



Building a Brighter Tomorrow

DISCOVER[®]
2021 Corporate
Responsibility Report

Contents

A Message From Our CEO	<u>2</u>
About Discover	<u>3</u>
Our ESG Mission	<u>5</u>
Promoting Economic Stability and Mobility	<u>9</u>
Prioritizing Our People	<u>18</u>
Protecting the Planet	<u>31</u>
Making an Impact in Communities	<u>35</u>
Operating Responsibly	<u>43</u>

About This Report

This report provides qualitative and quantitative information about Discover's ESG programs, opportunities and risks during calendar year 2021. The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. For additional information regarding Discover, please see our filings (including our [Form 10-K](#) and [Forms 10-Q](#)) with the Securities and Exchange Commission (SEC). Discover's filings, as well as direct links to certain presentations, documents and other information that may be of interest are available on our corporate [website](#).

A Message From Our CEO

**Roger C. Hochschild, Director,
Chief Executive Officer and President**

As I reflect on 2021, I am struck by the resilience demonstrated by Discover employees amidst a prolonged pandemic, and by their unwavering commitment to helping people achieve brighter financial futures. It serves as a powerful example of what we can achieve together. As you will see in this Corporate Responsibility Report, that spirit and determination resulted in strong growth for Discover last year, enabling us to further invest in our customers, employees, and the communities we serve. It reinforced once again, that we do well when we do good.

Discover's future has never been brighter. Our unique business model enables us to meet the evolving needs of more consumers as they increasingly rely on mobile and digital platforms for banking and payments. Our value proposition of cashback rewards, no annual fee and an industry-leading customer experience is more appealing than ever. With no annual fees on credit cards and zero fees on any of our deposit products, Discover delivers unmatched value to our customers. And we are well positioned to become a leading digital bank and payments partner.

We proudly serve a broad market, meeting our customers wherever they are on their financial

journey. We offer products that are straightforward and easy to use. By providing innovative new features, and award-winning 24/7 U.S.-based customer service, we seek to ensure that all our customers have the same great experience.

We continued to advance our diversity, equity, and inclusion efforts, which is highlighted here and in our recently released [DEI Transparency Report](#). We want to ensure that Discover is a place where all employees feel supported and valued. And we strive to create a truly diverse, inclusive, and equitable environment.

A diverse organization attracts and retains the best talent, and makes better decisions, all of which allow us to better serve our customers and communities. That is true at every level of the company, including our Board of Directors. Together, we are determined to find new ways to challenge traditional corporate processes and push past any potential institutional biases.

This mindset has opened our eyes to transformative opportunities, like opening a new customer care center in 2021 in Chatham, a vibrant Black community on Chicago's South Side. Our new center is creating needed jobs and helps us connect with a talented pool of candidates and suppliers. Our Chatham center is already exceeding customer-satisfaction goals and performing at an industry-leading level, reinforcing that diversity is one of our greatest assets and that Discover is a place where all individuals can build and advance their careers.

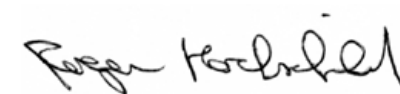
As consumers and investors increasingly gravitate toward companies that reflect their values, Discover is taking steps to provide greater transparency into our efforts to ensure sustainability, DE&I, and responsible governance.

In 2022, we appointed a Chief Environmental, Social and Governance (ESG) Officer to lead and align our ESG efforts with our business strategy.

This report also highlights our commitment to maintaining a culture in which we recognize individual needs, support one another, and provide flexibility to employees to manage life, not just work, and to find a sense of balance in our new hybrid world.

Together, Discover employees made a tangible difference in the lives of our customers and communities. We did this through products and services, as well as personal service and commitment to others. Discover employees volunteered nearly 38,000 hours in 2021, supporting nearly 300 causes in the process.

As we continue to work toward a more environmentally and socially responsible workplace and world, we must have the right processes and people in place to make progress and effect change. While this Report highlights our efforts to build a more sustainable and better world, we are embracing the opportunity to drive long-term value for employees, consumers, local communities, and investors as we seek to create brighter futures for all.



Roger C. Hochschild
Director, Chief Executive Officer
and President



About Discover

Discover is a digital consumer bank and payment services company. Since our inception in 1986, we have become one of the largest card issuers in the United States. We offer a range of industry-leading financial products, services, and tools that help enrich lives, grow and manage businesses, and drive commerce. Our more than 16,000 employees are united by shared values and a common sense of purpose to help people spend smarter, manage debt better, and save more so they achieve a brighter financial future.



Headquartered in
Riverwoods, Illinois



more than
200
countries and
territories



16,000+
employees



\$12Bn
revenue net of
interest expense
(as of year-end 2021)



\$10Bn
net interest income
(as of year-end 2021)



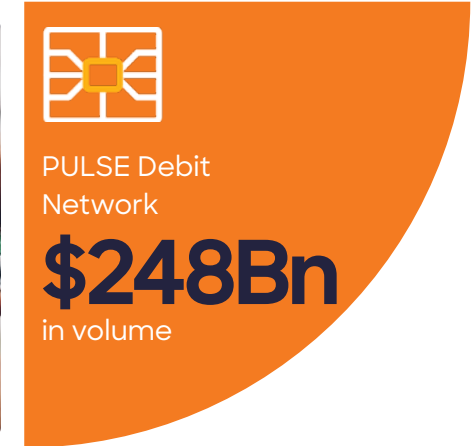
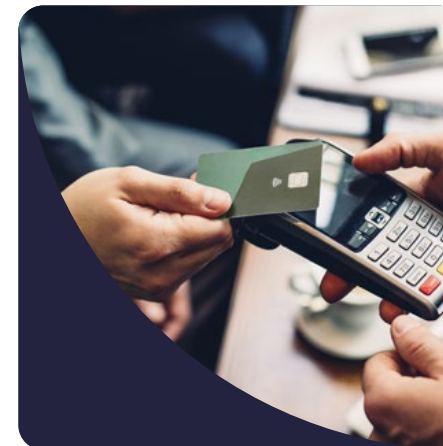
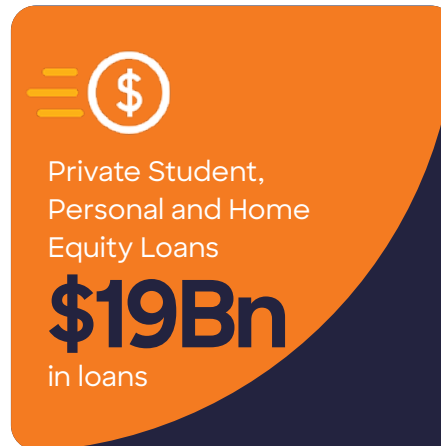
\$93Bn
total loans
(as of year-end 2021)

Our Products and Services

Discover provides banking and credit products that help people achieve a brighter financial future—from establishing good credit and paying for a college education to consolidating debt. We issue the Discover card, America’s cash rewards pioneer and offer private student loans, personal loans, home loans, checking and savings accounts, and certificates of deposit. All are backed by our 100 percent U.S.-based customer service, which is dedicated to meeting customers’ individual financial needs. We are committed to making our products and services simple, straightforward and transparent.

We operate the Discover Global Network comprised of Discover Network, with millions of merchant and cash access locations; PULSE, one of the nation’s leading ATM/debit networks; and Diners Club International, a global payments network with acceptance around the world.

Discover’s Digital Bank and Global Network (at 2021 year end)





Our ESG Mission

Discover is committed to helping build a sustainable and equitable world while demonstrating the highest standards of ethical behavior and corporate governance.



In This Section

Commitment and Oversight [6](#)

Commitment and Oversight

At Discover, our Board of Directors, Senior Management and employees are committed to addressing the challenges related to climate change; actively promoting diversity, equity and inclusion; and adhering to a sound structure for governance and ethics. We intend to do more to reduce our impact on the environment, advance equity and help people achieve a brighter financial future.



Our Commitments



Environment

We are committed to addressing the global challenges presented by climate change by reducing the environmental impact of our physical operations as we design solutions to build a more sustainable and low carbon future.



Social

We are committed to advancing equity and driving positive social change by leveraging job opportunities, supplier spend, charitable contributions, products, and more. We are promoting a diverse, equitable, and inclusive workforce that reflects our communities. Through our support of local communities and diverse suppliers, we work to improve economic mobility and promote financial inclusion.



Governance

We proudly commit to “Doing the Right Thing” for our employees, our customers and our shareholders. Our governance structures and risk management policies and processes support this commitment and are designed to promote transparency, accountability and ethical behavior in everything we do.

Management and Oversight

The Discover management and oversight structure underscores our commitment to design, implement and transparently report on our global ESG strategy. The Nominating, Governance and Public Responsibility Committee, in coordination with other committees of the Board, oversees our policies, programs, strategies and reporting related to ESG matters. In 2021, we launched an ESG Committee comprised of executives from across the Company that developed a multi-year ESG strategy and roadmap. In the first quarter of 2022, we named a Chief ESG Officer who will lead our ESG program and execute against our ESG goals and objectives. Establishing an ESG office advances our work toward building a more environmentally and socially responsible workplace and world.

Our Guiding Values

Our mission, to help more people achieve brighter financial futures, requires an all-in, team-based mentality throughout the organization. Our Core Values align our leaders, employees, and suppliers behind this mission. They represent a non-negotiable promise that we make to consumers, shareholders, community members, and each other. We act on these values through our Discover Behaviors, which ensure that we work as a team to continuously improve and succeed.

Discover Behaviors



Core Values

- Doing the Right Thing
- Innovation
- Simplicity
- Collaboration
- Openness
- Volunteerism
- Enthusiasm
- Respect



Engaging Our Stakeholders

The decisions we make as a company impact a variety of people—from our employees and shareholders to the customers who use our products each day. It’s important that we understand their perspectives and take their voices into account.

We regularly engage our key stakeholders to better understand the issues that matter most to them and our business, and we leverage their insights to advance our ESG efforts.

Here’s a snapshot of some of our largest stakeholder groups and how we engage with them:



Stakeholder Group	How We Engage
Customers	<ul style="list-style-type: none"> • Customer Service direct interactions • Focus groups • Social media monitoring and engagement • Customer surveys
Employees	<ul style="list-style-type: none"> • Annual survey • Employee awards • Manager check-ins • Ongoing professional development opportunities
NGOs and Community Organizations	<ul style="list-style-type: none"> • Community dialogues • Engagement through community partnerships, volunteerism and partnerships to advance shared priorities • Membership in civic organizations like the Chicago Corporate Coalition • Philanthropic investments
Investors	<ul style="list-style-type: none"> • Annual meeting of shareholders • Quarterly earnings call • Participation in conferences and forums • Investor meetings and outreach
Suppliers	<ul style="list-style-type: none"> • Voice of the Supplier Surveys • Executive Relationship Review Sessions • Exploring innovation opportunities • Sharing of strategic objectives and priorities
Regulators/Government	<ul style="list-style-type: none"> • Maintain ongoing dialogue with supervisors on company and agency developments • Engage with key government decision-makers on policy issues impacting our business and customers

Promoting Economic Stability and Mobility



Discover is dedicated to helping people achieve brighter financial futures. This means more than simply giving people access to a credit line. It means making it easier for people to save for tomorrow and spend responsibly today. It means promoting financial education and providing opportunities for economic empowerment.

As an institution with deep financial expertise, Discover is perfectly positioned to help promote a brighter financial future for people, businesses, and communities. We remain committed to delivering products and services that help our customers achieve financial success and increasing access to products and services for all customer demographics, including traditionally unbanked and underinvested communities.



