which offers debt-free degree and certification options.



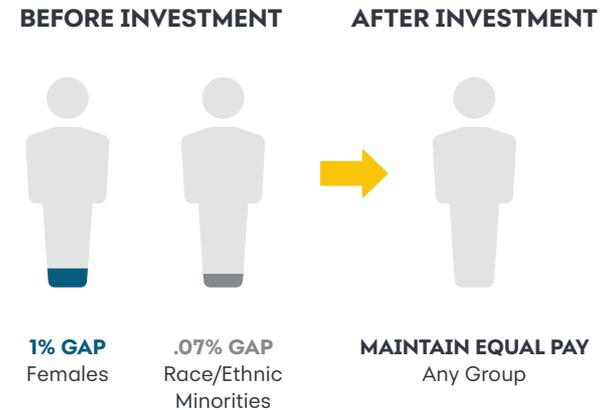
Wellness: a winning priority

Synchrony's wellness programs have grown significantly over the past two years, adding more physical and mental wellness programs to an already rich set of benefits, many of which are industry leading.

Synchrony 360: When we sent our employees to work from the safety of their homes, we introduced a health and wellness program to support them. Called Synchrony 360, it encompasses four pillars: money, health, career and life. The program contains a wide array of new and expanded benefits to meet the changing needs of our employees worldwide. For example, in addition to earned vacation time, all employees receive 15 days of paid time off (PTO) that can be used as needed for sick time or personal time. In addition to the standard PTO, in 2022, we also provided 100% paid time off for employees with COVID-19-related illness. Paid time off for employees to get COVID-19 vaccinations was also covered—up to 12 hours for the first two shots and up to eight hours for the booster. We also offered dedicated well-being coaches with diverse backgrounds. We continue to support employees through financial counselors, 401(k) matching savings programs, fitness reimbursements, comprehensive health care (medical, dental and vision coverage) and life and disability insurance.

Ensuring Pay Equity for All: Synchrony backs up its commitment to fair and equitable pay with industry leading wages and opportunities for employees. We set our company's compensation guidelines in partnership with our Board. In this, internal equity plays a key role. Each year, we work with an independent third-party to review Synchrony's pay equity for all employees in the U.S., the Philippines and India. We look at base salary and bonus, corrected for variables that impact pay, including job level, geography, function and experience.

We continue to monitor the external market and modify our compensation procedures where appropriate. In both 2021 and 2022, we made mid-year investments in off-cycle compensation adjustments as opposed to waiting for the next annual increase cycle. Our investment of more than \$5 million in pay adjustments we've made since 2018 helped us to meet our goal of 100% pay equity across genders and racial/ethnic groups. These timely investments in our people give them confidence and trust that we'll always do the right thing for them.



Family Sustaining Wages: Each year we evaluate market data and work with a third-party to benchmark against our competitors to help ensure we can attract and retain the best talent while providing family sustaining wages. We are proud to offer a competitive, family sustaining wage for all employees in every market we are in. We have offered salary increases every year and, in 2020, we moved all U.S. hourly roles to at least \$20 per hour minimum salary.

We also continue to recognize the important role our associates play in driving our business forward. In 2022, Synchrony funded its performance plus bonus program for full-time, frontline hourly associates in our U.S. contact centers at \$1,500, our highest ever payout, up from \$1,200 in 2021 and \$750 in 2020. In addition, in the first quarter of 2023, we paid a special one-time inflation bonus of \$1,500 to our full-time non-exempt and other employees to help alleviate the impacts of inflation.

Synchrony Employee Financial Education Center: As a component of Education as an Equalizer—our five-year, \$50 million initiative to expand higher learning—we created an educational financial website to help Synchrony employees sharpen their personal money management skills and make smart decisions about spending their money. It’s an easy-to-understand, self-paced guide covering all aspects of handling personal and family finances—from building credit and saving for retirement to reducing debt and investing wisely.

The details and progress of our complete Education as an Equalizer initiative can be found in the “Our Communities” section of this report.

Money Talks: To reinforce financial wellness, we launched Money Talks—a series featuring Synchrony employees sharing candid experiences about managing their money and tips on doing it well, or at least doing it better. To encourage involvement, we offered to make a \$100 donation to each participant’s favorite eligible charity.

We continue to make free, relatable personal finance resources available on synchrony.com and synchronybank.com through our Money 360 program. Synchrony is proud to be the founding sponsor of Millie, a magazine dedicated to helping women achieve their financial goals. This platform is devoted to women and money—earning it, saving it, investing it, spending it and talking about it.

JUST Capital – Worker Financial Wellness Initiative: Synchrony is proud to be part of JUST Capital’s Worker Financial Wellness Initiative, a coalition aimed at making workers’ financial security and health a C-suite and investor priority. Members commit to making worker financial well-being a top priority as business leaders consider solutions to shape an equitable and inclusive workforce. Synchrony continues to conduct living wage assessments to understand if our workers can cover the local cost of necessities.

22 Week Maternity/Parental Leave: Recently, we simplified and expanded our maternity leave process for birthing parents. With these changes, maternity leave is no longer a part of short-term disability but is now a stand-alone benefit that provides 10 weeks of paid time off for employees giving birth. In addition, we offer 12 weeks of paid parental leave for anyone with a new child. New parents can use this benefit when and how it works for them, up to one year after a new child joins their family. Combined, that gives parents an industry leading 22 weeks of 100% paid leave.

In addition, there is no waiting period for new employees. They are eligible to use the benefit from their first day of hire. And they can take 10 weeks of maternity leave any time they want—whether before or after giving birth.

Synchrony Backup Care: If employees suddenly find themselves in need of childcare or care for an adult/elder, we’ve got that covered. Whether due to illness, the weather, last-minute cancellations by their primary care giver or any other circumstance, our Backup Care steps in to help. At a moment’s notice, we can connect an employee in need with a licensed in-home care professional. Synchrony pays for up to 25 days for eldercare and up to 60 days for childcare. Days don’t have to be consecutive and can be scheduled up to 30 days in advance. To keep our commitment to providing affordable, reliable and flexible childcare support to our employees, Synchrony has fostered partnerships with LifeCare, Moms First (formerly the Marshall Plan for Moms) and the National Business Coalition of Childcare.

Synchrony Sabbatical and Employee Balance Program: Balancing work and life can be a big challenge for employees. In 2022, we launched the Synchrony Sabbatical and Employee Balance program to help them. The program lets employees reduce their schedules or take anywhere from one to 12 months leave while retaining benefits. It's part of our broader commitment to flexibility and investments in our people's well-being. Employees receive a portion of their base salary during the time of the sabbatical to help cover benefits. We also have the Employee Balance Program, a temporary reduced schedule program (20 hours a week). Here too, employees can return to their regular schedule after the program ends without sacrificing benefits.



MEET YEN

Yen began at Synchrony nine years ago. She started in finance and has progressively grown in her role. Her parents still live in Vietnam, and when her father's health declined, she wanted to be with him. On top of that, she wanted to take a four-week road trip across the country with her whole family before returning to work. It was a big chunk of time, and her manager was extremely supportive of her looking into Synchrony's new Sabbatical Program.

It turned out to be the perfect solution.

Yen was approved for eight months of leave and still received 15% of her base salary. In addition, she and her family would still be covered by Synchrony's benefits during her time on Sabbatical. Yen was elated. "Synchrony treats us like family," she said.

Today, Yen works remotely out of our Kettering, Ohio, West-Chester hub. She loves working from home because it helps her balance work and family. She's also a member of the Asian Professional Engagement Network+ (APEN+) and looks forward to driving in for network and hub activities.

Critical Illness Insurance: Critical Illness Insurance is one of the many voluntary benefits that employees can choose to opt-in to and pay for via paycheck deductions. It pays a lump-sum benefit if diagnosed with a covered disease or condition. The money can be used in a variety of ways. For example, it can be used to help pay for expenses not covered by a medical plan, as well as lost wages, childcare, travel, home health care costs or just regular household expenses. If they qualify, the benefit also gives recipients access to the Wellness Benefit, a yearly cash payout.

