



# Corporate Impact Report





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# A message from Hope

Discover® was founded on a simple yet powerful idea: that we could make a difference by giving back. We do this through products and services, and recognize the broader corporate impact of our mission to help people achieve brighter financial futures.

As a bank, we play a vital role in society. In 1986, in the spirit of doing more for consumers, we created a brand-new credit card with no annual fee that gave money back on every purchase—a revolutionary concept at the time. That card disrupted financial services, and Discover has continued to transform banking and payments in the nearly four decades since.

From pioneering Cashback Bonus to Cashback Debit, from no annual fee to free FICO scores, from 24/7 customer service to Online Privacy Protection, Discover has a long history of innovation. What we do, however, is about much more than products and services; it is about the difference those products and services make in our customers’ lives. We are there for them during some of their most important moments and help them pursue and achieve their goals.

Beyond delivering a great customer experience, we are committed to driving lasting change, being good stewards of the environment, and building a stronger risk and compliance framework to ensure we are doing all we can for our customers,

shareholders, and communities. We remain committed to diversity, equity, and inclusion, understand the importance of creating opportunities for others, and know the role a bank can play in these efforts.

When we help someone save money or build credit, we aren’t just giving them an account number or piece of plastic; we are helping them take agency and ownership of their lives. When we pursue environmental sustainability, it’s not just about conserving resources today; it’s about conserving resources every day and paying it forward for future generations. When we strengthen corporate governance, it’s not about leaning into transparency and accountability when it’s convenient; it’s about committing to these guiding principles over the long term to earn and preserve trust.

These efforts help us advance equity and sustainability, and we understand creating meaningful change does not happen overnight. That is why we are committed to long-term investments in programs and initiatives that build from the ground up and will benefit people—including those in our local communities—for generations to come.

We are proud of the progress we have made and optimistic about what lies ahead. As we continue along this journey, we are excited for the opportunity to honor our legacy, drive meaningful change, and build a brighter future together.



Hope D. Mehlman, Executive Vice President,  
Chief Legal Officer, General Counsel and Corporate Secretary







# About this report

This report covers our progress and performance in the fiscal year 2023, which ended December 31, 2023, unless otherwise noted. In selecting content for inclusion in this report, we referenced the results from our 2021 non-financial materiality review as well as frameworks and initiatives such as the Global Reporting Initiative Standards (GRI) and the Sustainability Accounting Standards Board (SASB). The terms “Discover,” the “company,” “we,” “us,” and “our” are used in this report to refer collectively to Discover® Financial Services, a Delaware corporation, together with its subsidiaries, including Discover Bank, where appropriate.

This report contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are identified by words such as “anticipates,” “aims,” “aspires,” “believes,” “commits,” “estimates,” “expects,” “intends,” “may,” “projects,” “plans,” “could,” “should,” “will,” “continue,” and other similar expressions. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance, and are subject to certain risks, uncertainties, and other factors, many of which are beyond our control and are difficult to predict. We describe some of the risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in our SEC filings, including our most recent Annual Report

on Form 10-K and our subsequent reports on Forms 10-Q and 8-K. Except as required by law. We do not intend to update or revise this report, including any forward-looking statements contained herein, except as required by law.

This report uses terms such as “material” or “materiality” to reflect relevant or significant issues important to Discover and our stakeholders. Used in this context, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by or construed in accordance with securities law or as used in the context of financial statements and reporting. This report is intended to provide information from a different perspective and, in certain cases, in more detail than that required to be included or otherwise appropriate in financial reporting, including our filings with the SEC. Many of the numbers and percentages used in this report are estimates and may be based on assumptions and third-party data. Our ability to verify such assumptions and data is limited. Actual results and outcomes may differ from those expressed in or implied in this report due to, among other factors, the accuracy of such assumptions and data, as well as the compliance of third parties with our policies and procedures in providing such data. In addition, regulations, industry practices, methodologies, standards, and underlying science remain subject to development with respect to key topics covered in this report, such as greenhouse gas emissions. As a result, certain information disclosed in this report could be

different from the information reported we have disclosed or may disclose in the future. The information provided in this report reflects the Discover approach to Corporate Impact as of the date of this report and is subject to change without notice. Any references to “sustainable investing,” “sustainable investments,” “diversity, equity, and inclusion,” or similar terms in this report are intended as references to the internally defined criteria of Discover or our businesses only, as applicable, and not to any jurisdiction-specific regulatory definition.