In This Section

Committed to Financial Progress	10
A Trusted Partner for Financial Success	11
Investing in Economic Opportunity	13
Economic Investments	14
Supporting Financial Education	16

Committed to Financial Progress

Increasing our customers' financial security and success is at the heart of Discover's business. We continue to be an industry leader in responsible, secure, and transparent financial products, services, and programs which help create value and build financial confidence for customers. Our ambition is to help people build brighter financial futures, no matter their circumstances.

The need has never been greater. Financial insecurity is a stressor for many individuals, and this was exacerbated in recent years as the result of the COVID-19 pandemic and increased uncertainty experienced across the globe. In 2020 in the U.S., nearly seven in 10 adults (68 percent) admitted having experienced unexpected financial setbacks, and over half of adults (52 percent) admitted to living paycheck to paycheck.¹ Financial insecurity also had a disproportionate impact on younger generations and people of color. Thirty-seven percent of millennials had more debt than savings² while 58 percent of Black-owned businesses were considered "at-risk" or "in-distress" before the pandemic began.³

Financial security means that individuals and businesses have access to useful and affordable financial products and services that meet their needs—transactions, payments, savings, credit, and insurance—delivered in a responsible

and sustainable way. Providing this is core to how we do business, every day.

As a next-generation digital consumer bank, we don't rely on a branch network, which means we're able to eliminate all fees for customers with a checking, savings, money market, or certificate of deposit (CD) account from Discover Bank. This means our customers' money can work harder for them. We offer:



NO

fees, period, on any deposit products.



NO

annual fees on any card.



NO

minimum balance.



NO

student loan origination or late fees.



NO

insufficient funds or overdraft fees.



NO

ATM fees.



NO

origination fees on Discover Personal Loans.

COVID-19 Payment Deferment Program

Across all lending businesses, Discover helped thousands of customers deal with the economic challenges created by the pandemic. For customers impacted by the pandemic who shared that they had difficulty making minimum payments, we suspended payments and extended loan terms so customers had more time to pay.

¹2020 Harris Poll; National Endowment for Financial Education; <https://www.nefe.org/news/2021/02/majority-of-americans-battered-by-pandemic-unsettled-economy.aspx>

²Bankrate's Financial Security Poll, Jan. 19–Jan. 24, 2021; <https://www.bankrate.com/banking/savings/credit-card-debt-emergency-savings-2021/>

³2020 McKinsey; <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/building-supportive-ecosystems-for-black-owned-us-businesses>

A Trusted Partner for Financial Success

Customers choose Discover because they trust our brand, our products, and our people. We seek to earn that trust by ensuring everything we do is reliable, consistent and performed with the highest level of integrity.

Critical to becoming a trusted financial partner is helping people make financial progress. We provide simple, easy-to-understand information and tools that facilitate informed financial decisions and products that make saving easier. In 2021 we received several awards highlighting customer satisfaction with our products and services:



Innovation/Customer Service

2021
FUTUREEDGE 50
Award Winner

2021
**CITIES FOR FINANCIAL
EMPOWERMENT FUND**
Bank On certification
standard for
Cashback Debit

2021
BRAND KEYS
#1 for Brand Loyalty
in the Credit
Card Category

2021
**INVESTOR'S
BUSINESS DAILY**
Most Trusted Financial
Companies

2021
NERDWALLET.COM
Best Checking
Account with No
Monthly Fees for
Cashback Debit

Credit Management

When individuals know and understand their creditworthiness, they can better manage their personal finances. We offer several resources to help consumers maintain healthy finances by staying on top of their credit use and credit score. These include:

Discover Credit Scorecard

The Discover Credit Scorecard helps individuals understand their credit by providing primary card holders easy access to their FICO® Credit Score. More than 13 million customers checked their FICO® Score with the Discover Credit Scorecard in 2021.

Secured Card

For individuals with poor credit, or none at all, it can be tough to get a loan or line of credit—even though that may be exactly what they need to help establish their credit score. Building a record of on-time payments is an important factor that impacts creditworthiness. For many, Discover's Secured Credit Card, which requires a refundable security deposit in exchange for a line of credit, is the solution.

Debt Consolidation

We encourage customers to consider consolidating their debt from other financial service providers with us to give them more clarity around their debt situation and simplify their payments. Nearly half of our personal loan customers have used debt consolidation to get better control of their financial situation. We offer several products that can be used for debt consolidation, including:

- **Balance Transfers**
- **Personal Loans**
- **Home Equity Loans**
- **Student Consolidation Loans**

Student Support

Financial stress can be a barrier to earning a degree. We offer several tools to help college students get off to the right start. Our calculators are available to customers and non-customers to help students and their parents make informed decisions about paying for college before they take out a loan.

- **Award Letter Calculator: Compare financial aid award letters to understand how much they will pay for college.**
- **Loan Amount Calculator: Estimate how much they need to borrow in student loans.**

- **Student Loan Calculator: Estimate monthly student loan payments.**
- **Prepayment Calculator: Estimate how much they might save by making larger loan payments or paying off a loan earlier.**

Additionally, [Discover's student cards](#) help teach good money and credit management to students during school and after graduation, offering a great way to move into the world of financial independence. A student credit card is a fully functioning credit card with benefits geared to students and lower credit limits that allow students to start building credit history.



Investing in Economic Opportunity

Discover is committed to improving the financial stability of our customers and communities. We believe everyone should have access to products designed to help them meet their needs. From affordable housing and small business loans to financial literacy programming, we make investments to provide economic development opportunities that build strong financial futures so that all of our communities can thrive.

Bringing Quality Jobs Directly to Communities

One way Discover helps people achieve brighter financial futures is through meaningful job creation. We recognize that traditional corporate site selection has contributed to issues of unequal opportunity in our society, and we want to be part of the solution. We built and opened a new customer care center in the Chatham neighborhood on Chicago's South Side. When the center is fully operational in 2024, it will provide nearly 1,000 full-time jobs to neighborhood and area residents. Discover is prioritizing hiring local talent with more than 80 percent of those currently working at the Center living within a five-mile radius.

Our new center connects with a talented pool of candidates and suppliers. In the first several months of operations, our Chatham center is already exceeding customer-satisfaction goals and performing at an industry-leading level, reinforcing that diversity is one of our greatest assets and that Discover is a place where all individuals can build and advance their careers.

Full-time employees in Chatham receive Discover's full benefits package, which includes health insurance, a 401k plan, eligibility for 20 days minimum of paid time off, a focus on career development and the opportunity to receive a free college education, effective upon the first day of employment. Our new center in Chatham will have direct and long-term impact on the neighborhood and we hope will serve as a springboard for further economic development in the area. Through our investment, we support local community programs including Social Works and their Summer Youth Program, Teamwork Englewood Youth Programs, Greater Auburn Gresham Healthy Lifestyle Hub program, Girls Like Me, UCAN and others.

“Expanding equity and opportunity across Chicago is possible thanks to the investment and support of corporate partners like Discover.”

City of Chicago Mayor Lori Lightfoot



Economic Investments

\$81M

spent with diverse owned businesses

More than

35%

increase in spending from previous year

Supplier Diversity

The supplier partners we choose say a lot about who we are and what we stand for. We are committed to developing a [diverse supplier network](#) that reflects the diversity of our customer base—a network more inclusive of businesses owned by minorities, women, veterans, people with disabilities, and members of the LGBTQ+ community.

These diverse suppliers bring a broader range of backgrounds, perspectives, and ideas that are critical to our long-term success. They drive economic growth and stability in communities, and their partnerships provide us with a more competitive, sustainable, and flexible supply base. In turn, as a leading financial institution, through our small business partnerships, we can effect systemic change by promoting economic growth across groups who have historically been economically disadvantaged.

In 2021, we spent \$81 million with diverse-owned businesses, increasing direct spend by more than 35% year-over-year; we also committed an additional \$14 million to Chicago-based minority and women-owned businesses to support the buildout of our new Chatham Customer Care Center. Our goal is to reach \$125 million in direct spend with diverse

↑ **92%**
increase in spending with Veteran-owned businesses

↑ **80%**
increase in spending with Minority-owned businesses¹

↑ **24%**
increase in spending with women owned businesses

suppliers by 2025. Additionally, Discover's spent more than \$85 million in support of small businesses.

We encourage diverse suppliers to complete and submit a profile through our [Supplier Registration Portal](#). Registered suppliers gain access to a database reviewed by our sourcing team when bid opportunities present themselves. This allows us to procure goods and services while providing equal opportunity for diverse suppliers who compete for our business.

Small Business Financing

Discover has a longstanding partnership with the National Development Council (NDC), which shares our mission to build bright financial futures for businesses and communities. In 2021 we provided the NDC with a \$10.5 million increase to its Delaware small business loan fund, bringing our total commitment to financing small business with NDC to \$21.8 million. Discover has partnered with economic development authorities, nonprofits, and foundations to provide capital to NDC's community development lender, Grow America Fund (GAF), for below-market Small Business Administration (SBA) 7a loans to small businesses in economically depressed areas. These investments launched the following economic development loan programs:

GROW DELAWARE:

A **\$9M**

loan portfolio to retain and grow businesses in the State of Delaware.

EXCITE SUSSEX:

A **\$16M**

loan portfolio to attract, retain, and grow light manufacturing businesses in Sussex County, Delaware.

GROW WILMINGTON:

A **\$4M**

loan portfolio to attract, retain and grow businesses in the City of Wilmington, Delaware.

Building Collaborations to Make Financial Systems Work Better for All

Discover is partnering with the University of Delaware (UD) and Delaware Technology Park to build a new center for financial services technology, or "fintech," at UD's STAR Campus.

The 100,000-square-foot building represents a convergence of academic rigor, business savvy, and technical expertise with the intention of pooling those resources and collaborating to make financial systems work better, more securely, and more equitably for all.

The building's tenants will include financial institutions, academic centers, small businesses, nonprofits, data and technology experts, and the Small Business Development Center. The \$40 million project is funded via a below-market-interest-rate loan by Discover Bank and is set for completion in 2022.

¹Minority-owned defined as businesses owned by one or more People of Color.

Affordable Housing

Safe and affordable housing is essential to building healthy families and communities and continues to be a major focus for Discover. The lack of adequate affordable housing in many areas across the U.S. has a host of negative effects on communities as housing cost-burdened families experience greater stress relating to food security, health care, retirement, transportation, and overall social stability. Research shows that increasing access to affordable housing bolsters economic growth and is the most cost-effective strategy for reducing childhood poverty and increasing economic mobility in the U.S. Addressing the affordable housing crisis is an important way that Discover helps promote brighter futures.

Our efforts center on creating and preserving affordable housing opportunities for both homeownership and rental opportunities. We focus these efforts in the Mid-Atlantic region and Delaware, the home of our retail bank.

Low Income Housing Tax Credit Investing

Discover supports multifamily rental housing developments that utilize the Low-Income Housing Tax Credit (LIHTC), a federal program that issues tax credits to state governments, which then award the credits to private developers through a competitive process, for construction or rehabilitation of affordable rental housing for low- and moderate-income households. Discover invested \$58 million in LIHTC properties in 2021 and \$63 million in 2020 to support the construction and rehabilitation of 15 affordable housing developments.

First Time Homebuyer Mortgage Program

Our longstanding partnership with the Delaware State Housing Authority (DSHA) is another key part of our efforts to promote affordable homeownership.