Enhanced Fertility and Family Planning: In 2022, Synchrony partnered with Progyny, a fertility provider, to develop a more comprehensive and easy-to use fertility benefit. Progyny enables access to treatment for all paths to parenthood, including couples struggling with fertility, LGBTQ+ families, single parents by choice and singles/couples who require donor tissue. With Progyny, there are no barriers to treatment and covered benefits include three Smart Cycles. Smart Cycles are flexible, easy to use, and each cycle is designed to cover full treatment and will not exhaust mid-cycle. Progyny also provides a one-stop member portal, curated educational resources, and dedicated patient care advocates to guide employees through their entire journey.

MEET BETH

When Beth, part of the LGBT+ community, walked into Synchrony 15 years ago, she knew she had found a home—and a family. Before coming to Synchrony, the workplaces she'd experienced seemed more concerned about her sexuality than her personality and performance. As she described it: "I was an outlier. I couldn't be my authentic self."

The fact that Forbes named Synchrony one of the best places to work for diversity wasn't lost on Beth. She's an active member of Pride+, Synchrony's PRIDE+ Diversity Network. Beth and her wife tried for a baby for four years with specialists, with no luck. But, when Synchrony increased the fertility grant to \$30,000 in 2020, it enabled them to afford IVF treatments and, they soon welcomed a little boy to their family. It was a dream come true for Beth and her spouse.

Of course, Beth's wife and son are both covered by Synchrony's insurance. Notwithstanding the generous fertility grant, Beth appreciates all the wellness benefits at Synchrony. "The 360 program really helps us live better lives."





Gender Affirming Benefits Coverage: In 2022, we expanded our Gender Affirming coverage to include the most common and safe surgeries available. This is a special and unique benefit that Synchrony offers above and beyond what others in the industry currently provide.

Pet Insurance: The Synchrony family includes pets too. So, we've made it easy for employees to keep their dogs and cats healthy, happy and active. As a voluntary benefit, Synchrony employees can sign up for pet health insurance from Synchrony's Pet's Best at special discounted rates. Plans are flexible and can cover accidents, illnesses and/or routine care. Policy premiums are paid through payroll deductions and claims and reimbursements are handled swiftly. What's more, employees can use any veterinarian in the U.S. and Canada, including specialty and emergency clinics.

We continue to evolve our industry leading benefits programs based on feedback from our employees. In addition to the benefits described above, we also provided the following benefits to support our employees in 2022:

- Enhanced our voluntary hospital insurance to include in-patient stays at mental health and substance abuse facilities
- Enhanced our voluntary accident insurance to pay an additional benefit for sports-related injuries
- Covered 100% of telehealth visits and virtual visits with in-network providers, in line with the CARES Act
- Offered vaccinations on-site at large hubs and reimbursed 100% of the cost for COVID-19 tests¹ and flu shots
- Covered 100% of COVID-19 treatment for employees enrolled in a Synchrony medical plan¹
- Provided externally accessible webpages and newsletter resources to centralize COVID-19 communications
- “Ask the Medical Experts” calls with infectious disease specialists
- On-site medical professionals via Medcor to provide employees and families more access to COVID-19 testing and assessment
- Designated hotline to answer COVID-19 questions
- HR Chat to help employees get connected to the support they need quickly in our new way of working
- Offered 12 dedicated diverse well-being Coaches and expanded coverage to India and the Philippines
- Offered a comparable Employee Assistance Program (EAP) for each of our hubs and have consistent programming and resources available such as webinars, Synchrony 360 newsletters, mental wellness apps and virtual fitness classes
- Provided 12 free EAP mental health sessions per issue per year (U.S. employees, their families and household members)
- Added new mobile app, Kaia, for on-demand, personalized physical therapy
- Flexible Fridays—no meetings with afternoons off (became permanent benefit in 2021)

¹ COVID-19 benefits expired at the end of the National Public Health Emergency Period (April 15, 2022), after which they are covered as normal member cost share-coinsurance and deductibles as defined under the Synchrony medical plan.

Benefits summary

COMPANY-PAID BENEFITS

Available to our employees at no cost.

- Basic Dental
- Basic Vision
- 401(k) Plan (core contributions)
- Basic Life Insurance
- Basic Accidental Death and Dismemberment (AD&D) Insurance
- Health Reimbursement Account (HRA)
- Short-Term Disability Benefits
- Long-Term Disability Benefits

OPTIONAL BENEFITS

Employees have the option to purchase, paying part or all of the cost.

- 401(k) contributions (eligible for employer match)
- Medical
- Premium Dental
- Premium Vision
- Health Care Flexible Spending Account
- Health Savings Account
- Dependent Care Flexible Spending Account
- Supplemental Life Insurance
- Supplemental AD&D Insurance
- Supplemental Long-Term Disability
- Legal Services
- Accident Insurance
- Hospital Insurance
- Critical Illness Insurance
- Pet Insurance

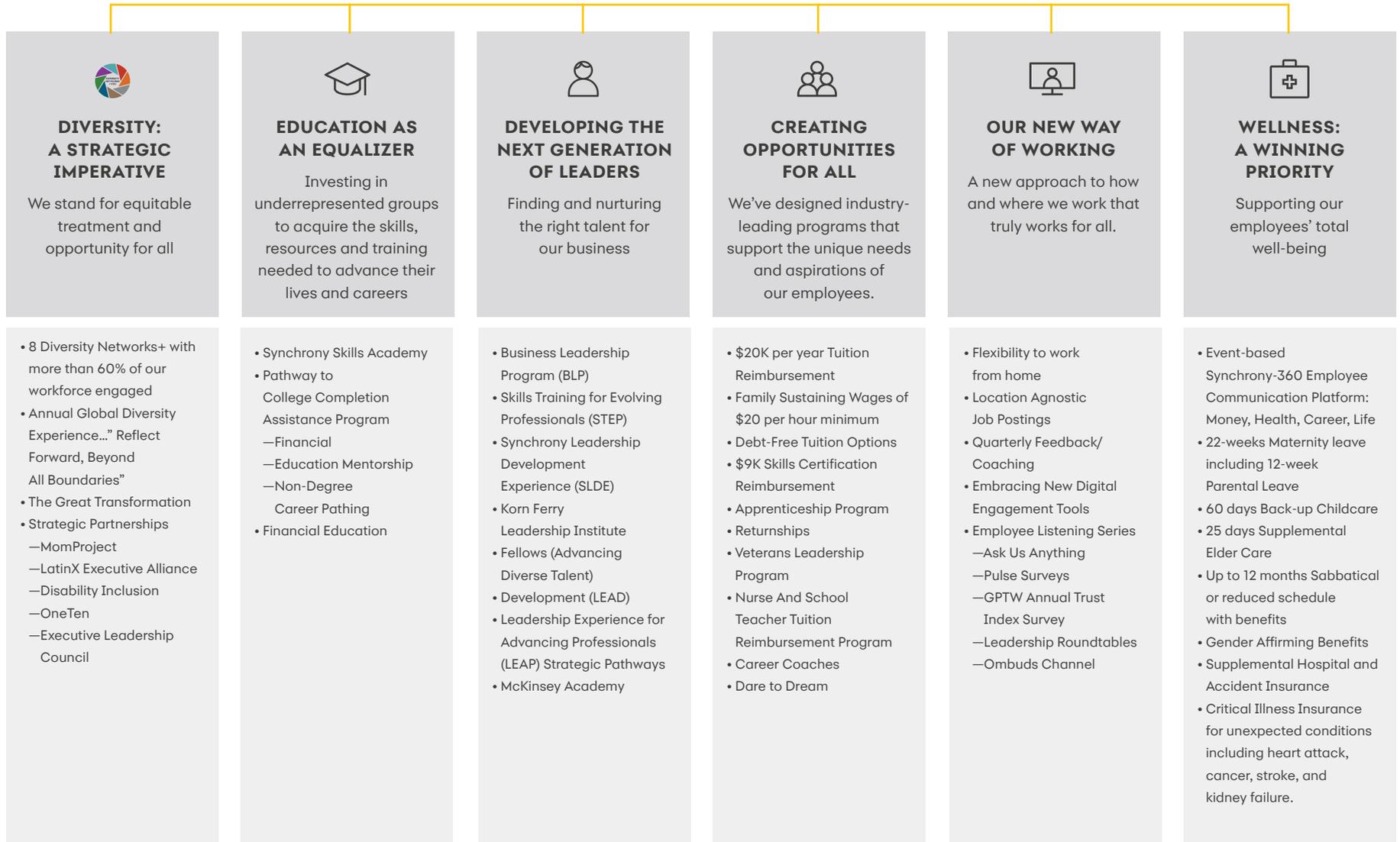
WORK/LIFE BENEFITS

Assists employees in managing their personal and professional lives.

