



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, 2021, to December 31, 2021, and all data in this report is as of December 31, 2021, 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 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 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. 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, 2021, and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. 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.

BRIAN DOUBLES
President and CEO



CEO LETTER

Synchrony embraces environmental, social and governance initiatives as critical components for achieving sustainable, long-term growth, and we work hard every day to integrate and drive these initiatives across our company.

Our ESG efforts align with a framework built around three interlocking objectives:

- **Doing what's right**, which includes supporting our colleagues in need and promoting social equity within our company and our communities.
- **Reducing risk**, which includes demanding ethical business practices of ourselves and our suppliers and taking steps to understand and plan for climate change.
- **Creating value**, which includes improving talent attraction, motivation and retention by building a caring and great place to work through initiatives related to flexibility, progressive benefits, increasing equity, diversity and inclusion in our workplace and promoting employee wellness, well-being and safety.

We are pleased with the progress we've made over the past year and the recognition we have received, including:

- Ranking #37 on Fortune's 100 Best Companies to Work For® list;
- Ranking #54 on JUST Capital's annual JUST 100 list of America's best corporate citizens;
- Ranking #7 on JUST Capital's list of U.S. Companies Supporting Healthy Communities and Families; and
- Ranking #12 on Fortune's Best Large Workplaces in Financial Services and Insurance list.

This ESG Report shares the stories that underpin this recognition.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'B. D. D.', followed by a long horizontal stroke.

BRIAN DOUBLES

President and CEO





OUR BUSINESS

DOING WHAT'S RIGHT
REDUCING RISK
CREATING VALUE

Our Board of Directors (our Board), our executive team and our more than 18,000 employees work together to create long-term value for our stakeholders. We believe thoughtful stewardship of ESG topics that meaningfully impact our company and our stakeholders is the right thing to do. That stewardship can also reduce risks and create sustainable value for our customers, partners, employees, suppliers and communities. Synchrony strives to maintain high standards of corporate governance, transparency, equity, diversity, inclusion and ethical behavior.

WELL-QUALIFIED, INDEPENDENT GUIDANCE

Under the leadership of our Nominating and Corporate Governance Committee, Synchrony's Board of Directors 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 expertise 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 expertise in healthcare, digital, technology, the consumer sector and risk management in the consumer banking sector. As a group, our Board possesses expertise in areas directly relevant to our business and strategy—including accounting, consumer banking, credit cards, cybersecurity, government affairs, healthcare, marketing, retail, risk management, digital and technology.



BOARD OF DIRECTORS SKILLS MATRIX

	Fernando Aguirre	Paget Alves	Kamila Chytil	Arthur Coviello	Brian Doubles	William Graylin	Roy Guthrie	Margaret Keane	Jeffrey Naylor	Bill Parker	Laurel Richie	Ellen Zane
RISK EXPERT		X		X			X		X	X		
FINANCIAL EXPERT	X	X	X	X	X		X	X	X			X
CREDIT CARDS			X		X		X	X	X	X		
CORE BANKING/ RETAIL LENDING			X		X		X	X		X		
HEALTHCARE	X											X
GENDER DIVERSITY			X					X			X	X
ETHNIC DIVERSITY	X	X				X					X	
DIRECT CONSUMER/ RETAILERS	X	X	X			X			X		X	
TECH/DIGITAL/ CYBER		X	X	X		X						
GOVERNMENT/ REGULATORY	X				X		X	X		X		X

SKILLS/EXPERTISE/DIVERSITY/OTHER

With seven of 12 of our directors being women and/or minorities, Synchrony has one of the most diverse Board of Directors among commercial banks and diversified financials in the Fortune 200.¹ Ten of our 12 directors are independent; four are women; four are minorities; and one is a veteran.² 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 of Directors has established governance policies and practices that they believe enhances 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 played a key role in driving our successful Board and executive leadership transitions in April 2021. At that time, as part of a planned succession process, Richard Hartnack retired as non-executive Board chair, Margaret Keane transitioned from CEO to Executive Chair, Brian Doubles succeeded Ms. Keane as CEO and joined our Board, Jeffrey Naylor was appointed Lead Independent Director, and Laurel Richie was appointed chair of our Management Development and Compensation Committee. Synchrony continues to benefit from strong independent oversight of management as evidenced by the responsibilities and authority of our Lead Independent Director set forth on page 29 of our 2022 annual proxy statement. Considering the changes in our Board composition and leadership, our Board determined to conduct its annual self-evaluation in 2021 with the assistance of an independent consultant, one year ahead of schedule. Going forward, the Board intends to resume its practice of retaining an independent consultant to assist with its annual self-evaluation every third year.

¹Based on publicly available information as of February 24, 2022.

²As of April 1, 2022, when the Board appointed Kamila Chytil as a director, the Board consisted of 13 directors. As of the Annual Meeting on May 19, 2022, when Olympia Snowe retires, the Board will consist of 12 directors.

OUR FOCUS ON ESG

In 2021, we refreshed our ESG materiality assessment, which we last completed in 2018. Our latest assessment incorporated 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.

As a consumer financial services company, our most significant ESG topics remain fair lending; responsible marketing; financial inclusion and access; information security and data privacy; human capital management, including equity, diversity and inclusion (ED&I); and community investment.

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 at least quarterly updates from management on ESG matters. 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 cybersecurity risks associated with information security and data privacy; and our Management Development and Compensation Committee oversees human capital practices, including our ED&I efforts. In 2021, our Nominating and Corporate Governance Committee and our Management Development and Compensation Committee commenced holding an annual joint meeting on ESG reflecting the significance of the human capital and community initiatives in our ESG strategy and performance.

In 2021, our Board continued its elevated attention to and expanded its activities in support of social justice and racial equity within Synchrony and in our communities. Our Board received regular updates on the progress of Synchrony's ED&I efforts. Our directors hosted all-employee events on ED&I in the workplace, participated in our annual Global Diversity Experience and shared their thought leadership on ED&I at conferences and in publications. For more information on our ED&I efforts, please see the "Our Employees" section of this report.

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 group works with our business and operational leaders to further integrate ESG across our company. In 2021, we formalized management roles and responsibilities, appointing an ESG leader and an ESG manager.

BOARD OVERSIGHT OF COVID-19 PANDEMIC RESPONSE

Our Board continues to work closely with our executive leaders in matters relating to the impact of the COVID-19 pandemic on our employees, operations, partners, customers, communities and overall financial performance.

Our Board oversees management's response to the evolving strategic risks and opportunities presented by the pandemic and the anticipated post-COVID-19 world. Our Board committees oversee and support the transformation of our organization to our new way of working, with the goal of being flexible, nimble and agile, with a heightened focus on cybersecurity and other risks of our new models of work. Our directors also continue to support efforts to promote the safety, wellness and well-being of our employees and their families.

INTEGRATING ESG INTO OUR BUSINESS

At Synchrony, we integrate our ESG priorities into our business, and we aim to deepen and expand ESG integration in the future.

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. In 2021, one of our strategic imperatives was to ensure sustained focus on ED&I, and we describe some of our progress against this goal under the "Our Employees—Diversity—A Strategic Imperative" section of this report.

To strengthen our company-wide embrace of our ESG strategy, our Management Development and Compensation Committee adopted ESG and corporate culture, including ED&I, as components of our 2021 annual incentive plan for executives. As a result, all employees on our company-wide annual bonus plan—representing over 3,500 employees—have a component of their cash incentive compensation tied to ESG factors.

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 2021, diverse firms earned approximately 20% of our debt fees paid (up from approximately 10% in 2019) and approximately 30% of our share repurchase commissions paid (up from approximately 20% in 2019).

Our Synchrony Ventures team is executing on opportunities to support our ED&I goals. In 2021, Synchrony Ventures committed \$15 million in venture capital funds led by diverse partners with a track record of investing in underrepresented startups. Our ventures team also 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. We believe this strategic initiative will generate jobs, economic growth and equality within underrepresented populations from the entry level to the boardroom. 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 impacting underserved communities.

In July 2020, the Office of the Comptroller of the Currency 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 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.

SUPPLIER DIVERSITY

Synchrony recognizes the benefits of and encourages the development of a broad supplier base that includes diverse businesses. We aim to build and develop relationships with diverse suppliers that reflect our values and 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. Our program aspires to address and monitor our suppliers' commitment to strong ESG practices, that includes ED&I. For example, Synchrony's Supplier Code of Conduct sets the expectation that our suppliers share our dedication to ED&I in all aspects of their operations.

In 2021, we strengthened our supplier diversity program by expanding internal initiatives and external outreach, leading to increased awareness of our supplier diversity objectives and refinement of our goals. As a result, we achieved a 300% increase in the number of diverse suppliers included in requests for proposals. Of the diverse suppliers included in requests for proposals, approximately 50% were selected to do business with Synchrony. Our supplier diversity initiatives continue to be supported by robust monitoring and reporting processes that incorporate third-party data validation. A cross-functional supplier diversity council made up of Synchrony executives and a task force of committed leaders driving the program initiatives help communicate and promote supplier diversity throughout our company.

Our efforts to identify and engage with diverse businesses continues to grow. To support businesses where we are headquartered, we partnered with Connecticut Supplier Connection to sponsor its 2021 Supplier Growth Summit.

We also remain a national member of the National Minority Supplier Diversity Council. We launched an externally facing supplier diversity website, which shares "How to Engage with Synchrony" and offers our Synchrony Connect resources to help small and diverse business owners operate their businesses. Looking ahead, we aim to develop a process to provide small and diverse-owned businesses feedback, enabling them to be 'contract ready' for future opportunities. 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—supporting supply chain diversity.

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. Our commitment to integrity is essential to maintaining the trust of our clients, 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 employees must adhere to, and complete annual training on, the standards set forth in our Code of Conduct (Our Code).

We are open, honest and trustworthy in the way we work with clients, 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 clients, consultants, 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 (with 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 and Audit Committee.



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 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.

To best champion our customers, new employees are required to complete training courses on a broad range of topics, including data security; fair lending; unfair, deceptive or abusive acts or practices (UDAAP); and other banking laws and regulations. We require nearly all employees, as well as our Board, to refresh their training in these areas annually.