Together we help low- and moderate-income families purchase their first home and advance up the property ladder through products and services that include:

- **Access to down payment and settlement cost assistance.**
- **Low fixed-rate mortgages.**
- **Home for Grads, a reduced interest rate program for recent college graduates.**
- **Financial coaching to help homebuyers improve their credit and become mortgage ready.**

Since 2014, our partnership has helped more than 2,300 Delaware homebuyers purchase a home through more than \$385 million in affordable home mortgages.

Access to Financial Services

Discover has been a supporter of the minority-owned Stepping Stones Community Federal Credit Union, a minority depository institution (MDI) since it received its charter in 2011. Stepping Stones is a designated low-income credit union in Wilmington that provides financial education and savings accounts. Through our partnership, Discover has helped Stepping Stones build new products and account features including access to the largest ATM network in Wilmington at no cost. This access eliminates the need for high-cost check cashers and pre-paid debit cards, helping people join the financial mainstream. New features introduced in 2021 include a mobile app, debit card, and an education loan product for trade certifications.

Stepping Stones is staffed by volunteers and employees of the Delaware Community Reinvestment Action Council (DCRAC). Discover granted the DCRAC \$250,000 in 2021 to launch its debit card and new mobile app.

Discover also provided \$420,000 to Zip Code Wilmington over the past two years to partner with Stepping Stones on the development of their education loan product for students seeking to become software developers or data engineers. Students, on average, more than double their annual income. The education loan program enables students to borrow the tuition at reasonable rates, defer repayment until after they are employed and build credit. Students also receive financial education from DCRAC.

Increasing Homeownership Opportunities

Since 1996, Discover has provided more than \$5 million in financial support to the Milford Housing Development Corporation (MHDC), a leader in advocating, developing, and managing affordable housing for low-to moderate-income families and individuals in Delaware. In 2021 we provided a \$300,000 grant to support MHDC's ongoing affordable housing programs, including the Self-Help Housing Program that provides homeownership opportunities for families below 80 percent of area median income (AMI). Families build homes in groups of four to six participants and perform approximately 65 percent of the construction trades/tasks in a mutual self-help process to construct their homes. In 2021 Discover's support enabled 12 families to work together to meet their homeownership goals.

Supporting Financial Education

A strong financial education is crucial to achieving and maintaining financial stability. Discover provides financial education opportunities to help consumers, particularly students and those in underserved communities, enhance their financial skills and understand the risks and opportunities of their financing decisions. We partner with schools, communities, and organizations to bring financial education to individuals nationwide.

Pathway to Financial Success

Our primary financial education program, Pathway to Financial Success, was created in partnership with Discovery Education to bring financial education into middle and high school classrooms across the country, empowering students to manage money and make smart financial decisions. Through this program, we offer educational resources for teachers, as well as tools and tips for parents. In 2020 our [Pathway to Financial Success in Schools](#) curriculum, which is optimized for online learning, saw a huge uptick in program usage, which continued through 2021. Since 2012, the [Pathway to Financial Success](#) program has impacted nearly 5.7 million children and their families across the country.

DISCOVER



Discover.com Education Materials

We're making financial education materials more accessible to all through Discover.com, which provides more than 1,000 free resources on topics which range from credit card basics and how to manage credit to broad financial literacy and credit education.



Financial Literacy Partnerships

→ MoneyWise

A lack of financial education and know-how can often make the path to independence more difficult for domestic violence survivors. Discover partners with MoneyWise to change that, to help provide free financial education to domestic violence survivors. In 2021 we continued to support MoneyWise online, allowing clients to continue on their path to financial independence during the COVID-19 pandemic.

→ MoneyThink

Our support for MoneyThink enables students, many of whom are first-time college-bound members of their families, to navigate the opportunities of college, including institution choices and financial assistance. In 2021 we increased our commitment to MoneyThink with a \$100,000 grant, enabling the program to reach more than 10,000 students, of which 71 percent uploaded their financial aid award letters into the tool to make decisions regarding their education journey.

→ First Nations Development Institute

Discover supports the First Nations culturally centered financial program to help Native Americans with the basics of financial management, financial markets, and financial

instruments for borrowing and saving to create brighter financial futures for themselves and for their families. With Discover's support, First Nations provided webinars, virtual trainings and workshops on topics including Financial Skills for Families, Fraud Awareness, Covid Scams, The Coronavirus in Indian Country and Building Native Communities.

→ College Covered

CollegeCovered.com was created by Discover Student Loans to provide students, parents, and high school counselors with the know-how to plan and pay for college. This website offers a variety of resources and tips for each step of the college planning process. In 2021 CollegeCovered.com received more than 1.5 million unique visitors.

→ Junior Achievement

For more than 20 years, Discover has partnered with Junior Achievement (JA) to inspire and educate young people in financial literacy. Discover employees volunteer, on company time, to facilitate financial education classes and entrepreneurship programs to participants as part of an overall curriculum implemented in schools. In 2021, more than 130 Discover employees volunteered in classrooms through JA, impacting nearly 2,000 students.



Prioritizing Our People

Our company thrives when our employees are well-supported and feel valued. We invest in our more than 16,000 employees through education, training, and competitive benefits, and we promote an inclusive workplace that celebrates our diversity. In 2021, we increased support for our employees through enhanced family and mental health resources while continuing to offer programs that help employees advance their careers and improve their own financial health.



In This Section

2021 Workplace Awards and Recognitions	19	Employee Development	24
Diversity, Equity and Inclusion	20	Health and Well-Being	27
Workforce Diversity	21	Employee Engagement	29
Workplace and Pay Equity	23		

2021 Workplace Awards and Recognitions



Diversity, Equity and Inclusion (DEI)

Our commitment to Diversity, Equity & Inclusion has for years been rooted in our company's core values: Doing the Right Thing, Collaboration, Openness, and Respect. In 2019, we started to take a more overt and intentional approach to accelerate our progress. In 2020, when the push for racial justice reached national levels, the Black Organizational Leadership at Discover (BOLD) Employee Resource Group (ERG) hosted a listening session to give all employees a platform to share and learn. The impact of this session reverberated throughout the organization, spurring the launch of our DE&I Task Force. Later that year, we appointed our first Chief Diversity Officer.

The past year has brought even more wins worth celebrating—such as being named a finalist for the NACD's DE&I Awards, opening our new Chatham Customer Care Center, and publishing our first [DE&I Report](#).

As we move toward making the changes we want to see, we've set our North Star Goals to help us get there. These measurable goals contribute to narrowing systemic gaps and take steps toward a more accepting workplace and society.

These goals are:

- In pursuit of diversity, we strive to increase representation of women and People of Color (POC)¹ at all management levels to 50% and 40%, respectively, by 2025. Additionally, we strive to increase representation of Black and Latinx at all management levels to 15% by 2025.
- To ensure equity, we're establishing measures to identify and address potential biases, which will improve recruiting, retention, and internal mobility.

- To foster inclusion, we're working toward achieving equally strong inclusion scores in our annual employee survey across all identity groups by 2024.
- To increase our external impact, we're using our full platform of jobs, supplier spend, charitable contributions, products, and more to advance equity and motivate others to effect change.

¹People of Color comprises all races/ethnicities that are not categorized as "White/Caucasian" in the U.S.



Discover's DEI Belief Statement

We believe that our diverse perspectives and experiences make us stronger and better able to help our customers, employees, and communities achieve brighter financial futures. And we believe that all—regardless of race, ethnicity, gender, identity, sexual orientation, disability, veteran status, religion or age—should feel valued, have a sense of belonging, be treated equitably, and enjoy the freedom to be themselves.

Workforce Diversity

Discover Talent Compared to the Local Talent Market

Our workforce diversity either exceeds or matches the workforce availability in each of the metropolitan areas where we operate.

Discover workforce in operating cities relative to the local talent market	Total US Discover Employees ²	WOMEN ¹		POC	
		Discover Employees ²	Local Talent ³	Discover Employees ²	Local Talent ³
Chicago, IL Tech, Analytics, Marketing, Core Functions, Customer Care	5,018	47%	47%	51%	37%
Salt Lake City, UT Customer Care	3,416	68%	45%	33%	15%
Phoenix, AZ Customer Care	2,862	69%	45%	45%	30%
Columbus, OH Customer Care	2,188	67%	47%	30%	17%
Greater Philadelphia Area Customer Care	1,251	73%	48%	50%	25%
Houston, TX Tech, Payments, Network, Core Functions	402	45%	45%	62%	49%

¹ Current data on gender is measured Men/Women. We recognize this does not represent the full spectrum, but we are matching to the external benchmark.

² As of December 31, 2021

³ Source: US Department of Labor

Our gender & race/ethnicity numbers are based on self-identification.



Discover Representation by Level Compared to Industry Representation

Another benchmark we look at is our workforce representation by level, compared to Banking & Consumer Finance and Technology. We evaluate ourselves against *Women in the Workplace*, a study conducted by McKinsey & Company and LeanIn.org since 2015, as well as against additional McKinsey & Company studies on racial equity in financial services.

At nearly every level, our representation of women and POC exceeds or is on par with industry numbers.

We have an opportunity to increase representation of women who are salaried Individual Contributors, particularly within our large technology workforce.



Discover workforce compared to the Banking and Tech industries	WOMEN ¹				WOC ²		POC	
	Discover 2021 ³	All US Companies	Banking & Consumer Finance	Technology (Software)	Discover 2021 ³	All US Companies	Discover 2021 ³	All US Companies
Officers (EVP, SVP, VP)	36%	≤30% ⁴	≤33% ⁴	≤27% ⁴	9%	≤7% ⁴	31%	≤20% ⁴
Directors	41%	35%	37%	32%	11%	9%	28%	24%
People Managers	53%	41%	45%	38%	17%	12%	34%	29%
Individual Contributors, Salaried	45%	48%	51%	40%	19%	17%	46%	34%
Individual Contributors, Hourly	74%	N/A	N/A	N/A	33%	N/A	44%	N/A

¹Current data on gender is measured Men/Women. We recognize this does not represent the full spectrum, but we are matching to the external benchmark.

²WOC is defined as Women of Color. In this report, Women of Color comprises women of all races/ethnicities in the US that are not categorized as White/Caucasian.

³As of December 31, 2021

⁴Source: McKinsey & Co. and Lean In, *Women in the Workplace: The State of Women 2021*. McKinsey & Co. benchmark data delineates VP, SVP, and C-Suite representation, but does not provide a cumulative figure for Officers. 'Less than' symbol reflects that what is shown is the highest number of the three.

Workplace and Pay Equity

We believe that every person should be treated equitably, and we want to ensure we are not perpetuating disparities.

Pay Equity

We seek to pay our employees fairly for their work. We regularly monitor our performance, addressing pay-equity discrepancies or issues as appropriate. We benchmark roles and compensation data to help ensure internal pay equity. As we approach our North Star Goal for representation at management levels, median pay for women and POC will rise as well.

Discover partners with an independent, third-party consultant to conduct a company-wide pay equity analysis that considers race, ethnicity, and gender.

After accounting for factors such as role, tenure, and geography we've determined that:

Since 2018, women and minorities at Discover earn, on average, between

\$0.99-\$1.03

for every \$1.00 earned by men and non-minorities

Equity in Our Talent Processes

We are pursuing a company-wide, data-driven approach to identify and address potential biases within our talent processes—like hiring, promotions, performance reviews, attrition, and corrective actions. This approach includes a deeper analysis of our systems and how they work together to ensure fairness.

More Work Ahead of Us

A company-wide training called Deliberate Advocacy helps employees to not only address their individual biases, but actively become anti-bias advocates. More than 16,000 employees (97% of our workforce) have completed the training.