## Our report design

Every photo in this report features Discover employees or offices—there are no stock photos. We want readers to see a real representation of Discover, and we want employees to see themselves in these pages.

We also use different shapes and colors fitted together throughout the report. This represents our diverse employee population who make a vibrant tapestry of backgrounds. Even though we’re different, we work together towards our shared goals. We are many parts moving in unison.

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# About Discover

Discover® is one of the largest digital banks in the United States, offering a broad array of products, including credit cards, personal loans, home loans, and deposit products. The Discover brand is known for rewards, service, and value. Across all digital banking products, Discover seeks to help customers meet their financial needs and achieve brighter financial futures.

Discover Global Network®, the global payments brand of Discover Financial Services, strives to be the most flexible and innovative payments partner in the United States and around the world.

PULSE® is one of the nation’s leading ATM/debit networks, and Diners Club International® is a global payments network with acceptance around the world. Our Network Partners business provides payment transaction processing and settlement services on our network.





## Mission:

Help people spend smarter,  
manage debt better, and  
save more so they achieve  
a brighter financial future



## Core Values:







# Corporate Impact at Discover



We make it our mission every day to contribute to a more equitable and sustainable world so everyone can achieve a brighter financial future.

We recognize a brighter financial future is attainable only in a world that is both equitable and sustainable. Our program helps us advance sustainability and equity across our business. Diversity, equity, and inclusion support our Corporate Impact program and strategic focus around financial inclusion, social impact, and environmental sustainability. While our commitment to governance and the Discover Core Value of “Doing The Right Thing” provides the foundation for this important work, regular engagement with our key stakeholders is critical to advancing our strategy. We do this through a variety of mechanisms including shareholder outreach, surveys, meetings, partnerships, and events.



## Governance

We commit to “Doing the Right Thing” by being transparent, accountable, and ethical in everything we do.



## Diversity, Equity, and Inclusion

We make diversity, equity, and inclusion a part of our culture so our employees can thrive and we can best serve our customers.



## Social Impact

We create meaningful, relationship-based investments to address social determinants that impact brighter financial futures.



## Financial Inclusion

We live into our mission of creating brighter financial futures by supporting the financial wellness of our employees and customers.



## Environmental Sustainability

We contribute to a more sustainable world through resource conservation and the reduction of our operational impact on the environment.



# Managing our Corporate Impact

We have teams at all levels that are dedicated to our Corporate Impact strategy. This teamwork and collaboration enables us to execute on our initiatives and goals.

The Nominating, Governance, and Public Responsibility (NGPR) Board Committee works with other Board committees to oversee our key policies, programs, strategies, reporting, and goals related to our Impact. The NGPR Committee receives updates on these efforts at least quarterly. Our efforts are guided by a steering committee that provides leadership around our program initiatives; it is chaired by our Chief Legal Officer, General Counsel, and Corporate Secretary, and is comprised of Executive Leaders and key Senior Leaders. Strategy becomes tactical as working groups, made up of subject matter experts across our focus areas who meet monthly to drive progress. Our program management team collaborates weekly with leaders across our Impact focus areas to manage our Corporate Impact program.







# Goals and progress



In progress



Achieved



## Diversity

Foster a diverse and equitable workforce that is reflective of the customers and communities we serve



**Achieved 42% representation of women at the Officer level, a 6% increase from 2022. Continued to progress in POC<sup>1</sup> representation, with our greatest gains at our People Manager level**

## Equity

Establish and monitor equity measures to identify and address potential biases, which will improve recruiting, retention, and internal mobility



**Established a measurement system that helps us assess potential equity gaps in our talent processes**

## Inclusion

Achieve and maintain equally strong employee inclusion across all identity groups by 2024



**Achieved goal of maintaining equally strong inclusion scores from employees across all identity groups**



## Social Impact

Increase hyperlocal economic impact through hiring (2,000 jobs) and combined Community Reinvestment Acts CRA investments & philanthropic giving (\$530+ million) across all locations by 2025



**Created 555 hyperlocal jobs in Chatham, contributed \$213,619,910 combined CRA investments and philanthropic giving in 2023**