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 robust 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 everything we can to resolve their concerns swiftly.

Our robust complaints program uses a centrally managed set of processes and procedures to identify and handle consumer complaints and concerns. This improves the customer experience while meeting regulatory expectations.

Customers can contact us directly through a variety of channels: email, phone, eChat and social media.

We closely monitor our customers' complaints to identify risks of potential customer harm and service issues. In 2021, we strengthened our complaint monitoring process, improving the root cause analysis process that scrutinizes potential causes of increased complaints in high-risk compliance categories.

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 surveillance, 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 our 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 and 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 focus on maintaining the confidentiality and integrity of our customers' information, including information processed by our third-party service providers.

We strive to 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 2021, we continued to make enhancements to our Security Awareness programs, further strengthening heightened awareness messaging for users in their various roles across the organization.

In 2021, as part of our enterprise-wide efforts to protect our employees and partners, we also further enhanced our end-point controls and technologies to continue safely and securely working remotely. Additional enhancements were completed to our Identity and Access Management platforms and processes to further strengthen our protections to sensitive data.

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 cybersecurity, 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 systems 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 NIST CSF. We measure and monitor the maturity of the information security program against industry frameworks, including Federal Financial Interagency Executive Council (FFIEC) CAT, and a risk-driven metrics program aligned to our business requirements. The results of the maturity assessment 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 adheres 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 complies 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 remain compliant with the Payment Card Industry (PCI) program, and with all the independent testing and assessment that PCI compliance requires. 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.

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 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

Synchrony has undergone a major transformation in how we work, causing us to reimagine practically every facet of employee engagement and enrichment—from flexible and agile ways of working to compensation and benefits to career growth and training to equity, diversity and inclusion.

Our employee programs reflect our company values and our belief that our people drive our success. We have created bold and innovative programs that truly make a difference in their lives. And we recognized a fundamental truth: engaged employees drive excellent client experience which may ultimately lead to strong business results that benefit all stakeholders.

In 2021, we continued to invest in our people through enhancements in compensation, benefits, flexibility and career development. We took the bold move of allowing all our employees to work from home permanently. This approach lets our diverse workforce—with its diverse needs—pick the option that works best for them and achieve a greater work/life balance.

We also continued our dedication to investing in measurable change, elevating ED&I to a strategic imperative led by a senior leadership committee and backed by definitive actions across the company.

At Synchrony, we are proud of the many new benefits, programs and innovations we have created for our employees. But we believe there is always more to do. So, we listen to our employees and adapt new benefits to their needs. And it is why we continue to see tremendous employee engagement as we evolve the way we work. Don't take our word for it—our employees say it too: in the most recent Great Place to Work[®] survey released in August 2021, Synchrony's employee engagement score was among the highest of all surveyed companies, with 93% of our employees saying that Synchrony is a great place to work.

Synchrony's holistic, innovative approach to our employees has helped us to navigate the continued pandemic while building an even stronger culture and company in 2021. Let's look at these programs in detail.

DIVERSITY: A STRATEGIC IMPERATIVE

Our President and Chief Executive Officer has made Equity, Diversity and Inclusion a continued personal priority and a strategic imperative for the company. We believe that investing in diverse teams and communities makes us stronger.

We have assembled a team led by our most senior leaders who are engaging employees and external stakeholders to drive real outcomes for change.



OUR 2022 DIVERSITY FOCUS

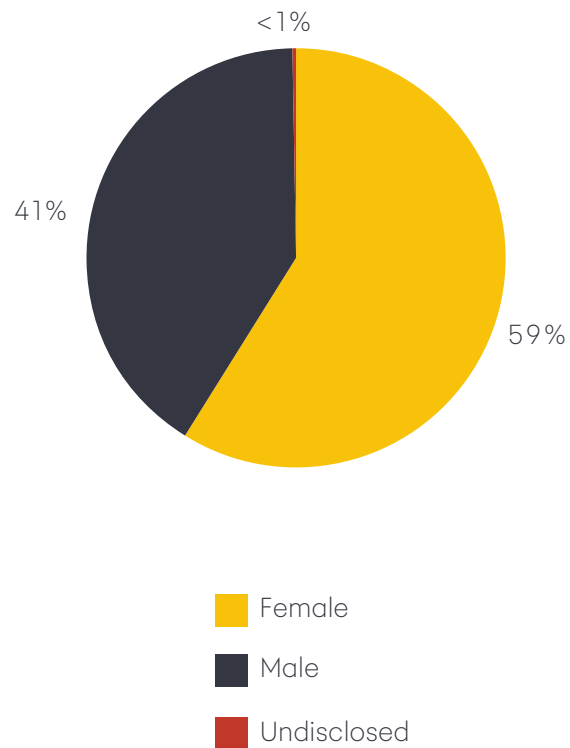
At Synchrony, we stand for equitable treatment and opportunity for all. Our dedication to diversity has led us to strive to create an environment of equity and inclusion within and beyond our walls. We are focused on three areas: (i) culture, (ii) growth and investment, and (iii) citizenship. Our goal is measurable results across all areas of our business and the communities in which we live and work. This includes a corporate goal to hire, develop and advance underrepresented groups within our company and make strategic investments in diverse companies and institutions where our missions align.

Our focus has resulted in year-over-year improvement in diverse demographics. In 2021, Synchrony increased representation of Blacks and Hispanics at the Vice President+ level in the United States and increased the number of females in executive-level roles globally.

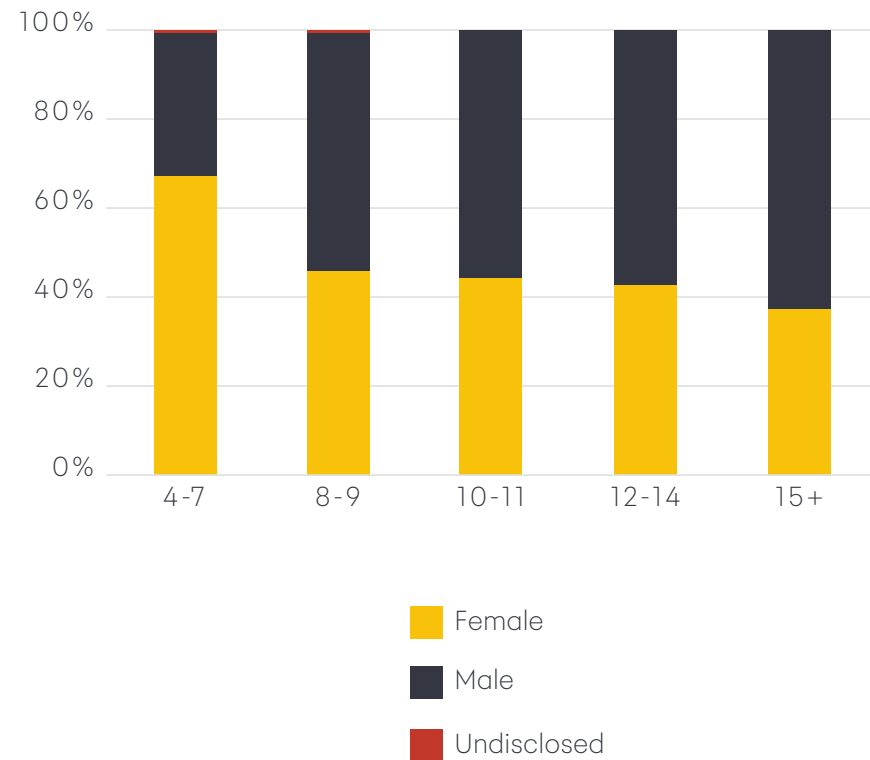
REPRESENTATION MATTERS

As of December 31, 2021, our workforce in the United States was 46% non-white, 20% Black, 16% Hispanic, 7% Asian and globally, 59% female.

GLOBAL GENDER



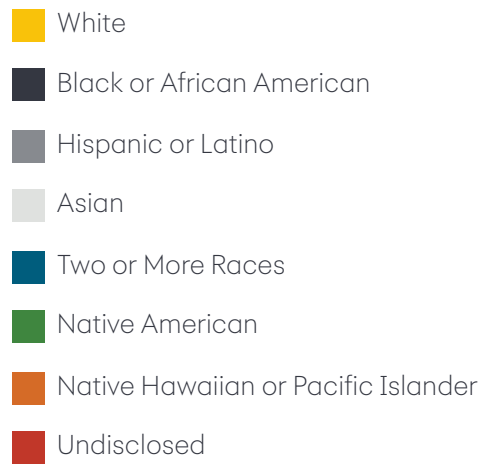
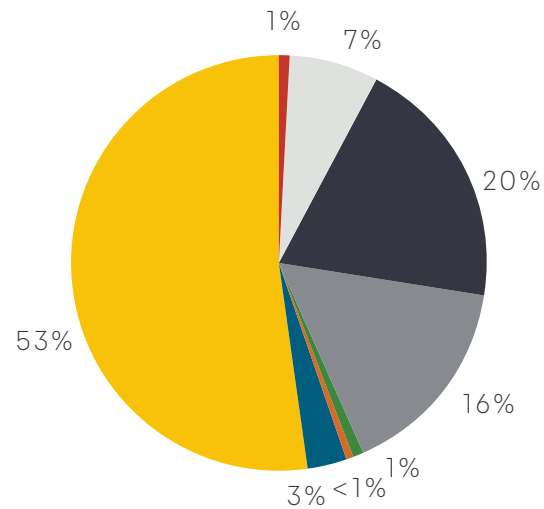
GLOBAL GENDER BY LEVEL*