Employee Development

Our ability to serve customers and build brighter financial futures starts with our own dedicated employees. We are focused on building a culture of continuous learners, where employees can have a fulfilling career. We believe that learning is more than formal training. We offer a wide range of learning opportunities that focuses on best-in-class learning, at the right time, in a way that is meaningful.

Our learning philosophy not only supports our employees; it puts Discover in a stronger position to attract and retain the best talent. Opportunities include:

- Personalized learning opportunities available via our learning systems, customized to what an employee needs and available to everyone.
- Formalized leadership milestone learning journeys that support our leaders during key transitions in their career: Advance, Emerge, and Inspire.
- On-the-job and “stretch” opportunities that provide employees new experiences, insight into additional lines of business, and the opportunity to build cross-functional networks.
- Enterprise risk and compliance programs focused on maintaining our standard of operational excellence and reducing risk for our customers and business.
- Education assistance and reimbursement support for continuing education for U.S. employees.

- Selection-based programs that are focused on developing our high potential talent and diverse talent into leadership roles.
- Sponsorship and mentorship programs that support individuals as they progress in their career journey outside of traditional class-room training.

Discover employees embrace learning. In 2021, we had more than 5,500 people participate in formal development opportunities. Given our focus on operational excellence, risk, and compliance, all employees complete required training within the first 60 days of hire. For employees in key focus areas, such as process owners and business leaders within our Compliance Management System, Discover provides additional programs to expand employee capabilities and build critical skills. Program elements include development profiles, learning journeys, specialized seminars, and robust manager-employee development planning. In addition, employees receive specialized learning as relevant to their profession and business line each year.



Discover Technology Academy

Discover is a major employer of technology talent. To support the growth and continuous learning of these employees, we developed the Discover Technology Academy (DTA), a collaborative and state-of-the-art platform through which our technology employees can share their knowledge and gain additional skills. The Academy offered 56 virtual learning events in 2021, such as workshops, leadership master classes and hackathons. The focus of these events ranged from technology trends, cybersecurity, and authorization systems to reliability, interpersonal skills, and technological innovation, with more than half of the sessions drawing in 200+ attendees each.

Technology teams were introduced to the dojo experience in 2021. Dojos are a holistic transformation model that enables the cost optimization, speed, agility, and scale required to deliver a way forward for Discover's Business Technology culture. Hands-on and interactive, the dojo gives participants a thorough understanding of core Agile and DevOps concepts while leveraging existing backlogs for pairing and upskilling, creating an experiential learning environment that accelerates adoption in the team's backlog immediately. Discover is also focused on empowering our engineering workforce to improve their craft by offering an expanded approach to learning and development.

Participation in the virtual learning events, dojos and learning opportunities has contributed to the advancement of the next generation of technology leaders

¹ Information is based on 2020 data, which is when the underlying analysis was last conducted.

at Discover, and the DTA experience is just getting started: additional learning opportunities are already in motion for the upcoming year, which will support technology team members in building their talent with the skills needed to be successful.

Education Assistance

We recognize that the future leaders of Discover are already working for us. We just need to give them the opportunities to grow into those roles. That's why our education assistance starts day one of employment for eligible U.S. employees. This benefit helps employees fund and achieve associate, bachelor's, and graduate degrees from accredited colleges and universities.

43
teams participated in the dojo experience in 2021, including more than
100
product owners.

During the two hackathons that took place in 2021, nearly

800
employees across

3
countries participated, making up

100+
teams and resulting in

126
qualified projects.



Discover's Education Assistance At-A-Glance



2,000+

Discover employees enrolled in an education program since 2018



1.4x¹

increased retention rate among enrolled employees



2x more¹

likely that an employee is promoted after program enrollment



~\$20M

in total tuition costs paid by Discover since 2018

On-site MBA

The Discover On-site MBA Program nurtures leadership skills so that employees are well-prepared to take on new and expanding roles within Discover. Through our partnership with the Lake Forest Graduate School of Management, employees can earn a Master’s in Business Administration degree at our Riverwoods campus—with Discover covering full tuition cost. Forty-eight employees have participated in the program since its launch in 2017, and 22 have already earned their MBA degrees.

The Discover College Commitment

We fund select high-quality online bachelor’s degrees at four partner universities through The Discover College Commitment. The costs of tuition, required supplies and books are entirely covered by Discover. To ensure employees get the most out of their academic experience, they also receive access to educational guidance, counseling, and coaching through Guild Education.

In 2021, we expanded this program to include two new universities—University of Arizona and Paul Quinn College, one of the oldest historically Black colleges and universities (HBCU) in the country.

Tuition Assistance and Reimbursement Programs

Our tuition assistance and reimbursement programs offer employees more flexibility in choosing where they want to earn their degree. Employees can pursue qualified degrees from a network of accredited colleges and

universities. Annual tuition costs are covered up to \$2,500 for associate degrees, up to \$5,250 for bachelor’s degrees and up to \$10,000 for graduate degrees.

College Start

For those who are interested in pursuing an advanced degree, but aren’t ready for the full commitment just yet, we have the College Start program. This gives employees the opportunity to take college-level courses without committing to a four-year degree and earn credits they can later apply toward a four-year program. Since its launch in 2021, 34 employees participated in the College Start program.



Health and Well-Being

To foster a culture that prioritizes the needs of our employees and promotes flexibility, balance, and good health, Discover strives to:

- Create an inclusive environment where well-being is visibly prioritized.
- Continually encourage leaders to invest in their employees' well-being.
- Provide resources, education, and training on well-being that is easily accessible.

We offer a range of benefits and resources to employees under our three pillars of employee well-being.



Health

- ANNUAL HEALTH EVALUATION**
An annual evaluation to help employees learn about their health and earn up to \$300 off their insurance premiums.
- ONSITE HEALTH CLINICS**
Quality, convenient, and affordable services on campuses, including free flu shots.
- ONSITE FITNESS**
Workout facilities available before, during, or after work.
- HEALTHY EATING**
Healthy and affordable menu options available at Discover cafeterias.
- SMOKING CESSATION**
Quit for Life program to help people quit the habit.
- WW, WEIGHT WATCHERS® REIMAGINED**
A holistic wellness program helping employees to reach their health and weight management goals.
- CONDITION MANAGEMENT PROGRAMS**
Access to innovative programs to help manage diabetes, hypertension, weight management, and musculoskeletal health.



Wealth

- FINANCIAL WELLNESS FOR YOU**
Program with 50+ courses to give employees the tools, guidance, and expertise needed to achieve their own financial goals.
- FREE FINANCIAL COUNSELING**
A free 60-minute counseling session with a financial expert.
- PERKS AT WORK**
Special discounts for employees and their families.
- EDELMAN FINANCIAL ENGINES PLANNING TOOLS**
Free and fee-based online tools to help with savings, retirement, and more.
- EMPLOYEE STOCK PURCHASE PLAN**
Discover stock available to employees at a 5 percent discount.
- DISCOVER EMPLOYEE CARD**
Discover credit card available with a special interest rate.



Balance

- LIVE AND WORK WELL PROGRAM**
Free and confidential emotional health counseling, online tools, and more to help maintain mental health.
- HEALTH COACHING**
Free support on a variety of topics, available to any employee who completes the health evaluation.
- DISCOVER CARE @ WORK FAMILY ASSISTANCE PROGRAM**
Cost-effective caregiver solutions for the whole family, including childcare, elder care, pet care, and more.
- TORCHLIGHT CHILD**
Free online platform for support on hundreds of childcare topics.
- TORCHLIGHT ELDER**
Free online support designed to support employees caring for senior loved ones.

Enhanced Flexible Work Arrangements

Embracing flexibility is one important way we support employees as we adapt to new ways of working. In 2021, Discover continued to facilitate hybrid, on-site, and remote work to enable employees who can and wish to work remotely to do so in some capacity, while maintaining a safe environment for employees who need to be at our offices. We provide flexible working hours and options for setting up core meeting hours, and we stress the importance of scheduling check-ins to set boundaries and expectations on when each person is available. To reduce virtual meeting fatigue, we also have monthly, company-wide “No Meeting Days.” We empower employees and managers to work together to establish customized work arrangements that are best for individual and their teams, further promoting flexibility for our workforce.

Well-Being Benefits and Resources

Promoting the health and well-being of our employees is a top priority, and when the pandemic hit in 2020 we were quick to act. We rolled out new opportunities and enhanced existing benefits and programs to support our employees during exceptionally challenging times. In 2021, we continued to expand our benefits with the following:

- No-cost counseling support through our Employee Assistance Program.
- Wellness Time at Work, dedicated time for agents to participate in well-being-related programming and activities.

- My Mental Health Matters Campaign, a month-long series of events centered on promoting mental health and well-being.
- Free virtual classes through EXOS fitness center, including guided stretch breaks, yoga, and breathing exercises.
- Weekly mindful meditation virtual class during work hours.
- Free premium access to Sanvello, an app that offers on-demand content and peer support for managing stress and anxiety.
- Free COVID-19 testing through Blue Cross Blue Shield and Select Health.
- Extended additional telehealth options via Blue Cross Blue Shield and Select Health.
- New condition management programs via BlueCross BlueShield to manage hypertension and musculoskeletal health.
- Free medication delivery through CVS Caremark.

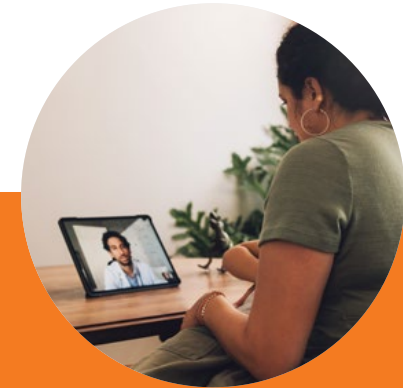


MY MENTAL HEALTH MATTERS CAMPAIGN

31
sessions

4,700+
employee participants

1,700+
hours of engagement



Discover's Employee Assistance Program

We offer no-cost counseling support through the Employee Assistance Program (EAP), which allows employees to set-up virtual or in-person sessions with counselors to discuss any personal or work-related problems in complete confidence. In 2021, we extended this program to include 100 percent of our international workforce.

Our EAP participation has consistently been double the industry norms, which speaks to our culture and the value we place on mental health. Discover encourages our employees to tend to their well-being and endeavors to dismantle mental health stigmas.

Employee Engagement

We work hard to create a culture that makes Discover a great place to work; where everyone does meaningful work from day one, is inspired to grow, and feels included. We believe employee engagement is defined by the level of trust, integrity, two-way commitment, and communication Discover has with our employees. That's why we strive to be the best place to work, providing high-quality jobs in an engaging environment.

Our “employee listening” practices are a reflection of our culture of continuous improvement. We take a year-round approach to measuring engagement and encourage employees to take advantage of all opportunities to provide feedback, whether through day-to-day interactions or employee surveys. We also capture feedback across the entire employee lifecycle—from onboarding to exiting the company—which provides us with greater insight into each of the unique experiences we have at work. Our approach has resulted in our employee engagement scores being among the top 25 percent of all companies surveyed by Glint, our survey partner.

Following are highlights from our 2021 myVoice Culture & Engagement Survey:

- **84% of employees surveyed would recommend Discover as a great place to work.**
- **86% of employees surveyed would recommend their manager to others.**

Employee Awards

Discover understands how important it is to thank and acknowledge our employees for being a vital part of our company. Awards and recognition programs are one way we show our appreciation for their contributions.