**Spent over \$123 million with diverse-owned businesses<sup>2</sup>, a 14% increase over our spend in 2022. Our spend with minority- and veteran-owned businesses increased 34% and 87% respectively**



## Financial Inclusion

Enable more people to enter and advance within the financial system and support the financial wellness of our employees



**Developed our first Financial Inclusion North Star Goal**



**Reached more than six million students through the Pathway to Financial Success in Schools program since 2017**



## Environmental Sustainability

Reduce our Scope 1 and Scope 2 GHG emissions<sup>3</sup> by 50% from the 2017 baseline by 2030



**Reduced our Scope 1 and 2 emissions by 24% from our 2017 baseline**



**Continued conducting life cycle assessments with a focus on paper vs. electronic statements and credit card material to help inform potential environmental reduction strategies through the end of 2024**

<sup>1</sup> POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.

<sup>2</sup> A business with at least 51% ownership by one or more diverse group(s). Diverse groups include ethnic minorities, women, veterans, people with disabilities, or members of the LGBTQ+ community.

<sup>3</sup> Greenhouse gases (GHG) Scope 1 is defined as direct emissions from company's resources, like fuel oil, natural gas, mobile combustion, and refrigerant losses. Scope 2 is defined as indirect emissions generated by electricity purchased from a utility provider.





# 2023 highlights

Set our **first Financial Inclusion North Star Goal** that builds on our foundation of financial literacy and inclusion in our products and services



**Voted Best Employer** by several organizations—see all the [awards](#) we earned in 2023



**52,813** employee volunteer hours



**Achieved Inclusion** North Star Goal of equally strong employee inclusion across all identity groups



**Established an Office of Ethics and Conduct** as part of our commitment to a strong and resilient risk culture



**Increased overall representation** of diverse groups across Discover



**Saved 46 million** gallons of fresh water since 2017

**\$123+ million in spend** with diverse-owned businesses, a **14% increase** from our spend in 2022

**74% diversion rate** of recyclable or reusable materials across all our U.S. offices



**24% reduction** in Scope 1 and Scope 2 emissions from our 2017 baseline





DISCOVER®

Social





# This is who we are



We make diversity, equity, and inclusion a part of our culture so our employees can thrive and we can best serve our customers.



We live into our mission of creating brighter financial futures by supporting the financial wellness of our employees and customers.



We create meaningful, relationship-based investments to address social determinants that impact brighter financial futures.

“Diversity, equity, inclusion, and social impact are inherent in what we do at Discover. Every day I see people making progress toward our North Star Goals, and helping coworkers, their communities, and our customers all move closer to a brighter financial future.”

**Jonita Wilson**  
Chief Diversity & Social Impact Officer







# Our North Star Goals

Since we set our first aspirational North Star Goal in 2019, we've made steady gains and have added and updated goals along the way. Most importantly, we remain committed to action and measuring our progress.



## Diversity

Foster a diverse and equitable workforce that is reflective of the customers and communities we serve

## Equity

Establish and monitor equity measures to identify and address potential biases, which will improve recruiting, retention, and internal mobility

## Inclusion

Achieved goal of maintaining equally strong inclusion scores from employees across all identity groups



## New: Financial Inclusion

Enable more people to enter and advance within the financial system and support the financial wellness of our employees



## Social Impact: Community Development

Increase hyperlocal economic impact across all locations by 2025 through hiring (2,000 jobs) and combined CRA and philanthropic giving (\$530+ million)

## Social Impact: Business Diversity

Achieve a \$125 million in business diversity spend by 2025, representing more than a 100% increase from 2020

## Set our first Financial Inclusion North Star Goal

that builds on our foundation of financial literacy and inclusion in our products and services

**Increased overall representation** of women, POC<sup>1</sup>, Black, and Hispanic/Latiné employees across Discover



**Achieved Inclusion North Star Goal** of equally strong employee inclusion across all identity groups

**\$123+ million in spend** with diverse-owned businesses, a **14% increase** from our spend in 2022

<sup>1</sup> POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.

# Our representation exceeds local talent market

We use external benchmarks to understand the employee representation we have internally.

We continue to see that our workforce diversity exceeds the workforce availability in each of the metropolitan areas where we operate.