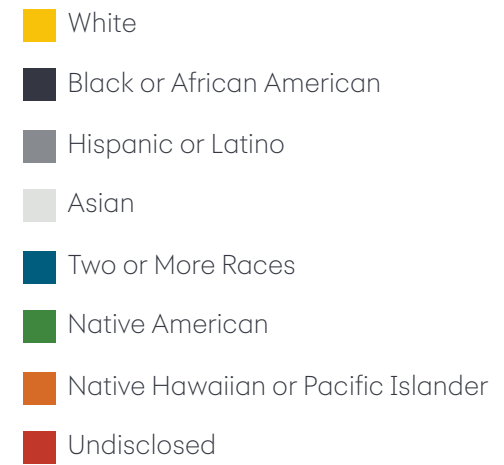
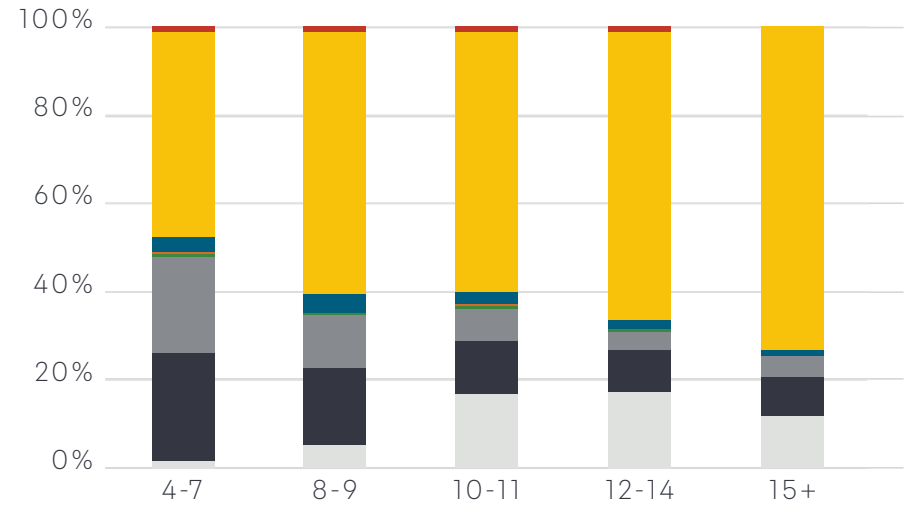
*The level descriptions below apply to the bar charts on pages 20–22 titled: Global Gender By Level, U.S. Ethnicity By Level and U.S. Generation By Level:

- Levels 4–7: production and support employees including frontline associates (~58% U.S.; ~68% Global)
- Levels 8/9: entry and intermediate professional including first-level managers (~9% U.S.; ~11% Global)
- Levels 10/11: Associate Vice Presidents including mid-level/career managers and professionals (~15% U.S.; ~10% Global)
- Levels 12–14: Vice Presidents including mid to upper-level professionals and managers (~15% U.S.; ~9% Global)
- Levels 15+: Senior and Executive Vice Presidents including direct reports to the CEO (~3% U.S.; ~2% Global)

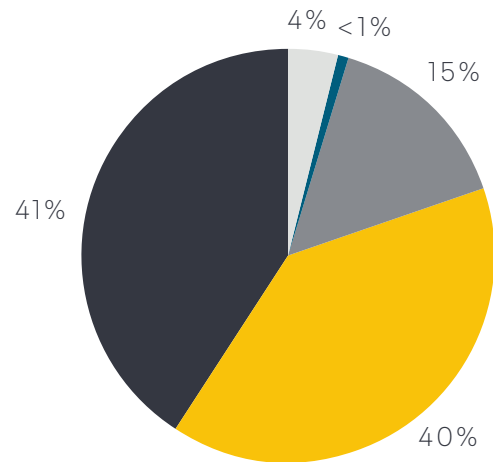
U.S. ETHNICITY



U.S. ETHNICITY BY LEVEL *

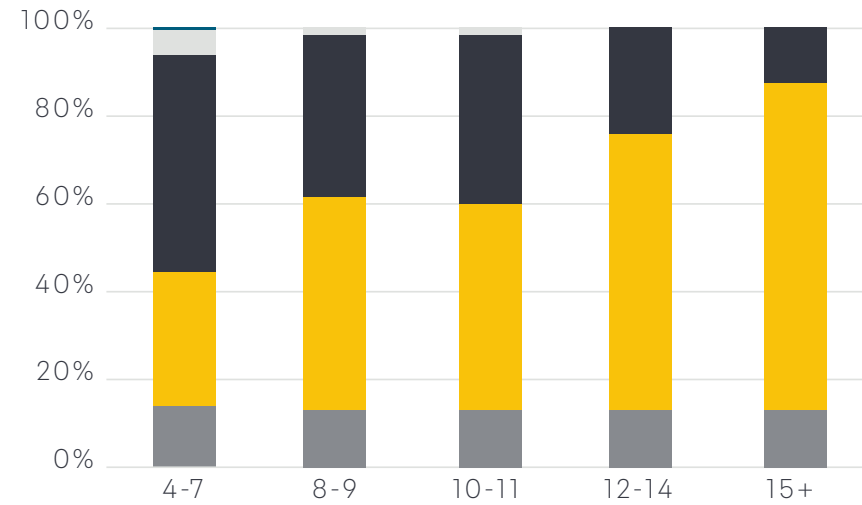


U.S. GENERATION



- Generation X (1965-1980)
- Generation Y/Millennials (1981-1996)
- Baby Boomers (1946-1964)
- Generation Z (1997 and onwards)
- Silent Generation (1928-1945)

U.S. GENERATION BY LEVEL*



- Generation X (1965-1980)
- Generation Y/Millennials (1981-1996)
- Baby Boomers (1946-1964)
- Generation Z (1997 and onwards)
- Silent Generation (1928-1945)

OUR DIVERSITY NETWORKS

Synchrony's Diversity Networks+ help cultivate a culture of inclusion where employees can bring their best selves to work every day. Approximately 60% of our workforce—over 10,000 employees—participate in at least one of our eight Diversity Networks.

We added the “+” to our Diversity Networks to encourage any employee to “be the plus” in any one of our diversity networks. It is an open invitation for anyone to partner and join our diversity networks as an ally to address the challenges and opportunities we face collectively.



**AFRICAN AMERICAN
NETWORK+**



**ASIAN PROFESSIONAL
ENGAGEMENT NETWORK+**



HISPANIC NETWORK+



**LESBIAN, GAY, BISEXUAL,
TRANSGENDER+ NETWORK**



**NATIVE AMERICAN
NETWORK+**



**PEOPLE WITH
DISABILITIES NETWORK+**



VETERANS NETWORK+



WOMEN'S NETWORK+

R.I.S.E. | RESPECT. INCLUSION. STRENGTH. EMPATHY.

In September 2021, during our three-day virtual Global Diversity Experience: R.I.S.E., we continued the conversation around equity, diversity and inclusion with a new lens. Over the past year, we've leaned into conversations around race, social injustice, politics and more—driving awareness and education across our organization. We had open, honest conversations with our employees. Our efforts helped bring attention to the impact these events have on each of us, our families and our communities. We gained new perspectives and leaned on each other for support to navigate a turbulent time in our society. Together, we declared we would R.I.S.E. We drive inclusion and create spaces for each person in the Synchrony family to be seen and have their voice heard.

THE POWER OF DATA (AND ACCOUNTABILITY) TO DRIVE REAL CHANGE

At Synchrony, we 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 of this data-driven program, 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 strategy 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 of Directors in determining bonus funding for more than 3,500 leaders across the company.

FOCUSING ON “THE GREAT RETENTION”

The Synchrony Advancing Diverse Talent Leadership Institute is a career development framework designed to increase the diversity of our leadership pipeline and retain high-potential diverse talent.

It includes two programs:

- *Strategic Pathways* is a nine-month immersive program through which senior executive leaders mentor and coach participants on how to grow their career. It offers employees exposure and opportunities that allow them to highlight their skills and prepare them for their next opportunity.
- *ADT Fellows* is a sponsorship program run in partnership with Synchrony’s executive leadership team. By engaging in key development opportunities, the ADT fellows learn about the skills required to become a senior vice president.

By December 2021, 40% of our total participants had moved into new roles, 19 were promoted to a new level in the organization and four moved laterally into a new role.

FINDING (AND NURTURING) THE FUTURE DIVERSE TALENT PIPELINE

To ensure a strong pipeline of future talent and leaders at Synchrony, we have established and expanded partnerships through our Diversity Networks with:

- The Asia Society, American Indian College Fund, Partnership with Native Americans, ASCEND, Point Foundation and American Indigenous Business Leaders.
- The Association of Latino Professionals for America (ALPFA) and Hispanic Scholarship Fund.
- Historically Black Colleges and Universities (HBCUs), including North Carolina A&T State University, Howard University, Florida A&M University, University of Arkansas Pine Bluff, St. John’s University and the University of Puerto Rico.
- The Organization for Autism Research, International Dyslexia Association, Disability: IN, Girls Who Code.

NEW FOR 2022: EDUCATION AS AN EQUALIZER

We continue to form new partnerships with nonprofit organizations already on the front lines of bringing education and skills training to the underserved in their communities. In 2021, we refocused the mission of our Synchrony Foundation to support and align with our ED&I efforts through a new platform called Education as an Equalizer. We are investing \$50 million to help underrepresented groups acquire the skills, resources and training they need to advance their careers and livelihoods. Here are some of the groups Education as an Equalizer will partner with in 2022:

THE GREAT TRANSFORMATION

Synchrony has joined ten companies on a multi-year journey called “The Great Transformation,” a bold new initiative to crack the code on diversity, equity, inclusion and belonging (DEIB), led by Great Place to Work®. Each company in the Great Transformation cohort is striving to become one of the world’s leading companies for DEIB.

For 2022, the focus of phase one of the Great Transformation will include collecting data about our organization's diversity metrics and related key performance indicators, interviews with key stakeholders in our organizations and surveys of our Diversity Network members and other employees—focusing on their experiences around DEIB. This data will become part of the collective benchmark the cohort companies will use to establish recommendations on improvements and enhancements to be deployed over the next three years. This cohort of companies will discuss best practices and collectively determine the actions needed and ways in which corporate America can continue to accelerate real change as it relates to diversity, equity and inclusion.

AFROTECH

AfroTech is the hub for Black entrepreneurs building the technology of our future. A subsidiary of Blavity, 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 and look forward to expanding our conversations in 2022.

THE LATINX EXECUTIVE ALLIANCE

The Latinx Executive Alliance, founded by Synchrony and sponsored by our Board of Directors, is a coalition of C-suite executives and business leaders from different companies, industries and sectors—all dedicated to collectively helping Latinx employees advance in corporate America. The Alliance aims to create a more diverse workforce by identifying, mentoring, upskilling and promoting the next generation of Latinx leaders. In 2022, the Alliance will host 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.