Bravo

Our Bravo program makes it easy for employees to recognize one another for being a valuable part of the team. With each Bravo recognition, employees earn points which they can redeem for merchandise, gift cards, or donate to charities. To ensure this program was successful in a remote working environment, we made enhancements which included adding coffee chats which randomly pair employees for a one-on-one conversation, enhancing the Celebrations cards and adding an option for branded rewards. In 2021, employee recognition grew by 30 percent from 2020, with more than 40,000 items redeemed totaling more than \$2 million in rewards.

President's Award

For more than 30 years, the President's Award has been awarded to employees who achieve exemplary business results and embody Discover's Behaviors. Employees are nominated by their peers for this award. In 2021, 198 employees received the President's Award for their outstanding accomplishments, along with a \$2,000 cash reward. We also hosted a virtual awards ceremony, which was attended by more than 6,000 employees.

Pinnacle of Excellence

Each year, senior leadership selects the recipients of the Pinnacle of Excellence Award, which is eligible to any team leader or non-exempt, front-line employee who directly serves our customers, for their leadership in modeling Discover Values and Behaviors while achieving superior job performance. We recognized 72 employees in 2021 with this distinguished award, along with a \$2,000 cash reward.

The event was meaningful, not only to winners, but also to attendees. Ninety-eight percent of respondents said they felt more motivated seeing their peers receive this accolade.

Benefits and Compensation

In addition to providing good-paying jobs, we offer above-industry-average benefits which help Discover attract and retain top talent and enable our employees to thrive. Our benefits include a 401(k) employer contribution of 3 percent of an employee's salary with an additional 1:1 match up to 5 percent; two stock incentive options; 16 weeks of paid parental leave; generous paid time off policy; education assistance, including a fully-funded bachelor's degree, and more.

In 2021 we enhanced our benefits even further: extending our fully paid education benefit program to include two more colleges, expanding childcare support, and providing additional programs to support health and wellness. We also offer financial support to assist in the transition to working from home, including monthly reimbursement for internet costs for all non-exempt employees and agent team leaders.

Our employee compensation programs are designed with the following considerations in mind:

- Pay for Performance
- Pay for the Role
- Competitive Market for Employee Talent
- Pay Equity
- Balanced Compensation Structure

Attracting and Retaining Leadership

Our executive officers are critical to Discover's success. Our executive compensation program is performance-based and designed to attract top talent, and retain and motivate these leaders. We are guided by the principle that compensation should reflect short- and long-term financial and non-financial performance, as well as individual performance. We deliver a balanced compensation structure while also ensuring that compensation is competitive relative to peers and the broader market.

Family and Caretaker Benefits

For many parents and caretakers, the COVID-19 pandemic brought on additional challenges related to interrupted school schedules, the lack of affordable childcare options and more complexity in caring for relatives. To provide these employees with additional support, we added benefits to include:

- **Subsidized Back-up Childcare with Care@Work:** The Care@Work Family Assistance Program now provides 20 days of subsidized backup childcare (up from 15). Usage of this benefit increased more than 100 percent in 2021 from 2019, underscoring the immense need for childcare support as a result of the pandemic.
- **Torchlight Elder:** This online support platform is designed to support employees caring for senior loved ones, providing information and guidance to help them make the best decisions.



Helping Employees Navigate Work and Family

When a new baby is due to arrive or one has children at home, extra support can go a long way. Discover offers a variety of benefits to families, and we are proud that 80 percent of parents who took parental leave in 2021 returned to work.

In addition to childcare assistance and flexible work schedules, we provide 16 weeks of paid parental leave, on-site mothers' rooms and free premium memberships to online resources like Care.com and Ovia Health. Adoptive parents are provided a maximum benefit of \$5,000 per child or \$6,000 for a child with special needs to help offset some of the cost of growing their family. We also created the Discover Parents Network on the virtual platform Yammer so employees could share tips and provide mutual support. These holistic benefits and initiatives help ensure our employees get the support they need during this momentous time in their life and make it easier for them to transition back to work.



Protecting the Planet

At Discover, we are committed to practicing environmental responsibility and adhering to sustainable practices in our operations as we seek to fulfill our mission of helping people achieve brighter financial futures.



In This Section

Our Approach to Sustainability	32
Energy and Emissions	33
Water and Waste	34

Our Approach to Sustainability

As a financial services company, our environmental footprint is relatively small, stemming primarily from corporate buildings and data centers' operations. Still, there are areas where we can continue to improve, and we are committed to doing so. We are reviewing our greenhouse emissions data to help us build a roadmap towards a carbon reduction goal where we have operational control. We are also evaluating how we can further address global challenges presented by climate change by further minimizing the environmental impact of our physical operations as well as designing solutions to build a more sustainable and low carbon future.

Discover engages in strategic, company-wide environmental efforts under the leadership of our ESG Committee and our newly named Chief ESG Officer. We focus on reducing energy use and emissions, minimizing waste, and using water responsibly. Our strategy accounts for the needs of communities where we operate, such as reducing supplemental irrigation in water-stressed climates and converting paper waste into supplies for local schools. It also guides us toward bolder steps, like

migrating elements of our physical data centers to cloud-based solutions to increase energy efficiency and working toward carbon neutrality.

Ultimately, we know we have a leadership role to play in creating a sustainable global economy. We are committed to developing and marketing products and services that meet shareholder expectations and consumer demand.



Doing More for the Planet, Together

We engage environmentally minded employees and customers to drive progress on a larger scale. Our Green Team volunteer group provides education on sustainable actions and technologies while encouraging colleagues to be more environmentally mindful at home and in the office. For customers, we launched a new partnership with Carbonfund.org in 2021 that allows cardholders to donate their Cashback Bonus®, with a tree planted for every dollar donated.

Cardmembers donated more than \$342,000 in 2021 to help plant more than 342,000 trees.

Energy and Emissions

Electricity consumption currently comprises over 90% of Discover's direct carbon footprint. As we formalize our environmental commitments, we will focus on reducing Discover's energy consumption and carbon footprint in our operations.

We are reviewing our greenhouse emissions data to help us build a roadmap towards a carbon reduction goal where we have operational control. As part of our near-term research and planning, we have also joined the Clean Energy Buyers Association and are evaluating a portfolio of options to reduce or offset our carbon emissions.

More Sustainable Facilities

We're committed to facilities that build a more sustainable, low-carbon future for our customers, our communities, and our planet.

→ We're replacing end-of-life equipment using energy-efficient and cost-effective technology.

→ As of December 31, 2021, we control the operations of ten buildings totaling approximately 2.7MM square feet. One of those building is LEED certified, and renovations on seven others have been built to LEED standards. We are considering LEED certification for all our major sites.

→ We have implemented lighting solutions to lower energy use among our facilities. In 2018-19, we retrofitted lighting fixtures at our Lake Park, Utah, and Phoenix, Arizona, locations. We achieved 90% LED lighting at our Ohio location by replacing over 11,000 bulbs with LEDs.

→ Almost all our facilities received WELL Health-Safety ratings, which focuses on addressing a post-COVID-19 environment as well as broader health and safety-related issues.

→ All office paper needs are fulfilled by suppliers using Sustainable Forestry Initiative certified sources. And we're finalizing opportunities to source sustainable paper for customer correspondence.

Two-year utility use		2020*	2021*
Utility	Water	92.3M Gallons	67.2M Gallons
	Electricity	80.8M kWh	81.8M kWh

GHG & Utility Data (metric tons of CO2 emissions)		2020	2021
Scope 1	Stationary Combustion	1,121	1,109
	Mobile Combustion	33	44
	Fugitive emissions from air-conditioning	526	793
Total Scope 1		1,680	1,946
Scope 2	Purchased electricity (location)	38,487	38,807
	Purchased heat and steam	-	-
Total Scope 2		38,487	38,807
Scope 1 + Scope 2		40,167	40,753

*Our workforce was mostly remote for 9 out of 12 months in 2020, and all 12 months in 2021. Scope 1 emissions are direct emissions from owned or controlled sources and include combustibles from furnaces, boilers and company vehicles as well as refrigerants used in coolers and HVAC applications. Scope 2 emissions are indirect emissions from the purchase of electricity we consume. Scope 3 emissions are the result of activities from assets not owned or controlled by the organization, but that the organization indirectly impacts in its value chain (such as business travel). We currently do not capture or report Scope 3 emissions, but will reassess that position in the future.

Water and Waste

Water Conservation

Responsible water use is critical throughout the U.S., especially in water-stressed areas like our Phoenix location. Discover used 67.2 million gallons of fresh water in 2021, a savings of 25 million gallons year-over-year, with the majority coming from our facilities' plumbing and landscaping needs in addition to the at-home workforce impact in 2021 vs 2019 baseline. To reduce water use, we

Water Use in Gallons
(in millions)



use low-flow fixtures such as faucets and flushometers in several locations. We also employ sustainable landscaping techniques, including using native plants that thrive in local climates—such as deserts—and xeriscaping to reduce the need for supplemental irrigation.

Minimizing Waste

In typical years, waste reduction—both from our administrative offices and through business transactions—represents a significant opportunity to reduce our environmental footprint. We follow a reduce, reuse, recycle philosophy to keep our waste output down.

- Our major office locations operate single-stream recycling programs with easily identifiable receptacles.
- We kept 162 tons of recyclable material and 60 tons of organic landscape waste out of landfills in 2021.
- Overall waste output dropped from 1,425 tons in 2019 to 279 tons with fewer employees on site in 2021.

While it is difficult to predict the number of individuals that will return to work on-site post-pandemic, we believe there will be fewer employees in the office compared to pre-pandemic levels and we expect this will lead to a continued proportionate reduction in non-recyclable waste.

Helping Customers Make an Impact

Product benefits and service options keep our environmentally conscious customers in mind.

- Paperless statements give customers less clutter and reduce cost, waste and emissions.
- Credit card customers can even redeem rewards to support [Carbonfund.org](https://www.carbonfund.org), who will plant a tree for every dollar donated. In 2021, customers donated \$342,000 in rewards to [Carbonfund.org](https://www.carbonfund.org) for 342,000 new trees.

AT-HOME WORKFORCE
IMPACT IN 2021
VS 2019 BASELINE

↓ 80%
decrease in overall
waste output

↓ 29%
decrease in water use—over
25 million gallons





Making an Impact in Communities

We believe in doing well by doing good. Together with our employees, we invest in programs that help build resilient communities by ensuring community members have access to critical resources and opportunities. From providing grants to local organizations whose services and programs uplift communities, to volunteering to build safer playgrounds and providing school supplies, we make a positive impact in our own neighborhoods and beyond. In 2020 and 2021, Discover launched special giving campaigns to support those disproportionately impacted by the COVID-19 pandemic and to support the work of social and racial justice organizations.



In This Section

Discover Cares	36
Giving Back to Communities	39
Responding to Communities in Need	41
Investing in Diversity, Equity and Inclusion in Communities	42

Discover Cares

Volunteerism is one of Discover's Core Values. We encourage employees to give back to the causes they care about through our year-round Discover Cares program, which provides opportunities to volunteer on company time with manager approval. By getting involved in communities, employees create personal connections with nonprofit partners and neighbors while making a positive difference.

In 2020, we launched Missions as part of our You Care We Share program. Missions encourages employees to adopt new behaviors and take and track positive action through gamified, easy-to-complete activities that amplify corporate social responsibility initiatives. Some topics include: health and wellness, diversity and inclusion, and sustainability. Employees earn points by completing activities that then count toward volunteer hours and an eligible volunteer match. In 2021, 148 employees earned 308,000 points resulting in more than 300 volunteer hours on the platform.