## Empowering people

We lift up and celebrate the people we work with and the communities we live in. Thriving employees create a strong business, and in 2023, we made significant investments in our people.



	Women <sup>1</sup>		POC <sup>4</sup>	
	Discover <sup>2</sup>	Local Talent <sup>3</sup>	Discover <sup>2</sup>	Local Talent <sup>3</sup>
Chicago, IL (Tech, Analytics, Marketing, Core Functions, Customer Care)	51%	47%	56%	42%
Salt Lake City, UT (Customer Care)	70%	44%	32%	24%
Phoenix, AZ (Customer Care)	72%	46%	51%	42%
Columbus, OH (Customer Care)	76%	48%	36%	23%
Greater Philadelphia Area (Customer Care)	79%	49%	56%	33%
Houston, TX (Tech, Payments, Marketing, Network, Core Functions)	48%	44%	72%	61%

**Chart notes:**

1 Current data on gender is measured men/women. We recognize this does not represent the full spectrum of gender identities, but we are matching to the external benchmark. Results from our self-ID campaign indicate that .15% of the Discover® population identifies as nonbinary. Our gender & race/ethnicity numbers are based on self-identification. Comparisons to system(s) of record, both current and historical, may vary due to rounding and/or transactional changes. This table does not capture international employees or employees living in geographical areas not listed in the table.

2 Data as of December 31, 2023.

3 Source: US Department of Labor based on 2020 Census.

4 POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.





# Our representation matches or exceeds industry representation

We benchmark our workforce representation by level, compared to industry-wide representation within the technology and banking and consumer finance industries. At every level of management, our representation of women, WOC, and POC exceeds industry numbers.

Women <sup>1</sup>					WOC <sup>2</sup>		POC <sup>5</sup>	
	Discover <sup>3</sup>	All U.S. <sup>4</sup>	Banking <sup>4</sup>	Technology <sup>4</sup>	Discover <sup>3</sup>	All U.S. <sup>4</sup>	Discover	All US <sup>4</sup>
Officers <sup>6</sup>	42%	<33%	<34%	<36%	10%	<7%	31%	<22%
Directors	48%	36%	38%	37%	15%	9%	29%	25%
People Managers	53%	40%	44%	38%	19%	13%	39%	31%
Individual Contributors, salaried	46%	48%	53%	43%	23%	18%	51%	36%

**Chart notes:**  
1 Current data on gender is measured men/women. We recognize this does not represent the full spectrum of gender identities, but we are matching to the external benchmark. Results from our self-ID campaign indicate that .15% of the Discover® population identifies as nonbinary.  
2 WOC is defined as Women of Color; WOC comprises women of all races/ethnicities in the United States that are not categorized as White/Caucasian.  
3 Comparisons to system(s) of record, both current and historical, may vary due to rounding and/or transactional changes. Data as of December 31, 2023.  
4 Source: Women in the Workplace 2023, LeanIn.org, and McKinsey 2023. McKinsey & Company benchmark data delineates VP, SVP, and C-Suite representation, but does not provide a cumulative figure for Officers.  
5 POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.  
6 Officers are comprised of the Executive Vice President, Senior Vice President, and Vice President population. People Managers are employees who have a supervisory role but not Directors or above. Individual Contributors are employees whose FLSA status is Exempt and do not have a supervisory role.