THEMOMPROJECT

TheMOMProject is committed to helping women remain active in the workforce in every stage of their journey, including motherhood. Currently, there are over 300,000 talented professionals in the network and 2,000 companies signed up to hire moms to drive their businesses forward. We are proud to say Synchrony is one of them.

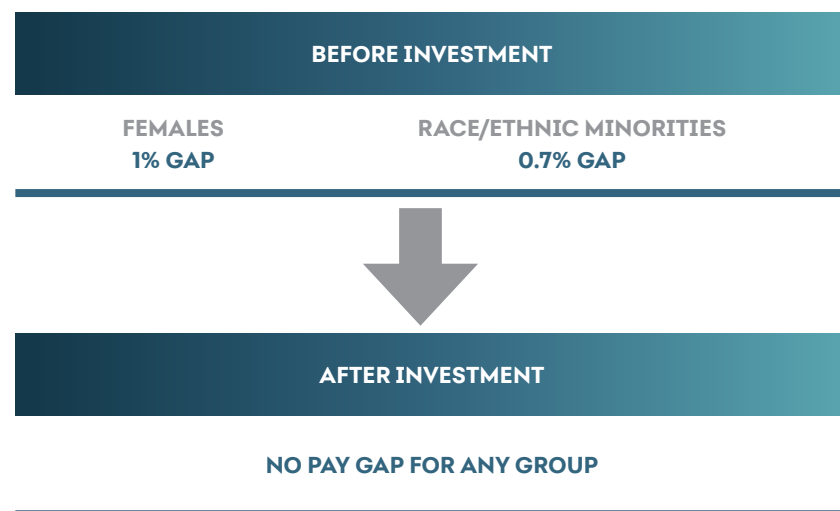
INDUSTRY-LEADING COMPENSATION PROGRAMS

Synchrony backs up its commitment to fair and equitable pay with industry-leading wages and opportunities for employees.

ENSURING FAIR PAY FOR ALL

Synchrony's Board of Directors sets our company's compensation guidelines, in which internal equity plays a key role. Each year, we work with an independent third-party to review the company's pay equity for all employees globally with respect to base salary and bonus controlled for variables that impact pay including level, geography, function and experience.

The 2021 analysis identified an overall pay gap of 1% for women compared to men globally and an overall pay gap of 0.7% or less for race/ethnic minorities in the United States. While these results reflect our ongoing dedication to pay equity, Synchrony invested more than \$5 million in pay adjustments to meet its goal of 100% pay equity.



SETTING THE NEW STANDARD—\$20 MINIMUM HOURLY WAGE

In 2021, we raised our starting hourly wage to \$20 per hour, increasing the standard of living for more than 5,000 full- and part-time employees in the United States. In addition, Synchrony funded its performance plus bonus program for full-time, frontline hourly associates in our U.S. contact centers at \$1,200, up from \$750 in 2020. This is the highest payout since the program began and great recognition of the collective contribution of our associates across the business in delivering for our partners and customers.

Our industry-leading wages and bonus opportunities, plus our comprehensive benefits program, new way of working and strong stance on diversity, have cemented Synchrony's position as an employer of choice. 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 2021, showed that 93% 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.

DEVELOPING THE NEXT GENERATION OF LEADERS

Synchrony offers a variety of development programs designed to help our employees realize their full potential and advance their careers.

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 535,000 courses during the year, averaging about 30 course completions per employee, or approximately 16 hours of training per employee.

OUR LEADERSHIP TRAINING PROGRAMS

STEP	Career growth accelerator for high-potential non-exempt employees, including call center associates, through special projects and in-role developmental activities.
BUSINESS LEADERSHIP PROGRAM (BLP)	Two-year accelerated program for recent graduates with rotational assignments to build deep, functional expertise and access to executives and networking. Participants are given an opportunity to continue their career path with Synchrony at the end of the BLP experience. BLP Internship Program—10-12-week paid summer internship program open to rising juniors and seniors, and first-year HR graduate students. BLP Sophomore Externship—four-day immersion in our business designed for rising juniors.
SYNCHRONY LEADERSHIP DEVELOPMENT EXPERIENCE (SLDE) AND EXECUTIVE LEADERSHIP EXPERIENCE (ELE)	Emerging executive program focused on honing leadership traits, business acumen and networking.
LEADERSHIP EXPERIENCE FOR ACCELERATED DEVELOPMENT (LEAD)	Immersive leadership development program, offered in partnership with Linkage, Inc.'s Women in Leadership Institute, for high-potential women focused on skill building through cross-functional business projects.
ADVANCING DIVERSE TALENT LEADERSHIP INSTITUTE (ADTLI)	Career development framework focused on the professional development of our diverse Vice President talent and increasing our leadership pipeline. It includes two programs: Strategic Pathways, an immersive mentorship program, and ADT Fellows, a sponsorship in partnership with Synchrony's Executive Leadership Team.

BUSINESS LEADERSHIP PROGRAM (BLP)

At the top of our career development list is our full-time BLP, an accelerated, immersive, two-year training program for recent college graduates. If 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 are encouraged to network. Successful BLP participants are offered an opportunity to continue their career path with Synchrony at the end of their BLP experience.

In 2021, we modified the full-time BLP structure to add an immersion in technology. We maintained two of the existing immersions: the Cross-Functional Experience and the Community Service Experience. The former gives participants exposure to our customers and clients, while the latter gives them hands-on practice supporting one of our nonprofit partners. The third new BLP immersion, Technology Trek, is a one-week intensive course that covers the fundamentals of technical skills and methodologies, such as Agile. All are important to the success of future leaders.

Incoming interns and full-time BLPs complete a critical experience in Customer Solutions prior to beginning their program tenure. This helps them build a strong understanding of and focus on our customers. In 2022, a percentage of the incoming class will work 12 to 30 hours per week in a support capacity.

BLP PAID INTERNSHIP

Synchrony also offers an intensive, paid BLP internship program. 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 designed for rising juniors.

SKILLS TRAINING FOR EVOLVING PROFESSIONALS (STEP)

The STEP program helps develop and grow key talent. STEP consolidates and integrates best practices into a self-paced learning course. STEP participants build core competencies and unique skills through coursework, group projects, job shadowing, rotation assignments, mentoring, cross-functional activities and networking. Participants advance through four levels. However, advancing to the final level (Level IV—leadership) is not automatic; participants are selected based on their performance in Levels I through III. Successful graduates can qualify for promotions, including roles such as Senior Specialist, Analyst, Frontline Manager or entry-level exempt roles. In 2021, 98 participants completed Level III, and 41 completed the final Level IV.

SYNCHRONY LEADERSHIP DEVELOPMENT EXPERIENCE (SLDE)

SLDE helps identify high-potential talent and gives them an opportunity to enhance their leadership skillset, increase business knowledge, grow peer networks and provides exposure and access to senior leadership. Previously held on-site, 2021 marked the first virtual SLDE comprised of leadership sessions, networking events and a Global Communications Simulation. Curriculum topics included Enhancing Your Leadership Identity, Leading in a VUCA Environment, Enabling Effective Organizations & Teams, and Organizational Change Management & Leadership. Twenty-four employees at the vice-president level completed the experience, hosted by Thayer Leader Development Group (TLDG) at United States Military Academy West Point.

LEADERSHIP EXPERIENCE FOR ACCELERATED DEVELOPMENT (LEAD)

LEAD is an immersive, nine-month experience designed to drive accelerated professional growth for level 12-14 women leaders at Synchrony. The LEAD program is conducted in partnership with Linkage, Inc.—a global leadership development firm committed to advancing women and accelerating inclusion in leaders and organizations. LEAD targets cross-functional VP-level women selected by members of Synchrony's executive leadership team and senior leaders in human resources. Development focus areas include leadership skills, relationship building and organizational impact. Last September, for the fifth consecutive year, we kicked off a new cohort of 15 leaders.

BREAKING DOWN BARRIERS: CREATING OPPORTUNITIES FOR ALL

Synchrony is a strong supporter of continuing education and helps employees obtain the skills and higher education they need to advance their careers.

DEBT-FREE TUITION OPTIONS

Synchrony has industry-leading tuition programs, including an innovative approach to make it even easier for our employees to advance their careers through learning. Rather than reimbursing employees for funds they've already laid out, Synchrony pays employees' tuition directly through our Debt-Free Tuition program—\$20,000 per year for full-time employees and \$5,000 per year for part-time employees earning degrees in areas relevant to their work as well as health and education-related degree programs. In addition, academic fees of up to \$4,000 per year are also covered. For 2022, we've partnered with the Bright Horizons EdAssist program to provide these debt-free tuition options. If a school does not participate in this program, employees still have access to our traditional tuition reimbursement program.

RESKILLING CERTIFICATION

Synchrony offers ongoing opportunities for employee development, leadership learning, upskilling and reskilling. We continue to cover up to \$9,000 per year for employee's skills-based certifications mapped to high-growth fields such as cybersecurity, software engineering, data science and UX design.

APPRENTICESHIP PROGRAMS

Synchrony's internal Skills Forward initiative closes gaps in technology skills that could impact our business and future workforce. The initiative targets traditionally underrepresented groups and addresses their development, upskilling or reskilling. Capping it off, participants are assigned a virtual apprenticeship to give their career paths a strong start. We also offer the program to our local Connecticut community.

CHANGING THE TALENT GAME: SKILLS OVER DEGREES

In 2021, we made a significant change to our hiring practices. After careful evaluation, we removed the requirement for a four-year college degree for, on average, 90% of our roles to put more emphasis on a candidate's skills and experience. This simple change opened a wider range of new career possibilities for both our existing workforce and talent pipeline.

SYNCHRONY WORKS: OUR NEW WAY OF WORKING

In response to the pandemic in 2020, Synchrony enabled over 16,000 employees to work from home. The move was completed in under two weeks. It was a tremendous undertaking in logistics, innovation and human compassion. It opened our eyes to a whole new way of working. We found that employees could do nearly any job from home and do it well. We found that flexibility was a new kind of currency highly valued by employees—and that working remotely was not only possible, but healthy and satisfying too. It challenged long-held beliefs by even our most senior leaders—and freed us to rethink just about every aspect of how we work—from benefits, performance management and flexibility to speed, decision making and innovation.