- Backup Care
- Commuter Benefits
- Concierge Services/Resources
- Discounts/Offers
- Emergency and Natural Disaster Grants
- Employee Assistance Program
- Paid Maternity Leave (22 weeks)—including 12 weeks paid parental leave for all parents; plus an additional 10 weeks paid maternity leave for birth parent
- Improved Family Planning and Fertility Benefits offered through Progyny
- Health and Wellness Programs
- Rewards and Recognition
- Tuition Reimbursement
- Personal Time Off (15 days)
- Synchrony Sabbatical/Employee Balance program
- Well-Being Coaches
- Well-Being and Physical Therapy Apps (Sanvello, Talkspace and Kaia)

SYNCHRONY'S PEOPLE & COMMUNITY STRATEGY

Through this framework, Synchrony strategically invests in employees and communities to deliver for all stakeholders



Awards and special recognition



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GREAT PLACE TO WORK®

Best Workplaces for Parents™ (#27)
Best Workplaces for Millennials™ (#79)
Great Place to Work® Certified

Fortune®

100 Best Companies to Work For®—2023 (#20)
Best Workplaces in Financial Services & Insurance™ (#7)
Best Workplaces in New York™ (#5)
Best Workplaces for Women™ (#25)
World's Most Admired Companies—2023 (#6 in Consumer Credit Card and Related Services industry)

PEOPLE®

PEOPLE® Companies That Care (#23)

International

Great Place to Work® Certified—India and Philippines
Fortune Best Companies to Work For®—Philippines—2023 (#1)
Best Workplaces for Women—India (Top 10)
India's Best Workplaces in Diversity, Equity & Inclusion 2022 (Top 5)
Best Workplaces for Banking, Financial Services and Insurance—India
Asia's Best Workplaces (#26)
The Economic Times
Top 100 Best Companies to Work For—India (#19)

FORBES

Global 2000 List
Best-In-State Employers—Ohio

FORTUNE

Fortune 500 Companies List

JUST CAPITAL

JUST 100—America's Most JUST Companies—2023 (#77 overall)
JUST Capital—#5 in Transaction Processing industry
JUST Capital—#1 for Workers in Transaction Processing industry
JUST Capital—#2 for Communities in Transaction Processing industry
JUST Capital—#6 for Customers in Transaction Processing industry

INSTITUTIONAL INVESTOR

All-America Executive Team—Consumer Finance Sector

- Best CFO—Brian Wenzel Sr (#3)
- Best IR Professional—Kathryn Miller (#2)
- Best IR Team—Combined (#2)
- Best IR Program—Sellside (#1) / Combined (#2)
- Best Analyst/Investor Event—Sellside (#1) / Combined (#2)
- Best ESG—Sellside (#1) / Combined (#3)

SERAMOUNT

100 Best Companies
Best Companies for Dads
Best Companies for Multicultural Women

NEWSWEEK MAGAZINE

Americas Most Responsible Companies
Most Trustworthy Companies in America 2023

HISPANIC NETWORK MAGAZINE

Best of the Best: Top Financial & Banking Companies

SAVOY MAGAZINE

Curtis Howse—Most Influential Black Executives in Corporate America

BENCHMARKPORTAL

Customer Service Center Certified Center of Excellence
Top Contact Center, Large Sized Centers
Top Contact Center Content, Efficiency Category

DISABILITYIN.ORG— DISABILITY EQUALITY INDEX

Best Places to Work—100% score

MILITARY TIMES

Best for Vets Employer

HUMAN RIGHTS CAMPAIGN FOUNDATION

Best Places to Work for LGBTQ Equality
Corporate Equality Index (100% score)



Our Communities

Dedicated to doing what we can to bring educational and social equity to underserved students, schools and communities.

Education unlocks many doors

In 2021, Synchrony and the Synchrony Foundation launched **Education as an Equalizer**—our five-year, \$50 million initiative to increase education equity for underserved students and other marginalized individuals. Synchrony and the Synchrony Foundation committed \$20 million of those funds to academic institutions, skills-training centers and other nonprofit organizations already working hard to make a difference in underrepresented communities.

To align our work in the community with our goal to address racial inequities and in lockstep with our diversity and inclusion initiatives, we strategically integrated the Synchrony Foundation and Citizenship team with the Equity, Diversity and Inclusion team, reporting into the Chief Diversity Officer.

In the past two years, we have donated more than \$11 million in Education as an Equalizer grants to more than 40 organizations. These donations, driven primarily by our eight Diversity Networks, to support scholarships, mentorship programs, financial education, emergency assistance funds and leadership experiences.

“

While there are many ways to address racial inequities, we feel education—whether through college, skills training, financial literacy—provides underserved students and adults the knowledge and opportunities that can lead to a better life.

—Denise Yap, President, Synchrony Foundation

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Driven by our philosophy that education has the real potential to change the trajectory of a person’s life and generations after, we partner with True Impact, a leading Social Impact Measurement Platform, to track the outcomes and efficacy of our Education as an Equalizer Initiative. Since 2022, all Education as an Equalizer grant recipients complete a Social Impact Report detailing their outcomes and their measurement strategies to track their progress towards their goals. We and our nonprofit partners strive to expand higher education, skills training in high-growth fields, and financial literacy for underserved communities.

Our Education as an Equalizer investments have reached 9,512 people and generated over 12,300 social impacts.

- Aligned with our Creating Pathways to College Completion goal of helping low-income and underrepresented students graduate college and navigate their future paths, Synchrony’s community investments help 2,434 people access post-secondary education and matriculate to college. Additionally, our investments support 3,843 students successfully graduate high school - a key stepping stone on their journey to college.
- Aligned with our Building Skills of the Future goal of meeting the growing demand of reskilling and upskilling, Synchrony’s investments help 2,229 people attain or improve their employment and 3,234 people improve their academic performance as they work towards their certification or degree.

American Indigenous Business Leaders

Synchrony's Native American Network+ (NAN+) partnered with American Indigenous Business Leaders (AIBL), the only American Indigenous nonprofit organization dedicated to empowering Indigenous leaders. In addition to providing funds for scholarships and emergency assistance, we helped support an AIBL mentoring program for Indigenous college students active in their school's AIBL Chapter. Nine Synchrony employees participated in the mentorship program.

“

The investment Synchrony makes in historically marginalized and systemically oppressed students and communities shows how much they believe in us. They help us to help ourselves.

—Jillian Top Sky, Senior, University of Montana and AIBL/
Synchrony Scholarship recipient

”

The program focused on three foundational skill-building blocks: career building, professional excellence and personal resilience. Within these three foundational areas are 30 leadership skills and concepts that students learn and practice throughout the program. AIBL's aim is to develop young business leaders with the experience necessary to lead economic endeavors within their communities.