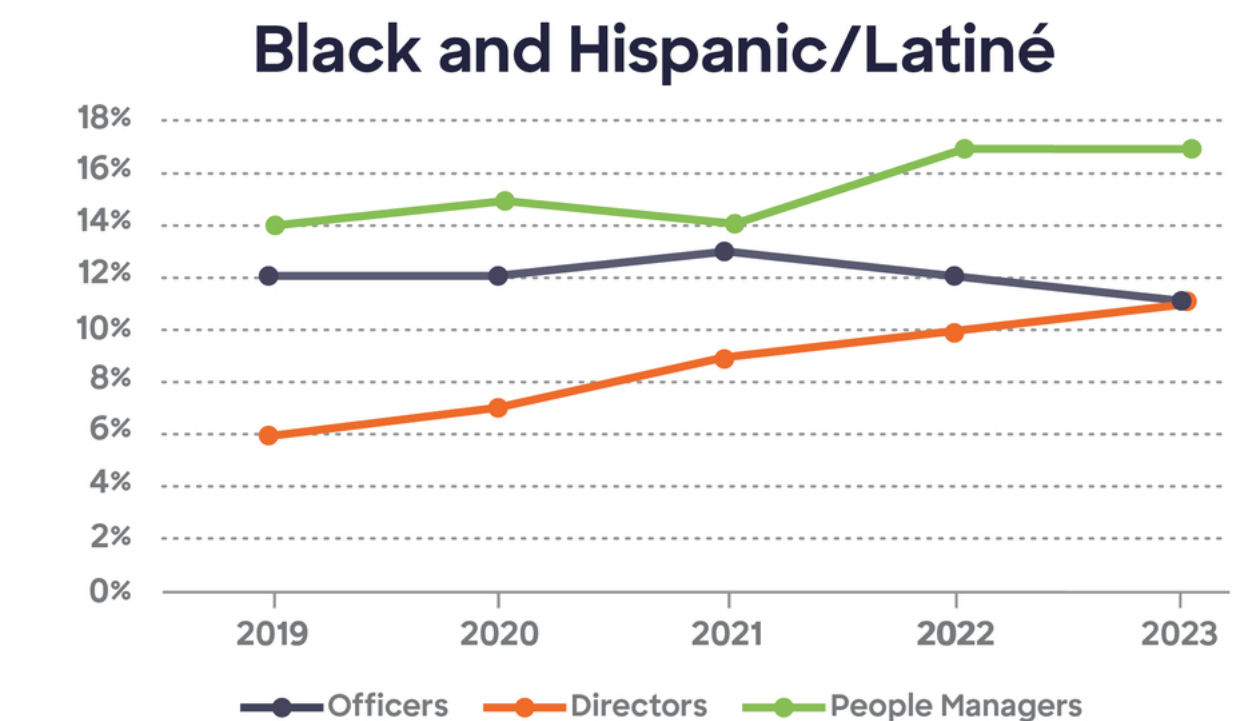
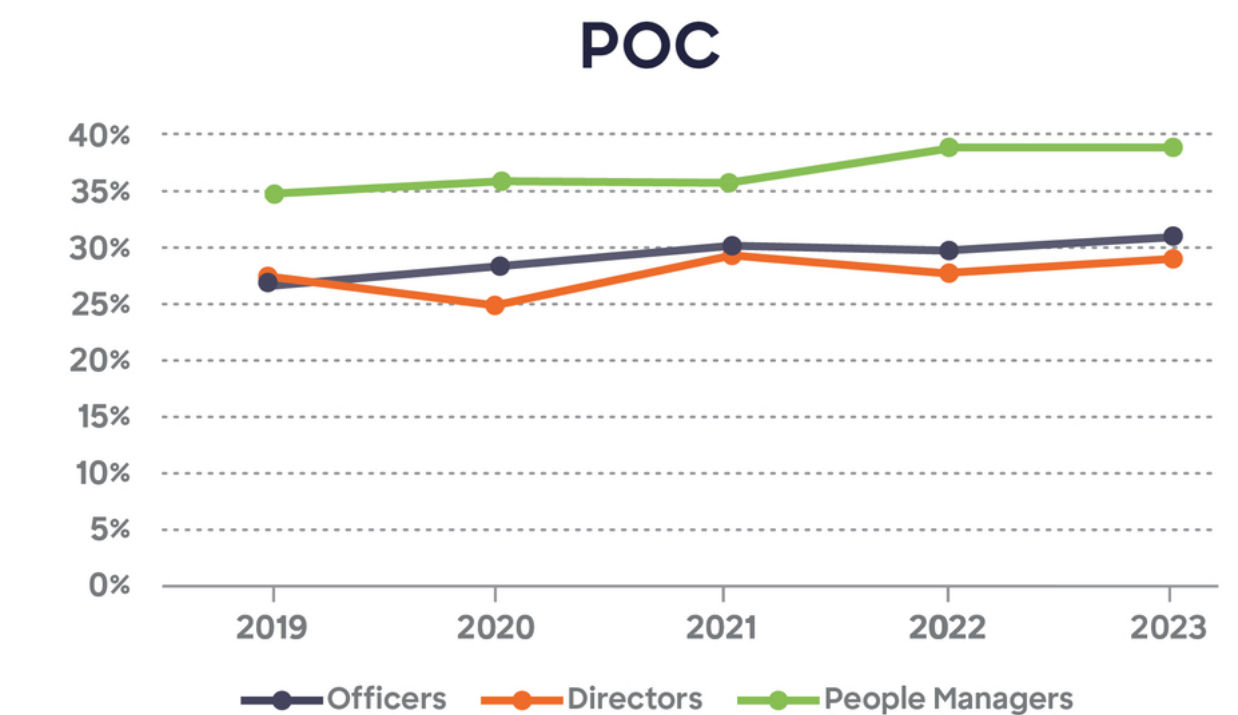