We call our new way of working—Synchrony Works—a nod to both the way we work, and to the fact that it truly works—for all. Here are some of the innovative elements that are now part of who we are and how we work at Synchrony:

FLEXIBILITY FOR ALL

As we learned that nearly any job could be done anywhere, and employees were more productive and satisfied than ever before, we launched flexibility for all. This gave Synchrony employees the opportunity to work full-time remote, coming in when business needs require, or in hybrid fashion for those who want to come into the office a few days a week.

JOBS CAN WORK ANYWHERE SYNCHRONY WORKS

An ancillary benefit of giving employees the flexibility to work remotely is that it took "location" out of the hiring equation. We used to post jobs tied to a specific location, now we post jobs and hire in any of our Synchrony Hubs across the U.S. This expands career opportunities for our existing workforce, regardless of where they live. It has also broadened our ability to attract critical talent and has made it easier for our employees to grow their careers without having to relocate.

AGILE PERFORMANCE MANAGEMENT FOR OUR AGILE WAY OF WORKING

During the past two years, Synchrony has been taking Agile approaches well beyond the domain of our technology team and applying them across the business. This means we are working faster, getting feedback in real time and iterating more than ever.

It was clear that for this new approach to work, we required a new approach to performance management, too—one that was designed for real-time feedback while maintaining our performance-based culture. For that reason, we are moving from the legacy annual performance review in favor of more frequent coaching and feedback conversations between employees and managers (formally three times a year, but also encouraged throughout the year as work is happening). We believe this behavior and mindset shift will better support how we are working today and will drive performance, engagement and productivity for the future.

We believe streamlining our processes will free up time and empower our employees to focus on driving growth, moving fast and getting better at driving outcomes that matter for our partners, customers and company.

WELLNESS: A WINNING PRIORITY

At Synchrony, our total wellness programs have expanded significantly over the past two years, adding more physical and mental wellness programs to an already rich set of benefits.

SYNCHRONY 360—INDUSTRY- LEADING BENEFITS

When Synchrony sent our employees to work from the safety of their homes, we introduced a health and wellness concept called Synchrony 360. It includes a holistic way to communicate total well-being programs at Synchrony across money, health, career and life.

We continue to provide a wide array of new or expanded benefits to support employees worldwide in the face of changing needs. 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, we also provide (i) 100% paid time off for employees with COVID-19-related illness, (ii) additional time off for COVID-19 vaccinations—up to 12 hours for the first two shots and up to eight hours for the booster and (iii) dedicated well-being coaches with diverse backgrounds. We continue to support employees through financial counselors, 401(k) matching savings programs, fitness reimbursements, and comprehensive health care (medical, dental and vision coverage) and life and disability insurance.



SUPPORT FOR WORKING FAMILIES

Since 2020, Synchrony has increased benefits for working families, offering paid parental leave for 12 weeks on top of paid short-term disability related to maternity leave and fertility benefits worth up to \$100,000. Synchrony also increased backup elder-care from 10 days to 25 days and backup child-care from 10 days to 60 days. The company also launched an afterschool virtual tutoring program, as well as virtual summer experiences for employees' children designed to educate and engage across a range of topics.

SYNCHRONY SABBATICALS AND EMPLOYEE BALANCE PROGRAMS

To help employees balance work and life and to ensure they can bring their best selves to work, we announced the Synchrony Sabbatical and Employee Balance programs in 2021 and launched them in 2022. These programs allow employees to reduce their schedules or take anywhere from one to 12 months leave while retaining benefits and are part of our broader commitment to flexibility and investments in our people's well-being. Sabbaticals are for exempt employees with at least two years of active service from their most recent date of hire. Employees receive a portion of their base salary during the time of the sabbatical to cover benefits. We also have the Employee Balance Program for non-exempt employees, which is a temporary reduced schedule program (20 hours a week). Employees would return to their regular schedule after the program ends and maintain benefits eligibility throughout. We want to ensure our people have needed time to focus on life outside of work and recharge—from taking care of family to pursuing personal growth like learning new tech skills.

“

Ours is a culture of caring—for our people and those around us. We have seen how engaged employees help drive superior customer experiences, and ultimately, strong business results.

—DJ Casto, Executive Vice President and
Chief Human Resources Officer

”



We've created and continue to evolve our industry-leading benefits programs based on feedback from our employees.

ENHANCED BENEFIT OFFERINGS IN 2021 AND BEYOND

In response to the pandemic and social injustice issues, Synchrony enhanced its benefits programs. We continue to provide the following benefits to support our employees:

- Reimburse 100% of the cost for COVID-19 tests³ and flu shots
- Offered vaccinations on-site at large hubs in 2021
- Cover 100% of telehealth visits and virtual visits with in-network providers, in line with the CARES Act
- Cover 100% of COVID-19 treatment for employees enrolled in a Synchrony medical plan³
- Provide 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
- 12 dedicated diverse Well-being Coaches and expanded coverage to India and the Philippines
- Offer 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
- Provide 12 free EAP mental health sessions per issue per year (U.S. employees, their families and household members)
- Offer career coaches for executives
- Flexible Fridays—no meetings with afternoons off (became permanent benefit in 2021)

³ COVID-19 benefits will expire at the end of the National Public Health Emergency Period (currently April 15, 2022), after which they will be covered as normal member cost share-coinsurance and deductibles as defined under the Synchrony medical plan.

NEW BENEFITS FOR 2022

Partnered with Progyny to offer improved benefits around fertility and family planning

Added Critical Illness Insurance as a new voluntary benefit. Provides a lump-sum benefit if an employee or a dependent are diagnosed with a covered disease or condition

Enhanced Medical coverage for gender dysphoria to include the most common and safe procedures

Added new mobile app, Kaia, for on-demand, personalized physical therapy

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

BENEFITS SUMMARY

<p>COMPANY-PAID BENEFITS Available to our employees at no cost.</p>	<p>OPTIONAL BENEFITS Employees have the option to purchase, paying part or all of the cost.</p>	<p>WORK/LIFE BENEFITS Assists employees in managing their personal and professional lives.</p>
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 (announced in 2021, effective 1/1/2022) • Pet Insurance 	<ul style="list-style-type: none"> • Backup Care • Commuter Benefits • Concierge Services/Resources • Discounts/Offers • Emergency and Natural Disaster Grants • Employee Assistance Program • Paid Parental Leave (12 weeks) • Improved Family Planning and Fertility Benefits offered through Progyny—valued up to \$100,000 (effective 1/1/2022) • Health and Wellness Programs • Rewards and Recognition • Tuition Reimbursement • Personal Time Off (15 days) • Synchrony Sabbatical/Employee Balance program (announced in 2021, effective 1/1/2022) • Well-Being Coaches • Well-Being and Physical Therapy Apps (Sanvello, Talkspace and Kaia)



SUPPORTING EMPLOYEE HEALTH AND SAFETY






When we allowed employees to work from the safety of their homes in 2020, Synchrony went from over 30 offices to over 16,000 individually configured home offices in under two weeks. Shortly thereafter, Synchrony created wellness programs to support employees working from home including potential issues such as ergonomics, sleep, diet and mental health.

DISABILITY INCLUSION

For five consecutive years, Synchrony has scored 100 out of 100 on the Disability Equality Index. In 2021, we established a disability team dedicated to providing increased access to assistive technologies for employees, including web-tools related to vision, hearing, neurodiversity, learning, mobility and mental health. Also on the team is a full-time licensed ergonomics professional and a licensed accommodation professional to assist employees with all musculoskeletal accommodations and disability needs.

The opportunity to work remotely has been life-changing for many of our employees with disabilities. Employees who have physical mobility challenges, commuting challenges or the need for a therapy/service animal now have the option to work from home, alleviating these additional stressors. These accommodations and productivity tools help our employees access the technology and information needed to perform their essential job functions.

SYNCHRONY'S PEOPLE AND COMMUNITY STRATEGY

ENSURE A FAMILY SUSTAINING JOB/WAGE	CHAMPION LEADERSHIP DEVELOPMENT	PROVIDE OPPORTUNITIES FOR CAREER ADVANCEMENT	INVEST IN DIVERSE TALENT	DELIVER HOLISTIC WELLNESS SUPPORT TO OUR WORKFORCE
 <ul style="list-style-type: none"> • \$20/hr starting wage in all locations where we hire • 90% of jobs re-credentialed to remove 4-year degree requirement 	 <ul style="list-style-type: none"> • Business Leadership Program (BLP) • Skills Training for Evolving Professionals Programs (STEP) • Senior Leadership Development Experience (SLDE) • Executive Leadership Experience (ELE) • Korn Ferry Executive Development 	 <ul style="list-style-type: none"> • Tuition Reimbursement—\$20K • Reskilling Certification—\$9K • Apprenticeship programs • Debt-Free Tuition • Non-Degree Career Pathing • Synchrony Works location agnostic jobs 	 <ul style="list-style-type: none"> • Advancing Diverse Talent (ADT) • Diversity Partnerships • Education As An Equalizer • Synchrony Skills Academy (Jan 2022) • Programs for Accelerated Development (LEAD) • Pathways to College Completion • Ensuring Equitable Pay 	 <ul style="list-style-type: none"> • Wellness & Mental Health Programs • Wellness Coaches • Flexible Work Options • Extended Childcare • Financial Education and Resources
THROUGH THIS FRAMEWORK, SYNCHRONY STRATEGICALLY INVESTS IN EMPLOYEES AND COMMUNITIES TO DELIVER FOR ALL STAKEHOLDERS				

2021 AWARDS AND SPECIAL RECOGNITION



2020, 2021, 2022



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FORTUNE AND GREAT PLACE TO WORK®

- Fortune 100 Best Companies to Work For® (#37)
- Fortune Best Workplaces for Women™ (#63)
- Fortune Best Workplaces in New York™ (#30)
- Best Workplaces in Financial Services & Insurance™ (#12)
- Great Place to Work® Certified
- Fortune 500 Companies List