“

Being a mentor to the AIBL students has probably meant as much for me as it has for them, maybe even more. It is rewarding to be able to give back to my community and to know that the relationship I've formed with the students not only helps them today, but also hopefully for future generations. Giving Indigenous students opportunities to lead and succeed is surely one way to future generations can succeed while bringing their authentic selves.

—Keith Bryant, Synchrony employee,
NAN+ member and AIBL mentor

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The Executive Leadership Council

The Executive Leadership Council (ELC) is an independent nonprofit founded in 1986 that opens channels of opportunity for the development of Black executives to positively affect business and our communities. Its scholarship program is supported by corporate partners, including Synchrony. Scholarships are awarded to students who show academic excellence, leadership skills and a commitment to community service.

The Synchrony ELC Scholarship is awarded to high-achieving undergraduate Black students enrolled in an accredited four-year college and open to rising sophomores and juniors. Awardees are given a two-year scholarship of \$10,000 per year to help with educational expenses for the upcoming academic year(s).

Our partnership with the ELC only begins with the scholarships. Our executives and employees have been fully engaged with the ELC to provide opportunities for their students to succeed. During the ELC's Honors Symposium, a team from our Business Leadership Program created an interactive learning program for the students titled, "New" Networking 101: Elevating Your Professional Voice in a Hybrid World. It included the dos and don'ts of networking in today's hybrid business environment, how to develop an elevator pitch, and a practice networking session.

The Jeannette Rankin Foundation

Born in Montana in 1880, Jeannette Rankin was elected to the U.S. House of Representatives in 1916, becoming the first U.S. Congresswoman and the first woman to serve in federal office. A leader of the national suffrage movement, Jeannette advocated for social justice and women's rights throughout her lifetime and worked tirelessly to create meaningful change. The Jeannette Rankin Foundation (Rankin) continues her commitment to create better futures for American women.

Rankin empowers low-income women aged 35 and older to complete their college degrees and transform the next chapter of their lives. The foundation provides National Scholar Grants—unrestricted, non-tuition funding and support to women across the country. In 2022, Synchrony donated \$100,000, enough funding for 20 Rankin Synchrony Scholars to pursue a technical or vocational education, an associate degree or a first bachelor's degree at an accredited U.S. institution. In addition to the scholarship fund, Synchrony also provided funds for emergency assistance. Many Rankin Scholars are mothers, caregivers and providers. Juggling so much means that sometimes things may go awry. Rather than have it escalate into a crisis, the emergency funds can be used for last minute childcare, fixing a car or paying for groceries.

“

We are incredibly grateful for the scholarship support provided by Synchrony Women's Network. This support is transformational for 20 Rankin Scholars. The funding for the Emergency Fund takes the work to another level. The Synchrony Emergency Fund assured that one student could avert homelessness and seven were able to graduate because the fund provided for critical car repairs that would have ended their college career.

—Karen Sterk, CEO, Jeannette Rankin Foundation

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Synchrony Rankin Emergency Fund Recipients

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In September I moved to a new apartment where I'm renting a room for \$500/mo. Since I lived in it, I've paid the \$500 deposit and one month of rent. I owe \$500 for rent for October and I will be paying the November rent with my next two paychecks. This place is the nicest place I have ever lived and I'm scared to lose it. School would be so hard to stay committed to if I had to go back to a halfway house. Also, yesterday I accidentally dropped and stepped on my laptop and it's ruined. I worked really hard to be able to get that one and it was the first laptop I've owned. I cannot take classes without a computer. I found a couple possible replacements and need help to purchase one. They are around \$250 before taxes so I would need around \$300 total for that. Thank you so much for your consideration. I'm very grateful for the support and resources the foundation offers. I couldn't do this without it.”

—Amber R.

”

“

Hello! I transferred to a 4 year school this semester, Cal State Northridge, and I commute there, it's about a 45 minute drive and there's really no good way to get there without a car. Due to my major, my classes are in person, and next semester will require being in lab type classes on campus. Last week, when I got to school and was driving my car to drive to the other part of campus, the wheel broke off at the axle and the radiator got damaged. My car is currently at the mechanic I had it towed to, definitely undrivable. I had to pay \$130 to have it towed, and a Lyft home from school without traffic one way was \$50. The bill to fix it is \$1882.31, and this happened completely out of the blue and I literally have no money for this and have no way to get to school now. If I can't figure out how to pay for this I'm going to have to take next semester off which would be really sad. I asked my school about emergency grants and even though I'm a straight A student and in the EOP program, apparently they are maxed out for the semester, so I'm not sure what else to do. Any help would be so appreciated. Thank you so much.”

—Ruth S.

”

Organization for Autism Research

What differentiates the Organization for Autism Research (OAR) from other autism nonprofits is a singular focus on applied research and the quality and practical value of their resource materials. Rather than fund research on what causes autism, OAR funds studies on topics of more everyday relevance such as education, parent and teacher training, communication, self-care, social skills, employment, behavior, and adult and community issues.

In 2022, we provided a \$100,000 grant to support general programming and two new scholarship programs: the Synchrony Scholarship for Autistic Students of Color and the Synchrony Tech Careers Scholarship.

The Synchrony Scholarship for Autistic Students of Color is about increasing education equity for autistic students of color. Synchrony and OAR recognize the disproportionate barriers students of color have overcome and still face. This scholarship empowers these students to pursue their academic and career goals. OAR awarded 16 scholarships of \$3,000 each to students of color.

The Synchrony Tech Careers Scholarship provides financial support to autistic adults interested in pursuing career skills development opportunities in the technology sector. Many job seekers need additional training and certifications to achieve meaningful employment. The Tech Careers scholarship helps eliminate or substantially reduce the out-of-pocket expense barrier for these programs. Due to the varying costs for certification and career development programs, these scholarships ranged from \$500 to \$5,000 each, depending on the cost of the desired program. In 2022, OAR provided four scholarships to four students to pursue their dreams in the tech fields.

“

OAR appreciates the support from Synchrony that has allowed us to not only expand our post-secondary scholarships through the Synchrony Scholarship for Autistic Students of Color but to also extend much-needed financial assistance to those looking to kick-start a career in tech or advance within the tech industry through the Synchrony Tech Scholarships.

–Kristen Essex, OAR Executive Director

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Changing lives—and futures

Digital skills like programming, web and app development, UX design, data analytics and digital marketing are the currency of today's—and tomorrow's—job market. Within the next decade, nine out of 10 jobs worldwide will require digital skills. By 2031, demand for software developers is expected to grow 26%. But finding skilled workers is already a problem. Even worse, low-income students from underrepresented schools can't even get to the starting gate to learn these skills.

The Synchrony Skills Academy honors Synchrony's former CEO and Executive Chair of the Board, Margaret Keane, and her tireless work in bringing education equity to those who need it most. Located at our Stamford headquarters, the Synchrony Skills Academy is a multi-million-dollar center for learning and discovery. Developed in partnership with the Connecticut Governor's Workforce Council and General Assembly—a pioneer in education and career transformation specializing in today's most in-demand skills. It offers students collaborative, hands-on training in everything digital, including coding, robotics, virtual reality and 3-D printing.

“

Synchrony wants to offer people the opportunities to master these skills so they can compete for roles in high-paying, fast-growing fields such as data analytics and software development. Our commitment to the community is to get people, including those from marginalized communities, the training required for in-demand jobs that pay a family sustaining wage.

—Bobbi Davis, VP, Workforce Transformation

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Student Programs: The high school track, launched in January 2022, offers local-area high school students a chance to learn and explore new skills in digital content creation, website development, and coding to prepare them for college or work. In less than six months, 27 students enrolled. In June of 2022, 24 of them completed the program. Seven of those were high school seniors who decided to pursue a college major/minor in computer science after taking our program.