Our You Care, We Share program also encourages employees to support organizations that are close to their heart by providing a range of opportunities and incentives. Employees can sign up to volunteer with Discover's nonprofit partners and earn rewards by logging hours of personal and company volunteerism. In 2021, more than 5,200 employees volunteered nearly 38,000 hours to serve their local communities, up 115% year over year. Employees may also receive a company match on their personal charitable donations. Combined, Discover's corporate donations, employee's donations, and donations made by our cardmembers through our Cashback Bonus® program totaled nearly \$18 million in 2021 to important charities and initiatives like food banks, local schools and disaster relief efforts, and our employees gave more than \$860,000 to organizations of importance to them.

Since 2002, Discover has met or surpassed its Community Reinvestment Act goals in several areas.

\$525M+

Provided over \$525M in new qualified community development loans and investments in the last four years, exceeding our annual goals.

250+

community development grants over the last four years surpassing our goals.



70%+

corporate giving is directed toward under-invested communities

Nearly

38,000

volunteer hours logged by Discover employees in 2021, up 115% year over year



Discover Cares focuses on making an impact in three areas:



Building brighter financial futures through financial education



Empowering youth through success in schools



Supporting strong communities through service

Volunteer Partnerships

We partner with organizations, including the following, that have a strong track record of results and can help us expand our reach to more communities.



Big Brothers Big Sisters

LOCATIONS

Riverwoods, IL, and Lake Park, UT

IMPACT

Despite limited in-person volunteering due to COVID-19, our employees mentored local students through nearly **30** mentor-protégé matches in 2021.



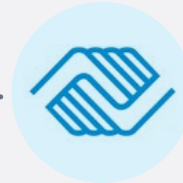
Blessings in a Backpack

LOCATIONS

All Discover locations

IMPACT

Through our school investor programs in 2021, (year-round school support), Discover supported six schools and provided **15,600** backpacks full of nutritional food to **1,500** students.



Boys & Girls Clubs

LOCATIONS

Waukegan and Chicago, IL and New Albany, OH

IMPACT

Quarterly volunteer events through 2021; Power Hour funding; a homework assistance and tutoring program; funding for leadership programs.



Cradles to Crayons

LOCATIONS

Chicago and Riverwoods, IL and New Castle, DE

IMPACT

More than **680** volunteers donated more than **2,100** hours, impacting more than **51,000** children in 2021.



Junior Achievement

LOCATIONS

Phoenix, AZ, Chicago, IL and Columbus, OH

IMPACT

More than **130** employees volunteered in **95** classrooms in 2021, impacting nearly **2,000** students.

Volunteer Partnerships (continued)



Habitat for Humanity

LOCATIONS

Cities throughout Ohio and Arizona

IMPACT

More than **800** volunteer hours in 2021 and construction of nearly **40** houses since 1999.



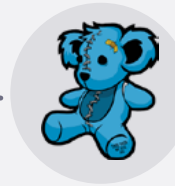
KABOOM! Playgrounds

LOCATIONS

All Discover locations

IMPACT

Nearly **8,500** volunteers from Discover have built **37** playgrounds, serving more than **69,000** children annually over the past **25** years.



Together We Rise

LOCATIONS

All Discover locations

IMPACT

In 2021, more than **725** volunteers from Discover donated more than **1,400** hours and supported more than **1,400** children experiencing foster care.



Fleece and Thank You

LOCATIONS

All Discover locations

IMPACT

In 2021, nearly **1,700** volunteers from Discover donated almost **4,200** hours to provide more than **2,800** children in hospitals with no-sew fleece blankets.



Project Helping

LOCATIONS

All Discover locations

IMPACT

In 2021 nearly **2,300** volunteers from Discover donated more than **4,000** hours to causes which included homelessness, animal care, financial literacy, military families, and sustainability.

Giving Back to Communities

Discover believes in being a good corporate citizen, particularly in communities where our employees live and work. Honoring our Values of Doing the Right Thing and Collaboration, we work with employees, cardmembers, and community partners to provide critical support and resources in the cities and states where we operate and beyond. The charitable resources we deliver are an important part of funding for nonprofits, and they give our company, employees, and cardmembers purpose by working toward a collective mission. We supported several organizations and initiatives throughout 2020 and 2021, including the following:

Leon N. Weiner Education Foundation

Since 2011, Discover has partnered with the Leon N. Weiner Education Foundation to provide educational and enrichment programming to seniors and children living in affordable housing developments throughout Delaware. Annual grants of \$100,000 in 2020 and 2021 enabled the seniors to remain engaged and connected to their community during the coronavirus pandemic and provided much-needed educational support and fun activities for children completing virtual education.

The Nora Project

Discover supports the The Nora Project, an early-stage nonprofit organization that offers an elementary-school curriculum, pairing students with a peer with disabilities in classrooms to teach empathy, normalize differences and create meaningful connections among students.

Since 2018, we have provided \$265,000 to The Nora Project, including \$70,000 in 2021 to fund the launch of the organization's Community Friendship Events program and its annual Teacher Training Camp. Both initiatives have impacted dozens of local schools and neighborhoods, hundreds of parents and educators, and thousands of students across Chicagoland area.

Conscious Alliance

In 2021 Discover partnered with Conscious Alliance, a national organization committed to supporting communities in crisis through hunger relief and youth empowerment. Together, we provided 3,000 holiday meals to families in need surrounding our Chicago Chatham location.



First Nations Development Institute

Discover is supporting the First Nations culturally centered financial program to help Native Americans understand the basics of financial management, financial markets, and financial instruments for borrowing and saving to create brighter financial futures for themselves and for their families. In 2021, we helped provide webinars, virtual trainings, and workshops to nearly 300 individuals on topics including Financial Skills for Families, Fraud Awareness, Covid Scams, The Coronavirus in Indian Country, and Building Native Communities.

Delaware Small Business Development Center

Discover has provided \$740,000 in support to the Delaware Small Business Development Center since 2014. Annual grants of \$100,000 in 2020 and 2021 supported the delivery of small business resources throughout Delaware, including business plan preparation, financial education, intellectual property support, disaster recovery training, and consulting services.

Delaware Center for Homeless Veterans

After providing a \$10,000 grant in 2019 to the Delaware Center for Homeless Veterans to support their mobile outreach center, an additional \$220,000 grant in 2021 will enable the organization to pursue the development of affordable multifamily rental housing. This will provide apartments and onsite social services for the veteran community.



Empowering Customers to Give Back

One thing that's special about our customers: they love to help us give back. We make it easy by allowing cardmembers to donate their Cashback Bonus® using the registered trademark rewards to any of our charitable partners. In 2021 Discover cardmembers donated nearly \$1.7 million to organizations including:

- American Cancer Society
- American Red Cross
- American Society for the Prevention of Cruelty to Animals
- Carbonfund.org
- Children's Miracle Network
- Junior Achievement
- Juvenile Diabetes Research Foundation
- Make-A-Wish
- Operation Homefront
- World Wildlife Foundation

Responding to Communities in Need

Throughout 2020 and 2021, we took special efforts to support communities disproportionately impacted by the pandemic. Our matching gift campaign for COVID-19 relief efforts included a 100 percent, no-cap employee match to support organizations engaging in national and international response efforts, as well as local food banks in communities where we operate. Together, our company and employees raised nearly \$300,000 in employee donations and matches for COVID-19 relief, which we combined with \$1.29 million in one-time donations for a total of nearly \$1.6 million in pandemic relief.

We also provided grants, volunteer hours, and philanthropic leadership to support our communities during the pandemic. These efforts included:

Capital Good Fund

Our \$175,000 in grants to the [Capital Good Fund](#)—a nonprofit community development financial institution—provided emergency relief loans to individuals experiencing economic hardships related to the pandemic.

NERDiT Foundation

Our \$75,000 grant to the [NERDiT Foundation](#) provided nearly 300 computers to 29 nonprofits supporting employees—along with some students from low-income families—in the transition to virtual work and school. Discover employees in Delaware virtually volunteered more than 1,800 hours to help various nonprofits provide support services including youth mentoring, afterschool programs, and mental health and social support.

Eat It Forward

Businesses throughout the U.S. are still recovering from the impact of the pandemic, and among those most hard-hit are Black-owned restaurants. In 2020, we leveraged Discover's social media channels to support these businesses through a \$5 million Eat It Forward campaign. We invited consumers to nominate their favorite Black-owned restaurants and allowed restaurant owners to promote their businesses on our pages. Based on these nominations, we awarded \$25,000 each to 200 randomly selected winners.

#EATITFORWARD
DISCOVER



Collaborating for a Cause

In October 2020, a Discover-led philanthropic collaborative earned the James H. Sills, Jr. CRA Leadership Award after coming together in just two weeks to deploy more than \$10 million in Paycheck Protection Program (PPP) loans to Delaware nonprofits. Discover joined the Jessie Ball DuPont Fund, Longwood Foundation and Welfare Foundation to provide a total of \$120,000 in grant funding to the National Development Council (NDC). The grant enabled NDC to distribute \$10 million in loans to nonprofits addressing critical community needs.

Additionally, Discover employees volunteered in a leadership capacity for a Delaware-based COVID-19 relief fund launched in March 2020 and provided \$100,000 in grants directly to the fund and \$175,000 in matching grants to 7 nonprofit organizations. Over 150 nonprofits benefited from weekly grants, and in the first eight weeks of the program, approximately 343,000 meals were served, 685 people received emergency shelter, approximately 14,000 people received housing assistance, approximately 18,000 people received counseling services, and approximately 6,000 people received direct healthcare services.

Investing in Diversity, Equity and Inclusion in Communities

Our efforts in DEI go beyond the workplace. We recognize that financial organizations not only have a social and ethical responsibility to combat systems, policies, and practices that lead to social and racial injustice—it's simply good business. Our ability to build brighter financial futures relies on both the diversity of our people and an inclusive and equitable society that enables all people to thrive.

Internally, we are focused on increasing DEI among our leadership, employees, and suppliers. Externally, we've joined our employees to support organizations working toward social and racial justice and equity in traditionally underserved communities. In 2021, Discover provided an \$80,000 grant to YWCA Metropolitan Chicago for their Racial Justice and Activism programming and [Racial Justice League](#) initiative. Through this programming, YWCA is developing resources related to providing racial justice training and education, combating healthcare disparities in communities of color, and conducting state-wide and local policy reviews.

Beyond our grant to YWCA, in 2020 we launched an employee match campaign to support leading racial justice organizations. In 2020, Discover and our employees raised nearly \$300,000. We combined those funds with several one-time donations to provide more than \$530,000 in support to organizations including:

- **ACLU Foundation**
- **Race Forward**
- **NAACP Legal Defense and Educational Fund, Inc.**
- **Equal Justice Initiative**
- **National Urban League, Inc.**

Since 2020, Discover and its employees have invested nearly **\$2.1M** in COVID-19 relief funds and support for organizations fighting against racial injustice.



Operating Responsibly

Our success stems from a variety of factors, but at the top of the list is our employees' dedication to a values-driven culture. We are guided by robust leadership oversight, policies and procedures in everything we do, including how we serve our customers, engage our employees and communities, and manage our business. We strive to embody inclusivity at all levels at Discover, and we are proud to have strong diverse leadership among our Board of Directors.



In This Section

Corporate Governance	44
Business Ethics and Compliance	47
Policy Engagement and Advocacy	50
Cybersecurity, Information Security and Data Privacy	51
Responsible Procurement	56

Corporate Governance

We know that it's not just what we do that matters, but how we do it. Accountability, transparency and good decision-making underpin our Corporate Governance Program and are the foundation of how we do business. Strong corporate governance drives our long-term goals and is critical to maintaining the trust and confidence of investors, employees, customers, regulatory agencies, and other stakeholders.