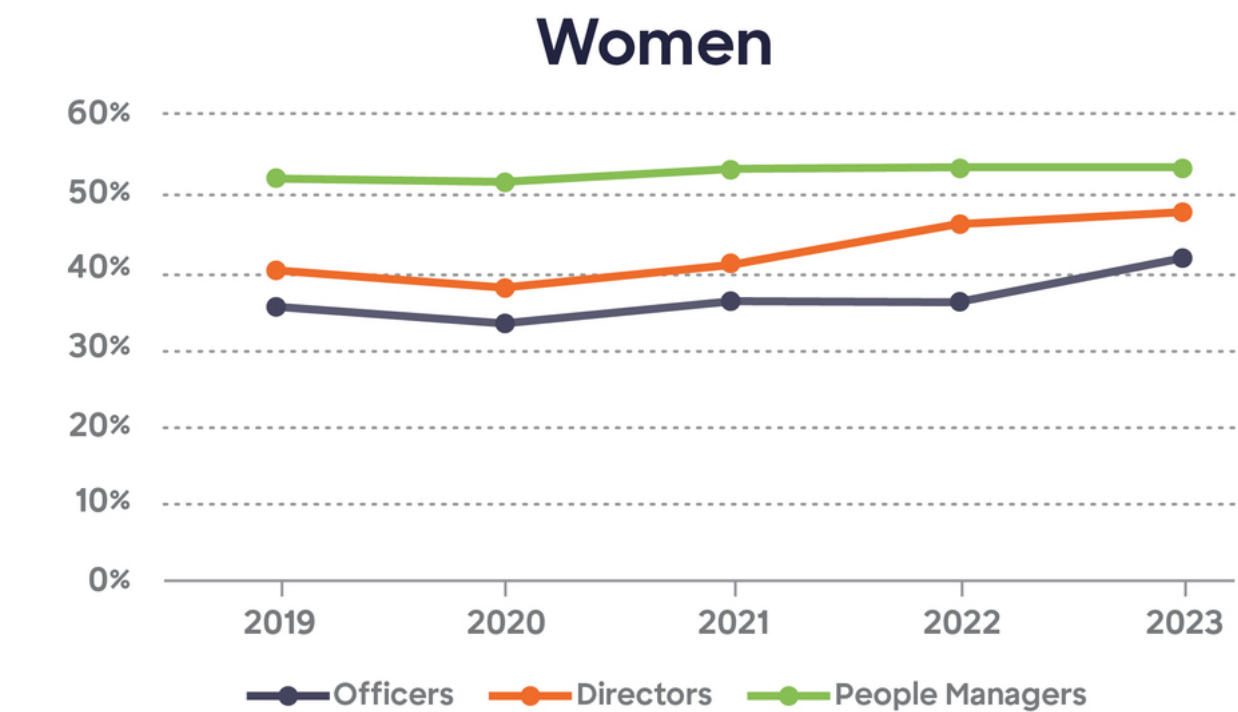