Adult Programs: For individuals looking to reskill and reenter the workforce, the Academy offers training for in-demand jobs such as Software Engineering in partnership with General Assembly. Interview preparation, career readiness and career placement support is also given. In our pilot program, four adults met certification requirements after going through the 3-month Software Engineering Immersive course. Two of the four students were offered Junior Software Engineering positions; one was offered a Web Developer role; and one was hired as a Software Engineering Instructional Associate with General Assembly.

“

I've learned to use a completely different side of my brain than I was using before this program. And I am proud to announce that I am an Instructional Associate with General Assembly supporting Software Engineering students.

—Tsani Rhodes, General Assembly Adult Cohort Graduate

”



2022 Education as an Equalizer grantees

- A Better Chance Ridgefield
- ALPFA Foundation
- American Indian Business Leaders
- American Indian College Fund
- Answer Scholarship
- Applied Behavioral Rehabilitation Institute Inc.
- ASCEND
- Community Initiatives
- District Arts and Education
- DOMUS Kids, Inc.
- Executive Leadership Council
- Fairfield County Community Foundation
- Fisher House Foundation Inc.
- Future 5
- General Assembly / Community Initiatives
- Girls Who Code
- Give2Asia on behalf of Assist
- GK1 World Foundation
- Hispanic Scholarship Fund
- Identity Theft Resource Center
- Jeanette Rankin Foundation
- Jobs for America's Graduates
- Junior Achievement of Greater Fairfield County
- Mercy Learning Center of Bridgeport Incorporated
- National Foundation for Credit Counseling
- Nirmaan
- North Carolina A&T
- Northwest Arkansas Community College Foundation
- Oglala Lakota College
- Organization for Autism Research
- Partnership with Native Americans
- Platt Tech Parent Faculty Organization
- Point Foundation
- Prince George's County Public School
- Special Olympics Connecticut
- St. John's University
- Tuskegee University
- United Way of Hyderabad
- University of Arkansas at Pine Bluff
- University of Connecticut Foundation Incorporated
- University of Illinois
- Zebra Coalition

Financial wellness for all

Partnership with National Foundation for Credit Counseling

In 2022, Synchrony continued its longtime partnership with the National Foundation for Credit Counseling (NFCC), the nation’s oldest and largest nonprofit credit counseling membership organization. Since 1951, NFCC has set the standard for nonprofit credit counseling services. Their solutions and support have helped hundreds of thousands of consumers—including our customers and employees—to tackle their credit and debt issues and take charge of their own financial futures. Synchrony has partnered with them in three key areas:

- **Debt Reduction Program (DRP):** DRP is a multi-year, sector-wide credit counseling initiative to give distressed consumers more ways to repay debt and avoid debt settlement and/or bankruptcy. A \$250,000 grant from Synchrony and advisory efforts by Synchrony collections staff have been instrumental in moving this project forward.
- **Sharpen Your Financial Focus Program:** Since its inception in 2013, Synchrony has been the largest funder of this important program. “Sharpen” has helped the credit counseling sector to serve, collect impact-related data and conduct groundbreaking research on the effectiveness of the delivered services to more than 200,000 distressed consumers. The research findings have informed multiple process and product improvements that promise to better serve thousands more consumers in the future.
- **Distressed Borrower Research Project by FinRegLab:** FinRegLab is a nonprofit, nonpartisan innovation center that tests new financial service technologies and data to inform public policy and promote equitable market practices. The NFCC has partnered with the FinRegLab to plan and conduct a first of its kind, multi-year research project aimed at better understanding the credit counseling ecosystem, the consumers it serves and the roles of the various players in that ecosystem in their success or lack thereof. We are now about a third through this 3.5-year study and the first reports are emerging, focused largely on the short-term impact of the COVID pandemic and the various interventions aimed at supporting struggling consumers through their initial financial challenges.

Finally, Synchrony employee volunteers also support the NFCC through operational and organizational matters. One of our senior executives began serving as a Trustee on the NFCC Board of Trustees in 2022. Another senior executive serves as a member of the NFCC’s Credit Counseling Advisory Council, a group of industry representatives that advise the NFCC on a wide variety of operational matters specific to the delivery of credit counseling interventions for consumers.

“When considering the full range of Synchrony engagement with the NFCC, we couldn’t have a better partner as we strive to assist struggling consumers than we do with Synchrony. Not only do they commit significant time and energy in thinking through and advising us on critical issues, they also make very significant investments in causing positive change to occur.

—Mike Croxson, CEO,
National Foundation for Credit Counseling

”

Financial Literacy for All (Operation HOPE initiative)

Synchrony joined Operation HOPE's Financial Literacy for All (FL4ALL) initiative, which is working to embed financial literacy into American culture. Over the next 10 years through programs and awareness campaigns, FL4ALL aims to reimagine the way Americans think about their relationship with money and provide the foundational skills for people to best manage their own personal finances and access financial opportunity, well-being, and empowerment.

America Saves Week

In 2022, we again participated in America Saves Week, a multichannel media campaign managed by the nonprofit Consumer Federation of America. The program focuses on motivating everyday Americans to save money, reduce debt, build wealth and create better financial habits. Our America Saves Week campaign resulted in more than 1,300 employees taking a pledge to save with top savings goals being: emergency fund; retirement; and vacation. The total amount pledged to save was more than \$5 million and the average pledge amount was approximately \$200. In addition, we generated nearly 9,000 page views within the first 6 weeks of the campaign and over 23,000 views after 6 months of our blog postings, with the most read blogs being: 13 Steps to Increase Your Financial Resilience, 10 Questions to Help You Accurately Calculate Your Retirement Numbers, 3 Tips to Help You Plan for Unexpected Expenses, and How to Create an Automatic Savings Plan.

To encourage employees to build their financial resilience by saving a small portion of each paycheck for the unexpected, we created a new initiative called the Rainy Day Savings Program. The program was aimed at encouraging regular savings for unplanned expenses. The six-month program was available to Synchrony employees in the U.S. and the Philippines. Over 180 U.S. employees and over 300 employees in the Philippines completed the program.

Supporting minority-owned small businesses

With a \$1 million grant, Synchrony is partnering with Operation HOPE to help digitally illiterate, marginalized small business owners and business dreamers gain the skills and knowledge to manage their day-to-day operation more effectively and efficiently using technology. Tools that most small businesses take for granted, like accounting software or a web page, have been underutilized or out of reach for this group. Operation HOPE will help these businesses enter the digital world through an online course, mini learning modules and copious one-on-one coaching. Operation HOPE will also create a dedicated small business dashboard/portal on their website so business owners can engage in all Operation HOPE's services. Our support helped more than 400 small businesses.

Continuing our long tradition of giving back through volunteerism

Synchrony employees live their values at work and in their communities. In 2022, Synchrony employees logged nearly 20,000 hours volunteering both their time and skills to help improve their communities and lend a helping hand, including hours volunteered during our Global Diversity Experience community service initiative. And, many of our executive leadership team support the community by volunteering their time and talent on nonprofit boards and chairing or assisting with fundraising events.

Synchrony's Great Giveback

At the opening of Synchrony's annual 3-day Global Diversity Experience-our symposium to highlight and embrace the diversity of all our employees and their communities-employees volunteered more than 650 hours in a hands-on community service initiative called "Synchrony's Great Giveback." In 2022, in collaboration with Maryland's Prince George's County Public Schools (PGCPS) and the nonprofit Volunteer Fairfax, we assembled 10,000 backpacks with school supplies for underserved elementary students. These school essentials were distributed at PGCPS's "Back 2 School Drive & Dash" event for students and their families. The Synchrony Foundation also made a \$10,000 grant to support local schools.