Board Independence

Except for our CEO, all directors are independent.

Board committees are 100 percent independent.

Our non-executive Board chairman is independent.

We hold regular executive sessions of independent directors.

Board Performance & Makeup

Directors attended at least 80 percent of Board meetings and meetings of committees on which they served in 2021.

We perform annual Board, committee, and director performance evaluations.

We provide director education and access to experts.

Our Board includes a mix of skills, tenure and ages; 33 percent of directors are women and 50 percent of Board committees are chaired by women.

Best Practices

We cultivate a risk-aware culture overseen by a separate Risk Oversight Committee.

Significant shareholder ownership requirements are in place for executives and Board members.

We have adopted a mandatory Board retirement age for directors.

Shareholder Engagement

Directors are elected annually with a majority voting standard and no supermajority voting requirements.

Shareholders have proxy access with market standard conditions for director nominations.

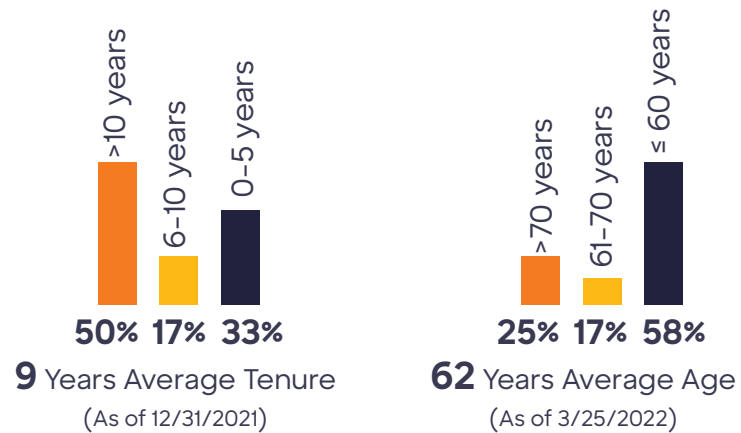
All directors are expected to attend our annual meeting.

Shareholders have the right to call special meetings at a market standard threshold.

Board Diversity

Our work to build brighter financial futures takes all kinds of talent, backgrounds, identities, and experiences working together. That's why it's critical that our workforce reflect diversity at all levels, including on our Board. We seek directors who are committed to representing the interests of our shareholders; who combine a broad, relevant spectrum of experience and expertise; and who have a reputation for leadership and integrity. Our commitment to diversity and inclusion is a competitive advantage for Discover, so our review process for new Board members includes consideration for each candidate's diverse perspectives and experience.

Board of Directors at-a-Glance




25%

of our Board of Directors
is comprised of People
of Color.


50%
Board committees
chaired by women.


33%
of our Board
of Directors are
women.



Board Committees and Responsibilities

Audit

OVERSEES

Integrity of our consolidated financial statements.

Systems of internal control over financial reporting.

Risk exposure management.

Internal audit function.

Legal and regulatory compliance.

Qualifications and independence of independent registered public accounting firm with sole authority/ responsibility to determine compensation, evaluate performance, and, when appropriate, conduct replacement.

Compensation and Leadership Development

CONDUCTS

Annual review and approval of corporate goals and objectives relevant to compensation of CEO and evaluation of CEO performance in light of these goals.

DETERMINES

Compensation of executive and other officers.

ADMINISTERS

Incentive and stock-based compensation plans.

OVERSEES

Risk management associated with compensation practices.

Management development and succession.

Nominating, Governance and Public Responsibility

IDENTIFIES, CONSIDERS, AND RECOMMENDS

Candidates for election to the Board and Board committees.

Matters of corporate governance and action steps.

Director compensation and benefits.

OVERSEES

ESG-related policies, programs and strategies.

Annual evaluation of Board members, committees and management.

REVIEWS

Corporate Governance Policies annually.

Risk Oversight

OVERSEES

Enterprise-wide risk management framework and risk management governance and policies; offers Board recommendations on risk management, policies, appetite, and tolerance; performs other functions pursuant to Federal Reserve regulations.

Performance of chief risk officer.

Capital planning and liquidity risk management activities.

Risk Management Oversight

Part of sound business strategy is being prepared for the unexpected. Our risk management framework, managed by our Risk Oversight Committee, seeks to identify and mitigate risk and appropriately balance risk and return. We have established processes and procedures to identify, measure, manage, monitor and report on our risks. We employ a variety of analytical and forecasting models to manage risk and inform our decision-making.



Business Ethics and Compliance

At Discover, we share a proud commitment to “Doing the right thing.” That means we act with honesty and with integrity, comply with all laws and regulations applicable to Discover, and perform to the highest ethical standards. It also means we are accountable for our actions and for the results we deliver.

Ethics and Compliance Policies and Procedures

To reinforce our Core Values and to help our employees navigate a variety of circumstances, we have several policies and procedures in place that inform our actions and provide further guidance on specific ethics and compliance areas. These include:

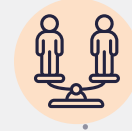
Code of Ethics and Business Conduct

Our [Code of Ethics and Business Conduct](#) (Code of Conduct) applies to all Directors, employees, and our subsidiaries and affiliates. It helps us make the right decisions by providing guidance on the ethical and legal responsibilities we share,

whether on or off Discover’s premises or on or off duty. On an annual basis, Discover’s Code of Conduct and related policies are reviewed and refreshed as appropriate. The Code of Conduct and related policies are presented to the HR Risk Committee, the Risk Committee, and the Board for approval.

All employees are required to take (and acknowledge their taking of) Code of Conduct training annually. Employee performance is assessed against Discover’s Behaviors bi-annually, and non-compliance with Discover’s Code of Conduct can result in corrective action up to and including termination of employment.

Key Principles of Our Code of Ethics and Business Conduct



Treat Everyone Equally and With Respect

We foster and maintain a work environment in which all individuals are treated with dignity and respect and are offered equal opportunities without discrimination or harassment.



Earn and Keep Trust

We protect all confidential information and do not misuse inside information or company assets.



Operate Transparently and Fairly

We deal fairly with consumers, the public, competitors, suppliers, and one another, and we accurately and completely disclose information and maintain books and records.



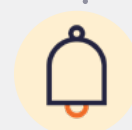
Conduct Business Legally and Ethically

We are responsible for understanding the laws that apply to our job and locations and complying in both letter and spirit.



Maintain a Safe and Professional Work Environment

We expressly prohibit threats and acts of violence; behavior that is disruptive, threatening or intimidating; and forced labor and human trafficking within our business and supply chain.



See Something, Say Something

We report any behavior that is illegal, unethical, or improper and ensure that all employees can do so without fear of retaliation.

Anti-Bribery and Anti-Corruption

Discover has zero tolerance for bribery and corruption. These activities are illegal and against our Core Values; bribery and corrupt behavior violate earned trust and put our company at risk.

Our Anti-Bribery and Anti-Corruption (ABAC) Policy establishes principles that govern the conduct of all employees with respect to compliance with the letter and spirit of the Foreign Corrupt Practices Act (FCPA), Bank Bribery Act, Travel Act, United Kingdom Bribery Act (UKBA), and similar local laws and regulations wherever Discover conducts business. The ABAC Policy prohibits both public and private sector bribery in all forms, generally prohibits “facilitation payments,” and is intended to promote ethical conduct to prevent bribery and other corrupt practices.

We have a global ABA Compliance Program that is reasonably designed to implement our ABAC-related policies and procedures. Key components of the ABAC Compliance Program include an ABAC Standard that details the Program’s requirements; a dedicated ABAC team within our Compliance Department; periodic assessments of bribery and corruption risks and the effectiveness of internal controls; and risk-based due diligence and ongoing monitoring of relevant business, employee, and third-party activities to prevent, identify, manage, mitigate, and, when necessary, report bribery and corruption risks.

Employees are also required to participate in annual ABAC training. Our policies, procedures, and training provide guidance on several channels for reporting ethical issues promptly, including through anonymous reports to our Integrity Hotline.

Anti-Money Laundering and Sanctions

Our Anti-Money Laundering (AML) Policy defines our risk-based approach to ensuring our products and services are prevented from being used to launder money, finance terrorism, or violate economic sanctions. It is our policy to aid law enforcement through reporting of suspicious activity.

All employees are trained annually on the AML Policy, U.S. and Canadian AML laws, and Discover’s processes, including specifically how to identify and report transactions associated with money laundering, terrorist financing, and human trafficking.

We undertake customer and partner due diligence to understand the risks associated with maintaining certain relationships and take steps to mitigate those risks, including, but not limited to risks associated with partners operating in certain industries and customers or partners located in certain jurisdictions. This further helps us avoid doing business with any sanctioned entities or money launderers.



Our AML annual training helps employees analyze customer and partner geographic location, products, and services, and expected activities to identify unusual transactions outside of that customer’s or partner’s expected pattern of activity, thus reducing exposure to fraud, identity theft, and financial crimes.

Upholding Human Rights

Wherever we do business, we respect and protect human rights. As outlined in our annual Modern Slavery Act and Transparency Statements, we prohibit any violations relating to, but not limited to, child labor, forced labor, elder abuse, slavery and human trafficking. Our Code of Ethics and Business Conduct includes an obligation to report any suspicion of non-compliant and/or unethical behavior, either by Discover or by any of our suppliers, third parties or partners.

One way we hold ourselves accountable for upholding human rights is by performing compliance checks on all new employees and contractors and by training employees on underlying principles and policies of the code annually. We remain committed to transparency of our procurement practices and partnerships and communicating enhancements to our policies and due diligence process as they relate to [modern slavery](#).

Voicing Concerns

Discover is committed to an environment where open, honest communications are the expectation, not the exception. We work hard to cultivate a culture where employees feel comfortable in approaching management

to report concerns relating to ethical or business conduct matters, including accounting, internal accounting controls, or auditing matters. However, employees can also report any concerns anonymously (where allowed by local law) through our hotline, [EthicsPoint](#), which is managed by a third party. Discover prohibits retaliation against any employee for reporting concerns in good faith, and we promise our employees that their concerns will be heard.

Consumers can file complaints through the Consumer Financial Protection Bureau's (CFPB) [Consumer Complaint Database](#), which is a collection of complaints about consumer financial products and services that is then sent on to companies for response.

**DISCOVER'S
ETHICSPPOINT
HOTLINE:
1-866-714-1305**



Policy Engagement and Advocacy

Prudent public policy that fosters growth and innovation is important to our mission at Discover. We monitor public policy developments, and engage with legislators, regulators, and other stakeholders on proposals that directly impact our business, and the ability to deliver results for our employees, customers, shareholders, and communities. We pursue a collaborative approach to policy engagement to ensure our interests are properly represented at all levels of government, and work alongside our industry partners to advocate for our priorities at the local, state, and federal levels.

Discover operates in a highly regulated environment that continually evolves due to changes in federal, state and local laws, and regulatory requirements. We maintain the highest ethical standards and transparency when engaging with public officials and abide by all appropriate reporting and disclosure requirements. Our public policy strategies, political engagement, and outreach activities are directed by the Discover Government Relations team, and are overseen by Discover's Executive Committee. Employees are not permitted to use company resources or staff to engage in political activities. Federal lobbying expenses are reported on our quarterly LD-203 report.