PEOPLE

- PEOPLE Companies That Care® (#14)

JUST CAPITAL

- JUST Capital—America's Most JUST Companies (#54 overall in 2022)
- JUST Capital—#5 in Commercial Support Services industry
- JUST Capital—#3 for Workers in Commercial Support Services
- JUST Capital—#6 for Communities in Commercial Support Services
- JUST Capital—#8 for Customers in Commercial Support Services
- JUST Capital—Top 100 U.S. Companies Supporting Healthy Communities and Families (#7)

FORBES

- Global 2000 List
- The Best Employers for Diversity
- The Best Employers for Women
- Best-In-State Employers—Ohio

SERAMOUNT (FORMERLY WORKING MOTHER MEDIA)

- 100 Best Companies
- Best Companies for Dads
- Best Companies for Multicultural Women
- Inclusion Index Company
- Top Companies for Executive Women

CIO 100

- Carol Juel—EVP & Chief Technology & Operating Officer

FAST COMPANY

- Most Innovative Companies

DISABILITYIN.ORG—DISABILITY EQUALITY INDEX

- Best Places to Work—100% score

HUMAN RIGHTS CAMPAIGN FOUNDATION

- Best Places to Work for LGBTQ Equality
- 100% score on the Corporate Equality Index

MILITARY TIMES

- Best for Vets Employer

HISPANIC NETWORK MAGAZINE

- Best of the Best 2021: Top Financial & Banking Companies

BENCHMARKPORTAL

- Customer Service Center Certified Center of Excellence
- Top Contact Center, Large Sized Centers

INTERNATIONAL AWARDS

Great Place to Work®

- Best Companies to Work For—Philippines (#2)
- Best Workplaces for Women—India
- India's Best Workplaces in Diversity, Equity & Inclusion 2021
- Best Workplaces for Banking, Financial Services and Insurance—India
- Asia's Best Workplaces (#13)

THE ECONOMIC TIMES

- Top 100 Best Companies to Work For—India (#5)



“

Education then, beyond all other devices of human origin, is the great equalizer of the conditions of men, the balance wheel of the social machinery.

—*Horace Mann,*
pioneer of the American public school system

”

OUR COMMUNITIES

COMMITTED TO DOING ALL WE CAN TO BRING
EDUCATIONAL AND SOCIAL EQUITY TO UNDERSERVED
STUDENTS, SCHOOLS AND COMMUNITIES

In the nascent years of our American republic, it was visionary people like Horace Mann who stepped forward to create programs and voice ideals for how we could propel our young country forward. The ideal of education being the great equalizer holds true today, and at Synchrony we continue to find ways to provide opportunities for all to progress.

The power of an education can transform a student's life. Unfortunately, not every child in America has equal access to a quality education. Just as not every adult worker has access to needed reskilling and upskilling programs. At Synchrony, we are working hard to change this imbalance and level the playing field so that students, workers and our employees can realize their full potential.

In 2021, we launched our "Education as an Equalizer" initiative with the aim of empowering students, communities and our own employees to build stronger, more prosperous and inclusive futures. Synchrony pledged \$50 million over the next five years to advancing education equity for people in underserved communities and our employees. This includes more than \$20 million in philanthropic grants from the Synchrony Foundation to increase educational and reskilling opportunities for individuals and students from low-income and underrepresented communities, particularly Black, Hispanic and Native American communities. Our eight Diversity Networks+ will serve as strategic advisors to help direct and support our investments.

A NEED FOR CHANGE

According to the results released by the National Center for Education Statistics (NCES) in October 2021,⁴ the reading and mathematics scores of 13-year-old students had declined in the eight years between 2012 and 2020—the first decline in 50 years. As NCES Commissioner Peggy G. Carr remarked, “These performance drops are especially notable among lower-performing students, who no longer demonstrate competency in skills that students were able to do almost a decade ago in both subjects and age groups.”

Yet, it's not just 13-year-olds. It's also adults. The World Economic Forum predicts the dual impact of technology and the pandemic will affect individuals with lower education levels and will likely deepen existing inequalities.

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The pandemic has deepened economic inequality and accelerated demands for a reskilled and upskilled workforce. We believe everyone should have access to education and skills training, which is essential for driving an inclusive recovery, growing our economy and securing a strong financial future.

—Brian Doubles, President and CEO of Synchrony

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⁴The National Financial Capability Study (NFCS) is a project of the FINRA Investor Education Foundation (FINRA Foundation), <https://www.usfinancialcapability.org/downloads.php>

A GATEWAY TO THE FUTURE

Warren Buffett, American business magnate, investor and philanthropist, once said: “The more you learn, the more you earn.” While hardly anyone disputes that, for many underserved students and adult learners, their first problem is equal access to that learning.

At Synchrony, we believe that education has the potential to change the trajectory of one's life, and therefore that of their children's too. Synchrony's corporate citizenship platform, Education as an Equalizer, builds on our efforts to address long-standing economic inequality within our communities. Through financial investment, hands-on engagement and social reform, Synchrony and the Synchrony Foundation are collaborating with academic institutions, nonprofits, government and businesses to promote equity in schools and workplaces.

Education as an Equalizer is designed to open the way to a brighter and more equitable future. For students. For adult learners. For all of us.

Education as an Equalizer's approach for underserved communities includes three pillars:

1. CREATING PATHWAYS TO COLLEGE COMPLETION

Synchrony understands that getting into college is only the first of many steps to obtaining a college degree. For many, particularly those from disadvantaged backgrounds or who are first generation college students, the path to graduation day is a long and winding road, filled with obstacles and challenges that may be hard to navigate alone. Our collaboration with more than 40 schools and nonprofits assists students to navigate through to college completion and sets them on a bright path post-college. In addition to providing financial assistance through funding for scholarships, Synchrony offers additional resources such as financial education, mentorship and information about how to research internship opportunities with different companies and organizations. Synchrony also provides funds for emergency assistance to those students who may be struggling with basic needs like food, housing, childcare and unexpected costs like car repairs.

Synchrony took to heart that students see a clearer path when people who have similar backgrounds and people who look like them are there to guide them along the way. In collaboration with our eight Diversity Networks+, we identified our Education as an Equalizer partners. Members from each Diversity Network+ work with the selected schools and nonprofits to ensure we are providing students with the best resources possible. Our Diversity Networks+ also work with the students to provide mentorship, guidance and proof that there is light at the end of the tunnel.

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We are very excited to partner with a great company like Synchrony and truly appreciate their desire to drive change in education equity. Our work together will significantly enhance our students' ability to obtain a world-class college education and prepare for high-trajectory careers.

—Kevin James, Ph.D.,
Dean, Deese College of Business and Economics,
North Carolina Agricultural and Technical State University

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OUR VALUES AT WORK

HONEST. RESPONSIBLE. PASSIONATE.
CARING. DRIVEN. BOLD.

Synchrony's six values live among us—in our thoughts, in our actions and in our hearts. As a corporation, they guide our business. As individuals, they guide our compassion. Our values give us our sense of fairness. They help us dream big for employees, our customers and our communities. They help make programs like **Education as an Equalizer** possible. We're proud to live our values with these partners:

A Better Chance Ridgefield
ALPFA
American Indian Business Leaders
American Indian College Fund
ASCEND
Assist
Boys & Girls Club of Stamford
buildOn
Children's Learning Center
Children's Home Society
College Possible
District Arts & Education
DOMUS
Executive Leadership Council
Fisher House
Future Five
Gawad Kalinga
General Assembly
Girls Who Code
Girls Who Invest
Hispanic Scholarship
Homes for the Brave
Horizons

International Dyslexia Association
Jeanette Rankin Women's Scholarship Fund
Jobs for America's Graduates
Mercy Learning Center
National Foundation for Credit Counseling
Nirmaan
North Carolina A&T
Oglala Lakota College
Organization for Autism Research
Partnership with Native Americans
Point Foundation
Reading is Fundamental
Special Olympics Connecticut
St. John's University
Tuskegee University
UConn Engineering Ambassadors
University of Arkansas at Pine Bluff
University of Connecticut
University of Illinois
Zebra Coalition



The impact of Synchrony's contribution to establish a scholarship fund and provide mentorships with Native American students is monumental in not only their own academic pursuits, but also to support their own tribal communities.

—Prairie Blount,
American Indigenous Business Leaders

It is vital to support LGBTQ students so that we can become effective advocates for our community. I am so excited to be attending MIT in the fall as a Synchrony Point Scholar and proud to be a gay and trans student in STEM.

—Arianna Pero, scholarship recipient

Through financial support, more military families can achieve their higher education dreams. We are thrilled to be working with Synchrony to make a real impact in our community.

—Kenneth Fisher,
Chairman and CEO, Fisher House Foundation

The support given by Synchrony will allow us to continue our work of propelling women to better themselves and their families through utilizing the value of an education.

—Karen Sterk, Chief Executive Officer of
Jeannette Rankin Women's Scholarship Fund

Our partnership with Synchrony will allow us to support LGBTQ youth by ensuring that they have ample support, confidence and encouragement in their academic endeavors.

—Heather Wilkie,
Executive Director of Zebra Coalition

Ascend Foundation is proud to partner with Synchrony. We believe that the scholarships and time investment from Synchrony will make a huge impact in the lives of many Pan-Asian American students that will lead to great success.

—Robina Singh, National Director, Ascend



Our mentorship program needed to be effective, helpful and supportive for students. Synchrony engaged with the nonprofit College Possible Chicago, one of the largest college access and success organizations in the United States. College Possible took their award-winning AmeriCorps college coach training program and customized it for a corporate audience. Synchrony mentors participated in a two-day training program which coached them to be present and prepared to work with their mentee. Mentors were taught to look for signs a student might be in distress and to reach out to counselors at College Possible if they needed additional guidance. We also decided that two mentors were better than one so each student in the program is paired with two Synchrony mentors to provide the students with as many perspectives as possible.

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We are very appreciative to be a recipient of this generous grant from the Synchrony Foundation which demonstrates an intentional commitment that will inspire our students to achieve their career goals and aspirations to become veterinarians and ultimately promote diversity and inclusion across the veterinary profession.