A Season of Caring

Synchrony's Season of Caring, which happens every year during November and December, is a time to give back to the communities where we live and work. More than 2,500 employees logged over 7,000 volunteer hours participating in over 65 Synchrony-sponsored service projects to benefit our nonprofit partners in the U.S., India and the Philippines as well as volunteering as individuals with local nonprofits. Donations to charity from employees topped \$1.2 million—matched 2:1 by Synchrony. Synchrony employees participated in volunteer projects held on-site at nonprofits, at local hubs and virtually. They helped set up for cultural festivals; made blankets; prepared and served meals to the homeless; purchased items for local nonprofits from their wish lists; donated books to create traveling libraries; made cards for veterans and seniors; participated in a virtual "sleep out" to benefit homeless LGBT+ youth; stuffed animals to be donated to several different charities; gained insight into global hunger issues and provided support to animal shelters.

In addition, throughout 2022, more than 2,000 employees logged nearly 20,000 hours with nonprofits globally.

Do Good Program

Our new Do Good Program is a company-wide program designed to reward and recognize employees for their personal and company-sponsored volunteer activities. For every 10 hours of eligible volunteer work, an employee can designate a charity of their choice for a \$100 donation from Synchrony.

Volunteer Spotlight

Elizabeth Rhodes, Senior Specialist, Surveillance, Technology and Operations, was looking for a hobby in 2021 and turned her love for animals into a mission to save stray, abandoned and feral cats. She was introduced to the concept of TNR (Trap, Neuter, Return) of free-roaming cats, reducing the stray cat population, suffering and unwanted behaviors. With the help of her husband, Elizabeth has built over 500 shelters out of discarded Styrofoam and Coleman coolers and placed them in her community.

“

My motivation to stay involved is to know I'm making a difference in animals' lives. My advice to others that want to volunteer, but don't know where to start, is to volunteer a few hours in an area of interest. Once you realize the impact, it's addictive. We are here to serve others, so do something that sets your soul on fire.

—Elizabeth Rhodes, Senior Specialist, Surveillance

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Elizabeth is designating the \$100 donation to Altered Tails Project, a nonprofit whose mission aligns with her passion.

Doubling Down on Doubles Dive

When the weather turns icy, it's time for the annual Doubles Dive, which was first held in 2016 and created by our President and CEO, Brian Doubles. Every year, hundreds of our employees take a quick plunge into frigid waters, make snow angels in their shorts, dump a bucket of cold water on themselves or, in India where there are water shortages, dump a cup of glitter on themselves to raise money for SeriousFun Children's Network and other charities. SeriousFun, founded by actor and philanthropist Paul Newman, provides life-changing camp experiences to children living with serious illnesses all around the world, including the U.S. and India. What makes these camps and programs extra special is that they are always free of charge, thanks to friends and supporters like us! Once again, Synchrony is proud to match every employee donation 2:1, doubling the impact of every dollar. Doubles Dive 2022 raised more than \$121,000.

“

We're so grateful for Brian's and the Synchrony employees' support of SeriousFun. They have truly embraced the spirit of SeriousFun. Their generous fundraising not only has a meaningful impact on our campers and their families, but their focus on doing it together while having fun should serve as an inspiration for others.

—Clea Newman, Ambassador, SeriousFun Children's Network

”

Community reinvestment

Mostly, the phrase “giving back to the community” is associated with helping people. But Synchrony also gives back economically by fulfilling our Community Reinvestment Act (CRA) obligations. In 2022, our CRA performance was evaluated by the OCC. We were judged on the level of our community development loans, community development services and qualified investment activity (particularly investments that are not routinely provided by private investors) from 2019 through 2022.

Our rating: Outstanding.

The performance report acknowledges the Bank’s qualified CRA investments totaling more than \$980 million as well as community development loans totaling approximately \$660 million. In addition, during 2022 the Bank’s CRA program generated \$195 million in additional qualified investments along with approximately \$238 million in community development loans. Most of these investments and loans focused on providing affordable housing, both single family and multifamily units. Support for broader community and economic development represents \$41 million of this total, including focus on nonprofits and small businesses.

Examples of our community development activities during 2022 include:

- Investments totaling \$165 million that will add or preserve affordable housing serving households with income from less than 30% of area median income (AMI) to those with income up to 80% of AMI.
- Over \$90 million in community development loan commitments supporting multifamily affordable housing; with another \$135 million in community development loan commitments supporting the financing of single-family homes targeting families seeking affordable mortgages.

Our community development activities demonstrate our ability to pursue and generate a triple bottom line: fulfilling CRA obligations; maintaining acceptable bank risk tolerance levels for loans and investments; and cascading positive impacts to communities, nonprofits, and thousands of low- and moderate-income families, many of whom represent disadvantaged and/or diverse communities.



In addition to the charitable activities of the **Synchrony Foundation,**

our CRA activities provided \$1.4 million in grants to the following nonprofit organizations:

America on Tech, Inc.	Foundation at New Jersey Institute of Technology	Propel Nonprofits	Utah Housing Coalition
Artspace (Salt Lake City)	Grameen American, Inc.	Rising Tide Capital, Inc.	Utah Microloan Fund
Assistance League of Salt Lake City	Greater Newark Enterprises Corp.	Salt Lake Valley Habitat for Humanity	Utah Partners for Health
Beacon Charitable Pharmacy	Housing Connect Fund	Spy Hop Productions	Wasatch Community Gardens
Building Neighborhoods Together	Journey of Hope	Suazo Business Center	Wasatch Homeless Healthcare, Inc. (Fourth Street Clinic)
Capital for Change	Junior Achievement of Utah	Success in Education Foundation	Wayne Brown Institute (VentureCapital.org)
Chinese Association for Science and Technology of Utah	La Casa de Don Pedro, Inc.	The Children's Center	Working in Support of Education (WISE)
City of Lakes Community Land Trust	Local Initiatives Support Corporation	The Inn Between	YouthLinc
Columbus Foundation, Inc.	Maliheh Free Clinic	The Road Home	YWCA of Utah
CommonBond Communities	Mountain Country Homes	TURN Community Services	Westminster College (Banking on Women program)
Community Development Corporation of Utah	National Community Reinvestment Coalition	UGF Institute	
Community Nursing Services	National Foundation for Credit Counseling	Union County Economic Development Corporation	
Community Reinvestment Fund	Neighborhood House Association	United Way of Northern Utah	
Crossroads Urban Center	NeighborWorks Salt Lake & the Fair Credit Foundation	University of Utah (Neighborhood Partners)	
Family Support Center	People Helping People	Utah Center for Neighborhood Stabilization	
First Step House		Utah Food Bank	



Our Environment

Improve efficiency. Reduce consumption. Lower emissions and waste.

Synchrony seeks to operate in an environmentally responsible manner, because we believe the integration of business and sustainability strategies can be a catalyst for greater resiliency and potential future growth. As a consumer financial services company, we aim for the efficient use of energy and natural resources through cost-effective conservation and energy management processes.

Sustainability strategy

Our company's sustainability strategy focuses on initiatives to improve efficiency, reduce consumption, conserve resources, and lower emissions and waste. We continue to improve and expand our sustainability programs to execute on our strategy, following a roadmap that guides how we track our environmental footprint; how we introduce sustainability innovations; how we set up systems to foster improvement; and how we engage with our employees, supply chain and other stakeholders. Last year, to support our efforts to address climate risk, we began our journey to implement the recommendations of the Task Force on Climate-related Financial Disclosures and issued our inaugural standalone TCFD report covering 2021. Our TCFD report for 2022 can be found at [synchrony.com](https://www.synchrony.com).