Political Action Committee

Helping people achieve a brighter financial future is our mission, and the Discover Financial Services Political Action Committee (PAC) supports candidates who work to create a legislative environment where that is possible. The employee-funded PAC is bipartisan and contributes to candidates based on a set of criteria including, but not limited to, the following:

- **Committee assignments.**
- **Leadership positions.**
- **Representation of a district/state where Discover has a facility and employees.**
- **Alignment with Discover's business objectives.**

The PAC is funded solely through voluntary contributions made by eligible employees, not through corporate political contributions, and is overseen by the PAC Board. It operates in accordance with the requirements of the Federal Election Campaign Act. Contributions are disclosed to the Federal Election Commission, the U.S. House of Representatives and U.S. Senate through LD-203 reports, and on Discover's public website.



Cybersecurity, Information Security and Data Privacy

Protecting business, employee, and customer information is a top priority at Discover. Identity fraud cost U. S. consumers \$5.9 billion in losses in 2021, with reports of identity theft more than doubling since 2019¹. We continue to help protect our customers against identity theft and fraud, continuing to expand our suite of services to help protect a broader group of consumers combat identity theft and fraud.

Discover provides free monitoring for millions of cardmembers. Once activated, we'll monitor thousands of Dark Web sites for their Social Security Number and monitor their Experian[®] credit report every day and alert them when a new account shows up or if anyone pulls their credit.²

We also offer Identity Theft Protection, a fee-based service that monitors participating customers' personal information online and at three major U.S. credit bureaus, alerts customers when suspicious activity is detected, and provides access to specialists to resolve issues. This affordable and comprehensive protection product works hard, offering benefits such as:

- Credit balance, limit and utilization alerts.
- Identity verification alerts.
- Monitoring for up to 10 children.
- Monthly three-bureau credit activity summaries.

Cybersecurity

Cybersecurity supports Discover in becoming the leading digital bank and payments partner by protecting employee and customer data. The Cybersecurity strategy is designed to guide the company in safeguarding the confidentiality, integrity, and availability of information assets. The Company recognizes the National Institute of Standards and Technology ("NIST") definition of Information Security as being the protection of information and information systems from unauthorized access, use, disclosure, disruption, modification or destruction.

¹ According to FTC's 2021 Consumer Sentinel Network Data Book

² Discover[®] Identity Alerts are offered by Discover Bank at no cost, only available online, and currently include the following services: (a) daily monitoring of your Experian[®] credit report and an alert when a new inquiry or account is listed on your report; (b) daily monitoring of thousands of Dark Web sites known for revealing personal information and an alert if your Social Security Number is found on such a website. This information is intended for, and only provided to, Primary credit cardmembers whose accounts are open, in good standing and have an email address on file. The Primary cardmember must agree online to receive identity alerts. Identity alert services are based on Experian[®] information and data which may differ from information and data at other credit bureaus. Monitoring your credit report does not impact your credit score. This benefit may change or end in the future. Discover Bank is not a credit repair organization as defined under federal or state law, including the Credit Repair Organizations Act. To see a list of Frequently Asked Questions, visit discover.com/freezealerts.



\$0 Fraud Liability

Discover's \$0 Fraud Liability Guarantee means you're never responsible for unauthorized purchases on your Discover card account.

"An "unauthorized purchase" is a purchase where you have not given access to your card information to another person or a merchant for one-time or repeated charges. Please use reasonable care to protect your card and do not share it with employees, relatives, or friends.

Learn more at [Discover.com/fraudFAQ](https://discover.com/fraudFAQ).

Discover Freeze it[®]

If customers are concerned that they misplaced their card, Discover Freeze it[®] allows them to freeze their accounts in seconds from the Discover mobile app or online. The service acts like an on/off switch. While cards are frozen, purchases, cash advances, and balance transfers will be stopped.

"When you freeze your account, Discover will not authorize new purchases, cash advances or balance transfers. However, some activity will continue, including merchant-indicated recurring bill payment, as well as returns, credits, dispute adjustments, delayed authorizations (such as some transit purchases), payments, Discover protection product fees, other account fees, interest, rewards redemptions and certain other exempted transactions.

Discover has the following three strategic cybersecurity priorities that guide our activities and support ongoing management of cybersecurity risks in alignment with our regulatory requirements and business objectives. They include:



Third-Party Assessments

Discover maintains dedicated information security risk functions to manage third-party information security risks. Our Business Technology Cybersecurity team conducts assessments of third parties to properly

identify information security risk within third-party engagements. Discover is committed to a strong third-party information security risk management culture and oversight that ensures appropriate information security risk management is present within third-party engagements.



Continuously Improving Our Cybersecurity Protections

Every day there are new cybersecurity breaches. With the growing digital economy, we appreciate the need for systems and processes that can give us the protection and agility needed to run our business safely and securely. We make investments that help protect our environment in four different ways:

- Protecting technology and data from outside intruders.
- Protecting technology and data from insider threats.
- Protecting data at rest and in transit.
- Providing platforms to create transparency about the threat-level of the technological ecosystem of an enterprise.

Information Security

Data and information is what drives our business. Therefore, Discover implements a robust governance framework, capabilities and controls to protect Discover and our customer's information assets.

Policies and Standards

Our information security policies and standards provide a framework for the security of information assets and computer resources. They help ensure that security is maintained in a manner consistent with applicable laws and regulations such as the Gramm-Leach-Bliley Act and the Sarbanes-Oxley Act. Customer data confidentiality is also maintained via adherence to industry best practices and standards. Additionally, we help safeguard personal information through a wide range of technological, administrative, organizational and physical security measures.

Training

Discover's Information Security Training and Awareness Program is dedicated to promoting awareness and understanding of safe practices related to information security. The program promotes a positive, risk-aware culture where employees feel responsible and accountable for diligent, secure handling of data; are taught to recognize and report threats; and are empowered to protect the company, themselves and their families from cyber risks.

Incident Monitoring

Discover has a robust Incident Management Framework to identify, detect, protect, respond, and recover to

help properly mitigate risks incidents. The organization has multiple teams including the Security Intelligence & Incident Response Team (SIIRT) and the Security & Intelligence Operation Center (SIOC) who provide threat intelligence reporting and incident monitoring services including:

- **Governance structure and organization**
- **An incident management program**
- **Incident management and escalation principles**
- **Requirements for testing and exercising the program**
- **Risk management principles**
- **External reporting guidance**

Our Code of Conduct and related policies for ethical business conduct include specific guidelines about how employees should safeguard customers' confidential information.



Data Privacy

We interact with customers in a variety of ways—from Discover websites to our mobile apps, online services and presence on social media sites—and treat their personal information with integrity and respect.

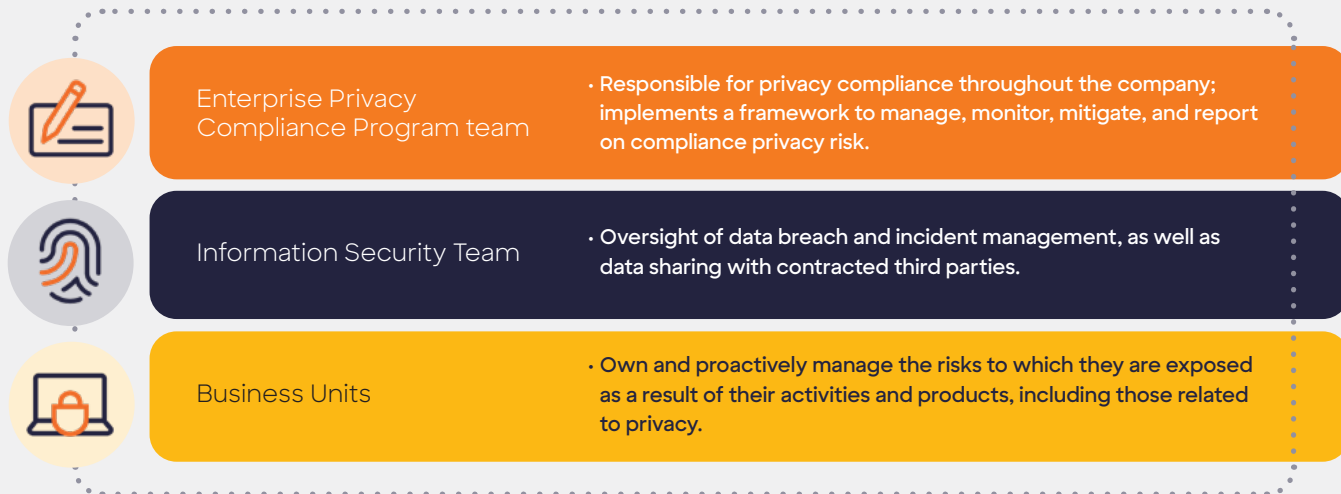
Our privacy governance structure fosters an environment in which individual business units have clear accountability for compliance with privacy laws, regulations, and our Privacy Policy.

Privacy Policies

Our Privacy Policy formalizes Discover’s commitment to protecting individuals’ personal information in accordance with applicable privacy laws, external privacy statements, and individuals’ preferences. The Privacy Policy applies to the entire life cycle of consumer and employee personal information, including its collection, use, retention, disclosure, and disposal by Discover. Additionally, the policy contains Discover’s commitment to comply with the letter and spirit of consumer privacy laws and regulations and how Discover effectively manages consumer contact risks.



Working Together to Maintain the Highest Standards of Data Privacy



Training

Employees are an important gatekeeper to keeping data safe. Our Consumer Marketing training provides employees further insights into the personal information we have about consumers, the value of that information, and the need to safeguard it pursuant to law, public policy, and company policy. The training course:

- Explains why privacy is important to Discover
- Outlines employees' roles in identifying and protecting consumer personal information
- Guides employees to correctly handle personal information and privacy-related situations

Our Data Protection training expands beyond personal information and provides employees with guidance regarding our duty to protect private and proprietary information in our care, both for customers and employees. The course is designed to:

- Provide an understanding of the intersections of data privacy and information security
- Define the employee's role in protecting private and proprietary information
- Educate employees how to identify and handle data of varying sensitivities

Complaint Management

Discover's complaint management process provides for identification and intake of complaints and feedback, including those related to privacy. Complaints are reviewed and escalated where appropriate for prompt and appropriate response, tracking, and reporting. Additionally, trend analysis and complaint investigations are conducted to help identify potential issues and consumer experience improvement opportunities. When necessary, special investigation processes for elevated review are conducted by compliance teams, and as potential issues are identified, they flow through Discover's issue management processes.



We provide required consumer rights for European Union data subjects and California residents per the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA), respectively. Additionally, customers can contact Discover to update their personal information as needed.

Responsible Procurement

Delivering world-class products and services is key to our mission and vision, and we know we can't do it alone. Suppliers play a critical role in our success. Because these relationships are central to our business, it is critical that suppliers share our commitment to ethical business practices and legal and regulatory compliance.

We also expect suppliers to act with integrity, and our [Supplier Code of Conduct](#) prohibits any illegal activities, including bribery, corruption, money laundering, and terrorist financing.

To ensure that best practices are in place, we may ask suppliers to provide written information—including policies, procedures, and data—related to topics included in the Supplier Code of Conduct. Failure to adhere to the code may impact suppliers' current or future business opportunities with our company.

Discover's Supplier Standards and Principles

Standards

- Zero tolerance for illegal activities.
- Avoidance of conflicts of interest.
- Sound financial judgment and information security.
- Intellectual property protection.

Principles

- Human rights.
- Anti-discrimination and harassment.
- Diversity, equity and inclusion.
- Environmental awareness.

We prioritize partnerships with suppliers who are as diverse as the customers we serve and who adhere to sustainable business practices, commit to upholding human rights, and provide a safe and equitable workplace for their employees.



DISCOVER[®]

2500 Lake Cook Rd Riverwoods, IL

[Discover.com](https://www.discover.com)

Updated in March 2023