—Dr. Ruby L. Perry, dean of the Tuskegee University
College of Veterinary Medicine

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Education as an Equalizer builds on Synchrony’s desire to improve deeply rooted economic inequality within our communities. Through investment, engagement and collaboration with academic institutions, nonprofits, government and businesses, we hope to provide new and greater opportunities to underserved communities, to light a path to a prosperous and fulfilling future for them and for their children.

2. BUILDING SKILLS OF THE FUTURE

According to the World Economic Forum,⁵ 40% of current workers' core skills are expected to change by 2025. And 50% of all employees will need reskilling by 2025. By providing career training and certifications in fast-growing fields, Education as an Equalizer aims to help individuals reskill or reenter the workforce with career training and certifications in high-growth fields.

In November 2021, Synchrony opened the doors to its new multi-million-dollar state-of-the-art Skills Academy based at our headquarters in Stamford, CT. We built the facility to share with the broader Connecticut community, a place local nonprofits and training providers could use to run their programs. The facility will house a variety of community programs focused on upskilling and reskilling the local workforce.

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It's critical that we build more accessible on-ramps for people to secure meaningful work in high-demand fields. We've seen firsthand that removing barriers to digital skills training in local communities not only unlocks life-changing career opportunities for individuals, but also contributes to a more diverse and equitable tech talent ecosystem.

—Tom Ogletree, VP, Social Impact & External Affairs

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⁵“The Future of Jobs Report 2020.” World Economic Forum, <https://www.weforum.org/reports/the-future-of-jobs-report-2020#report-nav>.

Synchrony, together with three nonprofits—District Arts & Education (DAE), the University of Connecticut's Engineering Ambassadors and Future 5—announced an innovative program in Stamford, CT, to equip high school students from underrepresented backgrounds with digital and software skills. Synchrony and the Synchrony Foundation donated \$300,000 to the three nonprofits in support of the Synchrony Skills Academy High School Program. Aimed at high school juniors and seniors, the eight-month training program's first cohort of 25 high school students will tackle real-world projects and hone critical skills in web development, UX design and data analytics.

An additional 25 students will participate in a summer immersion program focused on web development and digital content creation for social media and marketing. DAE will also offer career support, helping students apply for entry-level tech roles, prepare for interviews or complete college applications.

Synchrony is also collaborating with local governments, schools and skills-credentialing organizations to prepare students and individuals seeking to reskill or reenter the workforce. Together with the Connecticut Governor's Workforce Council and General Assembly, a pioneer organization in experiential education, we support to individuals from underrepresented backgrounds.

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Access to skills training is essential to growing our digital economy and building a more inclusive future. Investing in these public-private partnerships will help unlock career opportunities for underrepresented youth and grow the next generation of leaders.

—DJ Casto, Executive Vice President and Chief Human Resources Officer at Synchrony and Board Member of Jobs for America's Graduates

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Since 2016, Synchrony has partnered with Girls Who Code, an international nonprofit working to close the gender gap in technology, to offer rising sophomore, junior and senior girls—trans, non-binary and cis—immersive instruction in web development and design, robotics and mobile development over a seven-week summer immersion program. During the pandemic, Girls Who Code shifted to a two-week virtual program and Synchrony adeptly adapted to the new programming. In 2021, Synchrony hosted 323 students for the two-week program.

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Jobs in technology are becoming more predominate. Synchrony is supporting initiatives and developing programs to train and educate our next generation of tech workers.

—Carol Juel, Executive Vice President and Chief Technology and Operating Officer at Synchrony and Board Member of Girls Who Code

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3. CLOSING THE FINANCIAL KNOWLEDGE GAP

Our work in financial education continues to grow and evolve. In 2021, Synchrony launched two financial education websites: one developed for Synchrony employees and another for college students and general external audiences. Learning modules are available to help people understand and manage their personal finances. In addition to the financial education sites, we developed programming to engage various audiences. We offered employees a \$100 donation to their favorite eligible charity and launched a new series to normalize discussion around money called Money Talks. It featured Synchrony employees sharing candid experiences about managing their money and tips on doing it well, or at least doing it better. The open and honest dialogue gave employees an opportunity to share their experiences and encouraged others to do so as well. Synchrony plans to launch this series to broader audiences in the future.

Synchrony continued its partnerships with the National Foundation for Credit Counseling (NFCC), the nation's largest nonprofit credit counseling organization. NFCC has helped our customers and employees with credit and debt issues, directing them to resources and equipping them with the tools to get out of debt and achieve their financial goals. We have also engaged NFCC to offer a similar service to college students.

Our partnership with America Saves also continues to thrive, particularly through our participation in America Saves Week, a multichannel media campaign managed by the nonprofit Consumer Federation of America. Our mutual aim is to get low- to moderate-income households to set a financial goal to save money and achieve important steps toward financial wellness. In 2021, our America Saves Week campaign resulted in more than 600 employees taking a pledge to save with top savings goals being: emergency fund; retirement and vacation. In addition, we had nearly 13,000 page views of our blog postings. For our efforts to encourage people to save, we earned a Savings Excellence Award from America Saves. It's presented annually to financial institutions that go beyond what's expected to inspire members to keep saving.

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Savings provides you with options. It gives you independence and allows you to make choices in your life that you couldn't make otherwise. It's a way of empowering you to achieve your financial dreams and then gives you options to be successful.

—Samantha Melting,

Head of the Consumer Bank, Synchrony and
Member of the America Saves Advisory Board

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In 2021, we joined PayPal's and JUST Capital's "Worker Financial Wellness Initiative," which focuses on making workers' financial health and security a C-suite priority. Key components of the program include conducting: 1) living wage assessment; 2) a benefits assessment; and 3) an employee survey to assess workers' spending, saving, borrowing and planning. Synchrony is excited to be part of this initiative and work with great partners to make our employees' financial wellness a top priority. 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.

The Association for Latino Professionals of America (ALPFA) has awarded the Synchrony Foundation with their **2021 Philanthropist of the Year Award!**



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Through all of the challenges and opportunities presented in these unprecedented times, the one underlying theme we have witnessed this year is in a return to values leadership and the increase in goodwill, charity and philanthropic efforts being made by for members of our community. Synchrony’s decision to create the “Education as an Equalizer” initiative and invest approximately \$50 million over the next five years to support higher education, workforce training and financial literacy for underserved communities is an absolute gamechanger. While ALPFA is fortunate to be among the recipients of a two-year grant through this initiative, it is the impact this investment will have on the broader Latinx community that made our decision to recognize the Synchrony Foundation such an easy one this year.

—Damian Rivera, CEO, ALPFA Saves Advisory Board

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OUR EXTERNAL DIVERSITY PARTNERSHIPS ARE HELPING INDIVIDUALS, FAMILIES AND COMMUNITIES

ONETEN

Synchrony has joined OneTen, a coalition of leading companies that is committed to creating a more inclusive corporate America and hiring and promoting one million Black individuals over the next decade into family-sustaining jobs where the compensation covers the basic needs for a family based on the cost of living where they live. OneTen works to cultivate economic opportunities for Black talent in America. Synchrony is proud to partner with OneTen as one of the leading employers.

We take a skills-first approach, focusing on competencies, in an aim to close the opportunity gap and ignite potential for generations to come. Simply put: We consider skills and competencies more valuable than a diploma.

In 2021, we put that idea into action, hiring 566 Black employees, none of whom had a four-year college degree. 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.

THE EXECUTIVE LEADERSHIP COUNCIL (ELC)

The ELC is the preeminent membership organization committed to increasing the number of global Black executives in C-Suites, on corporate boards and in global enterprises. By partnering with this network of Black senior executives, we believe we are helping to open channels of opportunity for Black talent, not only at Synchrony, but also across other industries, sectors and communities.

SYNCHRONY’S BUSINESS LEADERSHIP PROGRAM (BLP)

Before they complete the BLP program, participants get an opportunity to lend their management skills to one of Synchrony’s nonprofit partners. Their goal: create a sustainable solution for a genuine business need that affects our partner organizations and our community—further strengthening the role Synchrony plays beyond our business.

In the summer of 2021, 34 BLP participants supported five nonprofit partners: Meals on Wheels, American Indigenous Business Leaders, One Tree Planted, National Foundation for Credit Counseling, and the Rankin Foundation. Projects ranged from marketing and engagement improvements to app development to a roadmap for database implementation. In all, BLP participants dedicated over 2,500 hours to the community.

DOUBLES DIVE 2021

Our annual polar plunge went virtual in 2021 and again was a huge success. We raised more than \$100,000 through donations and match grants! The event raised money for the SeriousFun Children's Network, a family of 30 camps and programs in the United States, Europe, Israel, Africa, Asia and the Caribbean that create opportunities for children and their families to reach beyond serious illness to discover joy, confidence and a new world of possibilities, always free of charge. Through our incredible employees' support, SeriousFun will continue to deliver incredible life-changing experiences—including virtual, COVID-safe opportunities—to children with serious illnesses and their families. Since 2016, the Doubles Dive event has raised more than \$800,000 for charities around the world.



SYNCHRONY'S ANNUAL EMPLOYEE GIVING CAMPAIGN: BE SOMEONE'S HERO

Our annual Employee Giving Campaign and Month of Caring is our opportunity to raise awareness of the tremendous work nonprofits do across our communities. It's our way of giving back to the communities where we live and work while amplifying our financial support of nonprofit organizations. The 2021 theme was "Be Someone's HERO." A HERO is one who offers hope, empathy, renewal and opportunity to our neighbors who need it. The campaign ran from November 15 through December 31 during which we matched employees' charitable donations 2:1. Donations for the campaign totaled more than \$1 million to 1,115 unique organizations. In addition, more than 900 employees logged over 5,600 hours for Synchrony's nonprofit partners in the United States, India and the Philippines.

CRISIS RESPONSE

While headquartered in Stamford, CT, Synchrony is nevertheless a citizen of the world. So wherever financial help is needed, whether for families fleeing from the repressive regime in Afghanistan or families in the Philippines trying to put their lives back together after Super Typhoon Rai—we're there. Our \$250,000 grant to the International Rescue Committee (IRC) is helping them to assist newly arrived Afghans in the United States. Half of the funds will be used to support women and girls in Afghanistan.