Improving efficiency

Buildings and the real estate sector are a significant contributor to global greenhouse gases (GHG) through their design, construction and operations. A majority of our Scope 2 GHG emissions arise from the electricity used to power our physical hubs, the fuels used to heat those spaces, and the water consumed in our hubs. Synchrony leases nearly 2 million square feet of office space globally. Accordingly, we focus on improving the energy efficiency of our facilities as the most effective way to reduce our direct GHG footprint. Our efforts to improve the energy efficiency of our operations include energy-efficient buildings, LED technology and other energy-efficient lighting, office occupancy sensors, recycling programs and green spaces. Some recent initiatives in our physical hubs include:

- In 2023, we plan to replace the building management system for heating, ventilation, and air conditioning at our Altamonte Springs, FL hub, which is expected to yield an increase in overall efficiency of the site.
- In 2021, we undertook a series of upgrades to our roof top heating, ventilation and air conditioning units, and the roof insulation at our Altamonte Springs hub. The upgrades yield a 20% reduction in energy use per roof top unit and doubling the insulation R-value of the roof.

Most of our buildings run at minimum operating levels of heating, ventilation and air conditioning on the weekends. Our larger facilities have optimized heating and cooling systems, with temperature controls to ensure heating and air conditioning is timed correctly and appropriate for the outside air temperature.

Synchrony leases four facilities that meet EPA ENERGY STAR status and seven facilities with LEED (Leadership in Energy and Environmental Design) certification. These account for approximately 50% of our global operating square footage. Both certifications provide a helpful framework for assessing success of ongoing greening efforts across our hubs.

Reducing consumption

Energy used by our data center provider to cool the data centers dedicated for our use contribute to our Scope 3 GHG emissions. Our data center provider is transitioning to focus on renewable energy sources and has expressed a commitment to implementing technologies and strategies to achieve a more sustainable future. In 2021, our provider announced its intention to purchase 67 MW of renewable energy as part of the provider's pledge to operate carbon-free by 2040.

The data centers dedicated for our use utilize water-free cooling technology and are Net Positive Water Portfolio members, meaning they restore more water to regional watersheds than consumed onsite. In fact, our provider's Arizona data center received an "Environment + Energy Leader Award" for becoming a net positive water data center, which is particularly notable because the Arizona site is in a high water-stress region. Our own initiatives to reduce water consumption include the use of a stormwater management recycling process for landscape irrigation systems in our Altamonte Springs, FL and Charlotte, NC hubs. These stormwater and rainwater harvesting systems reuse thousands of gallons of water each year, which can improve watershed hydrology, reduce the pollutants in receiving waters, improve water conservation, reduce stress on existing infrastructure and reduce energy consumption.

We hope to reduce our overall plastic waste and thereby lower emissions with the introduction of sustainable procurement processes throughout Synchrony. The credit cards we issue utilize plastic. We are working with our suppliers and partners to find opportunities to transition to recycled, recyclable and/or biodegradable credit cards. We are also actively developing innovations to enable consumers to transition to digital-only "cards."

Reduction of single-use plastic is another initiative to improve the sustainability of our operations. We have eliminated single-use cups at most of our hubs, and we support efforts by our suppliers such as our food and cafeteria supplier to replace single-use plastic products with more sustainable alternatives.

Reducing paper consumption helps to lessen the emissions generated in the manufacture and transport of paper. To reduce our paper consumption, we have implemented several programs and technical features, including reducing the number of printers in our facilities; installing print drivers to facilitate sustainable printing practices, including defaulting settings to print double-sided and suppressing cover pages; holding print jobs until a user enters their PIN; and deleting unclaimed print jobs to reduce unnecessary printing. After we transitioned to a largely work-from-home workforce in 2020, significantly less print services were required. We have also implemented programs to reduce the number of letters mailed to customers, which resulted in over 9 million fewer sheets of paper being mailed in 2022 than in 2018, an over 10% reduction.

Our digital channels also make it easy for our cardholders to receive statements and make payments electronically. We continue to encourage adoption of this option through regular communication with our customers. In 2022, over 54% of our customers received paperless statements, as compared to over 32% in 2018, which equates to approximately 162 million fewer paper statements being printed and mailed in 2022 and approximately \$83 million less in postage costs (at 2022 postage rates) than if our paperless statement rate remained at the 2018 average level. In addition, approximately 65% of all payments made by our customers were done through Synchrony's digital channels and approximately 57% of our total applications were done digitally. In 2022, we initiated a pilot to test a new card activation process, and in the test population, digital activation reached 78% compared to 41% in the control group. Given those results, we have expanded the pilot in 2023. We anticipate customers who activate digitally will be more likely to use a digital channel for future interactions.

Recycling paper is an important part of Synchrony's sustainability program. When organizations consider the benefits of paper shredding, they often do so in relation to security and protection of sensitive information; however, paper shredding also offers meaningful environmental benefits. Our shredding vendor utilizes systems that allow shredded material to be recycled and reused in useful consumer goods such as paper, tissues, paper towels and paper plates.

2022 SYNCHRONY PAPER SHREDDING ENVIRONMENTAL IMPACT SUMMARY*

	TOTALS
Gallons of oil saved	79,995
Estimated volume (LBS)	421,028
Trees saved	3,579
Gallons of water saved	1,473,599
Cubic yard landfill saved	632

*Source: Third-party supplier

The COVID-19 pandemic altered Synchrony’s way of working to the hybrid work-from-home and work-from-hub model. As a result, our employees commute less than before, significantly reducing the GHG generated by vehicle emissions associated with commuting. For employees who opt to work at our hubs, we provide electric vehicle charging stations to encourage this lower emission commuting option. We recognize that emissions and energy use are not eliminated because of work-from-home, and we are working to understand the interplay between the reduction of emissions from less commuting and lower office energy use and the increase in home energy use.

Even before the COVID-19 pandemic, Synchrony sought to reduce business travel. As a result of the pandemic, our air travel emissions decreased significantly after March 2020 and in 2021. Air travel emissions increased in 2022, but remained approximately 65% below 2019 pre-pandemic levels.

Reducing waste

Our waste reduction initiatives include programs to reduce food and electronics waste (e-waste). We partner with our primary cafeteria and food supplier to reduce food waste and to inspire behavioral change in our employees. For example, we are piloting a solution that aims to reduce waste through intelligent waste-measurement technology, collecting data on food waste to implement operational and behavioral changes needed to reduce food wasted in our supplier’s kitchens or discarded by our employees.

Synchrony’s disposal of e-waste is handled first through certified structured re-users, then through certified recyclers, leaving landfilling as a last resort. Our certified structured re-users and recyclers help reduce emissions by using recaptured materials to manufacture new products. Synchrony has partnered with an electronics recycling vendor to implement a responsible wireless reuse and recycling program within our organization. Our ongoing environmental stewardship to reduce e-waste not only saves energy and GHG emissions, but also keeps some extremely harmful toxins such as lead, zinc, mercury and flame retardants from polluting our landfills and drinking water. In 2022, Synchrony recycled over 10,000 pieces of electronic equipment totaling over 145,000 pounds of recycled material.

With much of our employees working from home, our toner use decreased dramatically. We continue to partner with our printing services suppliers to identify more opportunities to reduce our environmental impact.

Employee health and safety

We pursue initiatives aimed at improving the occupational safety and health of our employees regardless of whether they work from home, in a Synchrony hub, or both. As a result of the pandemic, we transformed from an operation with 30 physical office facilities to an enterprise with 21 physical hubs and thousands of home offices. In response, we adopted a new risk management strategy focused on supporting employee health and well-being wherever they work. We use an integrative total worker wellness framework, which addresses ergonomics in order to impact other factors that may affect overall worker health, including mental health, sleep and nutrition.

We aim to reduce ergonomic injuries by identifying and removing risk factors through a number of ergonomic improvement processes and providing employees with training and early intervention tools. For example, we utilize digital solutions, resources and tools to connect work-from-home employees with a credentialed ergonomics professional to improve their home office setups, and also offer employees with disabilities consultation with a licensed professional on job accommodations. In 2022, we launched a “Home Safety Education” series to offer guidance to work-from-home employees on numerous safety questions, including ergonomics, electrical safety, fall prevention and fire prevention. In the past year, we also streamlined and expanded access to specialized assistive equipment, larger monitors, ergonomic keyboards, mice and chairs, and created a comprehensive ergonomic assessment request system.