# Gender, race, and ethnicity in management

In 2023, we increased overall representation of women, POC, Black, and Hispanic/Latiné employees throughout Discover. We're proud of this growth.

For management levels, we achieved a 6% increase in women representation at the Officer level, our greatest gain for this level since 2019. We continue to make progress in achieving representation of women for all three levels of management—People Manager, Director, and Officer.

We've maintained steady progress in POC representation, with the most gains at the People Manager level. We know we have an opportunity to achieve greater gains in representation at Director and Officer levels, especially for POC and Black and Hispanic/Latiné employees.

**Chart notes:**

- Current data on gender is measured men/women. We recognize this does not represent the full spectrum of gender identities, but we are matching to the external benchmark. Results from our self-ID campaign indicate that .15% of the Discover® population identifies as nonbinary.
- Officers are comprised of the Executive Vice President, Senior Vice President, and Vice President population. People Managers are employees who have a supervisory role but not Directors or above. Individual Contributors are employees whose FLSA status is Exempt and do not have a supervisory role. Comparisons to system(s) of record, both current and historical, may vary due to rounding and/or transactional changes.
- Discover partners with an independent, third-party consultant to conduct a company-wide pay equity analysis that considers race, ethnicity, and gender.
- Data as of December 31 for each year listed.
- POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.





# Hires, promotions, and attrition of salaried employees

We track talent movement like attrition, hires, and promotions of employees to understand the impact on representation and to identify opportunities for further progress.

We've seen great progress in women and POC representation in our salaried population, which strengthens our pipeline of talent to leadership roles. Since 2019, women have represented 50% or more of promotions. We see a gradual upward trend of POC hires and promotions since 2017, and in 2023, POC represented 67% of new hires. We recognize an opportunity to address talent movement in our Black and Hispanic/Latiné talent segments.

See appendix for additional data.

		2019	2020	2021	2022	2023	Highlights
Women	Representation	47%	46%	47%	48%	48%	Promotions continue to outpace attrition and are key in maintaining representation of women.
	Hires	37%	34%	41%	42%	40%	
	Promotions	50%	54%	51%	57%	56%	
	Attrition	40%	46%	40%	40%	38%	
POC	Representation	39%	41%	42%	44%	47%	Representation continues to steadily increase, mostly because of external hires. Attrition improved in 2023, and we continue to focus on retention.
	Hires	58%	62%	62%	61%	67%	
	Promotions	39%	38%	47%	41%	42%	
	Attrition	45%	43%	48%	55%	52%	
Black and Hispanic/Latiné	Representation	12%	12%	13%	15%	16%	Representation stays steady. We continue to invest in talent strategies to strengthen internal and external pipelines.
	Hires	10%	11%	18%	19%	16%	
	Promotions	9%	14%	13%	18%	17%	
	Attrition	13%	12%	13%	12%	19%	

**Chart notes:**

- Current data on gender is measured men/women. We recognize this does not represent the full spectrum of gender identities, but we are matching to the external benchmark. Results from our self-ID campaign indicate that .15% of the Discover® population identifies as nonbinary.
- Comparisons to system(s) of record, both current and historical, may vary due to rounding and/or transactional changes.
- Discover partners with an independent, third-party consultant to conduct a company-wide pay equity analysis that considers race, ethnicity, and gender.
- Data as of December 31 for each year listed.
- POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.





# Hires, promotions, and attrition of hourly employees

We also track talent movement among our hourly employees. We’re seeing progress in women and POC representation, which strengthens our pipeline of talent to salaried positions.

Overall, we’ve maintained representation among our hourly workforce in the United States. Since 2019, hires and promotions continue on an upward trend, which demonstrates our effort to support talent movement.

See appendix for additional data.

		2019	2020	2021	2022	2023	Highlights
Women	Representation	70%	72%	74%	79%	81%	Hires and promotions continue to drive representation.
	Hires	68%	73%	76%	83%	83%	
	Promotions	64%	66%	71%	79%	82%	
	Attrition	67%	69%	70%	77%	80%	
POC	Representation	43%	43%	44%	49%	50%	We see a steady increase in representation, hires, and promotions. We recognize the need to focus on attrition.
	Hires	51%	52%	56%	57%	60%	
	Promotions	43%	46%	46%	48%	50%	
	Attrition	48%	53%	53%	54%	59%	
Black and Hispanic/Latiné	Representation	35%	35%	36%	41%	41%	In 2023, over half of hires were Black and Hispanic/Latiné. Even though representation stayed flat, hires and promotions continued to trend up. We recognize the need to focus on attrition.
	Hires	41%	43%	46%	48%	51%	
	Promotions	34%	36%	38%	40%	42%	
	Attrition	38%	43%	43%	45%	50%	

**Chart notes:**

- Current data on gender is measured men/women. We recognize this does not represent the full spectrum of gender identities, but we are matching to the external benchmark. Results from our self-ID campaign indicate that .15% of the Discover® population identifies as nonbinary.
- Comparisons to system(s) of record, both current and historical, may vary due to rounding and/or transactional changes.
- Discover partners with an independent, third-party consultant to conduct a company-wide pay equity analysis that considers race, ethnicity, and gender.
- Data as of December 31 for each year listed.
- POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.