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Even before this current crisis, women and girls in Afghanistan were in a precarious situation. Their efforts to gain and maintain basic human rights and a fair system have decreased exponentially with this current crisis. I am proud that Synchrony recognizes the injustice and struggle of these women and girls, who represent more than half the population of Afghanistan.

—Courtney Gentleman, SVP,
Chief Marketing Officer—Digital, Former Head of
Synchrony's Women's Network+

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When Super Typhoon Rai hit the Philippines, the Synchrony Foundation acted swiftly. Fortunately, Synchrony did not lose any employees, however, entire communities, including those where our employees live and work, were destroyed. We supported our employees by providing them with financial assistance, temporary accommodations, food, water and care packages during this time of need. We also made a \$100,000 donation to our long-standing partner in the Philippines, Gawad Kalinga, to support their relief efforts. In addition, our employees raised more than \$60,000 to help their colleagues, which Synchrony provided a 2:1 match.

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I am just blown away by the caring spirit of your employees. There must be a certain culture that prevails in Synchrony that knows no country nor race, nor religion, nor anything that may separate us.

—Maricel B Villanueva, Executive Director,
GK 1 World Foundation

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COMMUNITY REINVESTMENT

Synchrony believes in the spirit of serving communities, the spirit embraced by the Community Reinvestment Act (“CRA”) and its regulations. Over the last three years, Synchrony’s new community development lending and investment activities totaled more than \$1.2 billion. In addition, we continue to maintain over \$350 million in previous investments. The Bank has distributed community reinvestment resources across 30 states plus the District of Columbia.

Examples of community development activities during 2021 include:

- A \$1 million community development loan commitment supporting affordable housing multifamily complexes in the conversion to solar from traditional energy sources less sensitive to environmental impact.
- A \$4 million investment in a fund designed to support minority and women-owned financial institutions.
- More than 65 community development grants totaling over \$4 million to organizations serving both local communities and national programs that support affordable housing, financial education, healthcare and wellness, mitigation of homelessness or provision of emergency services, job training, refugee and immigrant services, small business support, youth programs and other special needs.
- Over \$32 million in community development loan commitments supporting small businesses, more than a third of which specifically targets minority and/or women-owned businesses.

- Over \$27 million in private equity investments supporting small businesses, half of which is committed to businesses owned and operated by minorities or women and at least \$7 million focused on environmental or other social impact improvements.
- Over \$70 million in community development loan commitments supporting the development of multifamily affordable housing; with another \$130 million in community development loan commitments supporting the financing of single-family homes by everyday families seeking affordable mortgages.
- Over \$160 million in investments 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.

At times, our philanthropic and volunteer programs may not fit the critical definitions of the CRA and its regulations. Nonetheless, we serve low- and moderate-income households as described elsewhere in this report. Our community development activities show that Synchrony strives to generate a triple bottom line: fulfilling CRA obligations, maintaining acceptable bank risk tolerance levels for loans and investments, and cascading positive impacts to thousands of low- and moderate-income families, many of whom represent disadvantaged and/or diverse communities.

Within the accepted definition of Community Reinvestment, Synchrony has a strong record of “earning” outstanding marks whenever our efforts are measured and reported by financial regulators.





OUR ENVIRONMENT

IMPROVE EFFICIENCY
REDUCE CONSUMPTION
LOWER EMISSIONS AND WASTE

Synchrony seeks to operate in an environmentally responsible manner, because sustainability is both doing what's right and a sound business practice to reduce risk and create value. We endeavor to be thoughtful environmental stewards of our facilities and the natural resources under our management. As a consumer financial services company, we focus on the efficient use of energy and natural resources through cost-effective conservation and energy management processes. We believe the integration of business and sustainability strategies can be a catalyst for greater resiliency and potential future growth.

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 continuous improvement; and how we engage with our employees, supply chain and other stakeholders. In addition, we recently released our inaugural standalone Task Force on Climate-related Financial Disclosures (TCFD) report, which can be found at [synchro.com](https://www.synchro.com).

IMPROVING EFFICIENCY

Buildings and the real estate sector are a significant contributor to global greenhouse gases (GHG) through their design, construction and operations. Synchro leases over 2 million square feet of office space globally. Most of our GHG emissions derive from the electricity we use to power our spaces, the fuels used to heat our spaces and the water our facilities consume. As a result, we focus on improving the energy efficiency of our facilities as the most effective way to reduce our operational GHG footprint.

Our efforts to improve the energy efficiency of our operations include energy-efficient buildings and office lighting, LED technology, office occupancy sensors, recycling programs and green spaces. 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, FL, facility. 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.

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

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 data center provider announced its intention to purchase 67 MW of renewable energy as part of the provider's pledge to operate carbon-free by 2040. Our provider's Arizona data center received an "Environment + Energy Leader Award" for becoming a net positive water data center, which the provider believes to be the first such data center in the world. The Arizona data center restores more water than it withdraws, making its local presence a net benefit to the community. This is particularly notable because the Arizona data center is in a high water-stress region.

REDUCING CONSUMPTION

According to a study published in *Nature Sustainability* in December 2021, the global carbon footprint of plastics doubled between 1995 and 2015,⁶ reaching 2.2 billion tons of CO₂ equivalent (CO₂e). This represented 4.5% of global GHG emissions. By introducing sustainable procurement processes throughout Synchro, we hope to reduce our overall plastic waste and lower emissions.

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. In 2021, our paper usage was reduced by over 1.4 million pounds compared to 2020, saving over 12,000 trees.

⁶<https://www.nature.com/articles/s41893-021-00807-2>

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. By the end of 2021, over 53% of our customers received paperless statements, as compared to just over 33% at the end of 2018, which equates to over 164 million fewer paper statements being printed and mailed in 2021 as compared to 2018. In addition, approximately 65% of all payments made by our customers were done through Synchrony’s digital channels and approximately 55% of our total applications were done digitally.

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.

2021 SYNCHRONY PAPER SHREDDING ENVIRONMENTAL IMPACT SUMMARY*

	TOTALS
GALLONS OF OIL SAVED	68,972
ESTIMATED VOLUME (LBS.)	363,011
TREES SAVED	3,085
GALLONS OF WATER SAVED	1,270,539
CUBIC YARD LANDFILL SAVED	545

**Source: Third-party supplier*



Our initiatives to reduce water consumption include the use of a stormwater management recycling process for our Altamonte Springs, FL, hub's landscape irrigation system. This stormwater and rainwater harvesting system reuses 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.

The COVID-19 pandemic altered Synchrony's way of working to the hybrid work-from-home and work-from-hub model described in "Our Employees—Synchrony Works: Our New Way of Working" in this report. As a result, our employees commute less than before, significantly reducing the GHG generated by vehicle emissions. 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. Since March 2020, our air travel emissions decreased considerably due to strict travel policies and the growing demand for and acceptance of video conferencing.

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 2021 Synchrony recycled nearly 200 pieces of electronic equipment totaling over 2,100 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 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 2021, we expanded our Earth Week environmental promotion campaign. We also recognize that addressing climate change and environmental stewardship needs continuous inputs and collaboration. As a result, we promote environmental awareness through events and communications throughout the year.

TABLE 1. ENVIRONMENTAL AND SUSTAINABILITY KEY METRICS

METRIC	UNIT	2021	2020 ¹	2019 ¹
GREENHOUSE GAS EMISSIONS—TOTAL ²	MT CO ₂ e	8,586	15,616	20,658
GREENHOUSE GAS—SCOPE 1 EMISSIONS	MT CO ₂ e	242	1,733	1,978
GREENHOUSE GAS—SCOPE 2 EMISSIONS	MT CO ₂ e	8,344	13,883	18,680
GREENHOUSE GAS—SCOPE 3 EMISSIONS ³	MT CO ₂ e	10,070	10,591	19,112
TOTAL ENERGY ⁴	GJ	79,025	155,294	200,411
TOTAL WATER USAGE ⁵	Gallons	14,763,776	28,477,350	43,339,803
OSHA RECORDABLE RATE	Per 100 Employees	0.03	0.06	0.11

1. 2020 and 2019 metrics reflect updates to previously disclosed metrics resulting from process and methodology changes and the availability of additional data.

2. Greenhouse gas emissions – total is the sum of Scope 1 and Scope 2 emissions. Scope 1 and Scope 2 emissions are calculated using the U.S. Environmental Protection Agency's (EPA's) Emissions & Generation Resource Integrated Database (eGRID) and its Simplified GHG Emissions Calculator. Scope 1 and Scope 2 emissions for locations in India and the Philippines are estimated using the EPA's Simplified GHG Emissions Calculator by aligning those locations to the Florida-estimated subregion (FRCC).

3. Greenhouse Gas – Scope 3 emissions are calculated using the eGRID and the EPA's Simplified GHG Emissions Calculator, and represents emissions from our data center supplier, leased car fleet miles and business air travel miles based on available data and methodologies and may not represent 100% coverage of these categories.

4. Total energy is based only on facilities where metered and/or measured data is available, and represents electricity usage for over 85% of total square footage and over 90% of total square footage with gas service in each year presented.

5. Total water usage is based only on facilities where metered and/or measured data is available, and represents water usage for over 80% 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, 2021, unless otherwise noted. Information in this Index can be found in this ESG report, as well as our 2021 Annual Report on Form 10-K and our 2022 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 32. 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 32. 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 15-17 and 122.
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 142-143: Note 16. Legal Proceedings and Regulatory Matters.
	Description of whistleblower policies and procedures	FN-CB-510a.2	See this ESG report on page 9.

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 14-15 and in our Form 10-K on pages 95 and 101-102.
	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 14-15.

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 2022 Proxy Statement on pages 34-62, and information on our stock incentive plans can be found in our Form 10-K on page 137: 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, 2021, see our Form 10-K on page 126: 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 11-13 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 142-143: Note 16. Legal Proceedings and Regulatory Matters.

TOPIC/ISSUE	METRIC	CODE	RESPONSE
SYSTEMIC RISK MANAGEMENT	Global Systemically Important Bank (G-SIB)	FN-CB-550a.1	Synchrony is not a 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.

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