Our OSHA recordable rates in 2022, 2021 and 2020 were 0.04, 0.04 and 0.06, respectively, reflecting our targeted efforts to improve the ergonomics for our sizeable work-from-home employees.



Employee engagement

Environmental advocacy by employees can be a powerful force for change within organizations. Our employees play a significant role in how much energy and water we consume, how much waste we generate, and how improved sustainability practices are identified. Making our sustainability journey real for our employees—whether by transforming office setups, changing the way energy and waste are managed or promoting sustainability-centric work-life habits—can drive cultural change.

In 2022, our Earth Week campaign engaged employees with a range of programming, including how to calculate our individual carbon footprint and how to reduce it; how to be more environmentally-friendly when cleaning our homes; the benefits of composting and how to get started; and how to reduce use of plastics. Recognizing that addressing climate change and environmental stewardship needs continuous inputs and collaboration, we provide employees opportunities to submit ideas to reduce Synchrony’s environmental impact, and we promote environmental awareness through events and communications throughout the year.

TABLE 1. ENVIRONMENTAL AND SUSTAINABILITY KEY METRICS

METRIC	UNIT	2022 ¹	2021 ¹	2020 ¹
Greenhouse Gas Emissions—Total ²	MT CO ₂ e	25,200	19,943	26,587
Greenhouse Gas—Scope 1 Emissions	MT CO ₂ e	215	256	1,786
Greenhouse Gas—Scope 2 (Market Based) Emissions	MT CO ₂ e	17,641	16,186	18,631
Greenhouse Gas—Scope 3 Emissions ³	MT CO ₂ e	7,344	3,501	6,170
Total Energy ⁴	GJ	147,576	137,385	202,668
Total Water Usage ⁵	Gallons	23,900,987	20,379,943	31,546,874
Osha Recordable Rate	Per 100 Employees	0.04	0.04	0.06

1. In 2022, we engaged Schneider Electric to support our calculation of GHG emissions, energy and water usage metrics, including support for collection of underlying data, for all years presented. The 2020 and 2021 GHG emissions, energy and water usage metrics reflect updates to previously disclosed metrics resulting from process and methodology changes and the availability of additional data. We previously disclosed under Scope 3 emissions the GHG emissions attributable to data centers in which our data servers are located. The sites housing those data servers are owned and operated by a third party data center provider. The information technology equipment used to house Synchrony data is owned by Synchrony. As such, the emissions attributable to the electricity consumed by our data servers housed in third party data centers are now disclosed under Scope 2 emissions for all years presented. The emissions attributable to cooling the third party data centers continue to be disclosed under Scope 3 emissions for all years presented.

2. 'Greenhouse gas emissions - total' is the sum of Scope 1, Scope 2, and Scope 3 emissions. US-based Scope 1 and Scope 2 emissions are calculated using current emissions factors from utilities, US Residual Mix, US EPA MRR, and US EPA eGrid. Scope 1 and Scope 2 emissions for our locations in India and the Philippines are calculated using current emissions factors from the International Energy Agency.

3. Greenhouse Gas - Scope 3 emissions from cooling the third party data centers are calculated using the same emission factors as are used to calculate the electric power used by our data servers (see footnote 2). Greenhouse Gas - Scope 3 emissions associated with our leased car fleet and business air travel are calculated using 2022 Defra emission factors. All Scope 3 figures disclosed are based on available data and methodologies and may not represent 100% coverage of these categories.

4. Total energy is based on facilities where metered and/or measured data is available, and represents electricity usage for over 93% of total square footage in each year presented and gas service for over 99% of total square footage in each year presented. Where metered and/or measured data is not available, estimates are used based on actual data or per square foot energy usage intensities.

5. Total water usage is based only on facilities where metered and/or measured data is available, and represents water usage for over 86% of total square footage in each year presented.



Appendix

This Index organizes our report in accordance with the Industry Standards Version 2018-10 issued by the Sustainability Accounting Standards Board (SASB). Our disclosures under those standards are based on the two SICS industries that are most closely aligned with our mix of business activities: Consumer Finance (FN-CF) and Commercial Banks (FN-CB). We do not currently disclose all metrics included in the standards for these two SICS industries, but we will evaluate them for future reports. All reported data is as of, and for the year ended December 31, 2022, unless otherwise noted. Information in this Index can be found in this ESG report, as well as our 2022 Annual Report on Form 10-K and our 2023 Proxy Statement.

TOPIC/ISSUE	METRIC	CODE	RESPONSE
Activity Metric	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	FN-CF-000.A	The number of active accounts and related information, including our definition of active accounts, are provided in our Form 10-K on page 33. Synchrony does not report a metric for pre-paid debit card accounts.
Activity Metric	Number of (1) credit card accounts and (2) pre-paid debit card accounts	FN-CF-000.B	The number of active accounts and related information, including our definition of active accounts, are provided in our Form 10-K on page 33. Synchrony does not report a metric for pre-paid debit card accounts.
Activity Metric	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B	Information about our credit products is provided in our Form 10-K on pages 16-18 and 121.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	See our Form 10-K on pages 140-141: Note 16. Legal Proceedings and Regulatory Matters.
	Description of whistleblower policies and procedures	FN-CB-510a.2	See this ESG report on page 16.

TOPIC/ISSUE	METRIC	CODE	RESPONSE
Customer privacy	Number of account holders whose information is used for secondary purposes	FN-CF-220a.1	Synchrony does not report a metric on the bases specified in this standard. Our Online Privacy Policy and Account Privacy Policy, which are available on our bank's website (www.synchronybank.com), describe the information we collect from our customers and how we use it.
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	FN-CF-220a.2	Synchrony discloses all material legal proceedings in our SEC reports.
Data security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CF-230a.1	Synchrony Financial does not report a metric on the bases specified in this standard. Information on cyber security regulation, risks, and risk management can be found in this ESG report on pages 20-21 and in our Form 10-K on pages 94 and 99-100.
	Card-related fraud losses from (1) card-not present fraud and (2) card- present and other fraud	FN-CF-230a.2	Fraud-related operational losses are provided in our Form 10-K on page 67 in the risk factor headed, "Fraudulent activity associated with our products and services could negatively impact our operating results, brand and reputation and cause the use of our products and services to decrease and our fraud losses to increase."
	Description of approach to identifying and addressing data security risks	FN-CF-230a.3	See this ESG report on pages 20-21.

TOPIC/ISSUE	METRIC	CODE	RESPONSE
Selling Practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	FN-CF-270a.1	An explanation of our compensation programs can be found in the Compensation Discussion and Analysis section of our 2023 Proxy Statement on pages 36-67, and information on our stock incentive plans can be found in our Form 10-K on page 135: Note 13. Equity and Other Stock Related Information—Synchrony Financial Incentive Programs.
	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	FN-CF-270a.2	For credit quality indicators of our customers at December 31, 2022, see our Form 10-K on page 124: Note 4. Loan Receivables and Allowance for Loan Losses—Credit Quality Indicators.
	(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	Synchrony Financial does not report a metric on the bases specified in the standard. See Our Customers on pages 17-19 of this ESG report for information on responsible lending practices.
	(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	CFPB Consumer Complaint Database (https://www.consumerfinance.gov/data-research/consumer-complaints/)
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	FN-CF-270a.5	See our Form 10-K on pages 140-141: Note 16. Legal Proceedings and Regulatory Matters.

TOPIC/ISSUE	METRIC	CODE	RESPONSE
Systemic Risk Management	Global Systemically Important Bank	FN-CB-550a.1	Synchrony is not a G-SIB. (G-SIB)
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	See our Form 10-K on page 54: Capital.

SYNCHRONY
(NYSE: SYF)
777 LONG RIDGE ROAD
STAMFORD, CT 06902

GENERAL INQUIRIES
866-419-4096

[synchro.com](https://www.synchro.com)