# Diversity beyond recruitment

We want to meet skilled candidates wherever they are on their career path. We continually make long-term investments in programs that find, train, and advance diverse employees—which means thriving, diverse talent at all levels of employment. This brings us closer to our Diversity North Star Goal.

## Emerging Talent Acquisition and Development program (ETAD)

We recruit college students from different identity groups to experience the dynamic culture at Discover. We offer a variety of programs in Technology, Data and Analytics, and Business, including:

**Diversity Accelerator:** This three-day program exposes college students to a corporate environment and helps them build professional skills in preparation for summer internships.

**Summer Internship:** This nine-week program gives college students expert training, exposure to senior leaders, and an opportunity to work on exciting projects.

**Full-Time Development Program:** New graduates get the freedom to explore roles and types of work. They receive mentoring, skill development, and assignments that set them up for future career success.

10,660+  
talent leads  
from in-person  
conferences

599,000+  
Discover® social  
media reach

4,800+  
job applications  
sourced through  
strategic  
partnerships

100+  
participants in  
the Diversity  
Accelerator  
Program in  
2023

Over 60%  
of ETAD participants  
are women and/or  
POC

Our recruiting team is always looking for qualified, diverse talent to work with us. To find candidates locally, nationally, and globally, we recruited at events hosted by these organizations:





# Diversity beyond recruitment



## Neurodivergent Connections

We made this program to help hire and support employees who are neurodiverse.

We know that the neurodivergent community faces challenges gaining work experience, and we want to change that. We celebrate and leverage the gifts and strengths that neurodiverse talent brings to the workplace.

In 2022, we launched Neurodivergent Connections; and in 2023, we added new roles in technology and operations. Through this program, we welcomed seven new neurodivergent employees in 2023.

## Shine Brighter U

Eligible Discover employees can advance their education with Shine Brighter U. Through this benefit, they get funding for select colleges, including Historically Black Colleges and Universities (HBCUs), Hispanic-Serving Institutions (HSIs), and veteran-friendly schools.

**2,060**

Shine Brighter U participants in 2023

**63%**

of Shine Brighter U students are women

**50%**

of enrolled Shine Brighter U students are POC

**2023 Best Place to Work**  
for People with Disabilities by Disability:IN



## Leadership development programs

These programs help support and advance women and POC, moving us to our Diversity North Star Goal.

**Shine Bright** pairs Black and Hispanic/Latiné Directors and Managers with a Director- or Officer-level sponsor.

**Rise** offers Black and Hispanic/Latiné Individual Contributors self-paced training sessions and workshops.

**Partnerships with Momentum, McKinsey, and HACE** programs are designed for Black and Hispanic/Latiné leaders aspiring towards higher management and executive positions.

**400+**

participants in leadership development programs from 2021-2023



**93%**

of leadership program participants are still working at Discover today





# Everyone belongs here

Inclusion isn't just nice to have. It's critical to a successful workplace where each person is empowered to contribute their best.

## How we measure inclusion

We invite employees to participate in anonymous opinion surveys with questions focused on inclusion at work. The aggregate measure of their responses makes up our Inclusion Index, which we use to monitor progress toward our Inclusion North Star Goal.

## Our progress this year

We're proud to have achieved our Inclusion North Star Goal of equally strong inclusion scores for all identity groups by 2024—and we did it one year early. Even with a one-point drop in the total score from last year, we're encouraged by shorter disparities between identity groups' scores.

We got here thanks to long-term investments in our talent programs, and the intentional effort leaders have made to shape our culture.

See appendix for additional data.

## We're learning to be more inclusive

Back in 2022, we invited all People Leaders to take a 60-day inclusion challenge in which they committed to start a new inclusive workplace practice and make more equitable decisions.

In 2023, we took this even further, and invited all teams to participate in inclusion training.

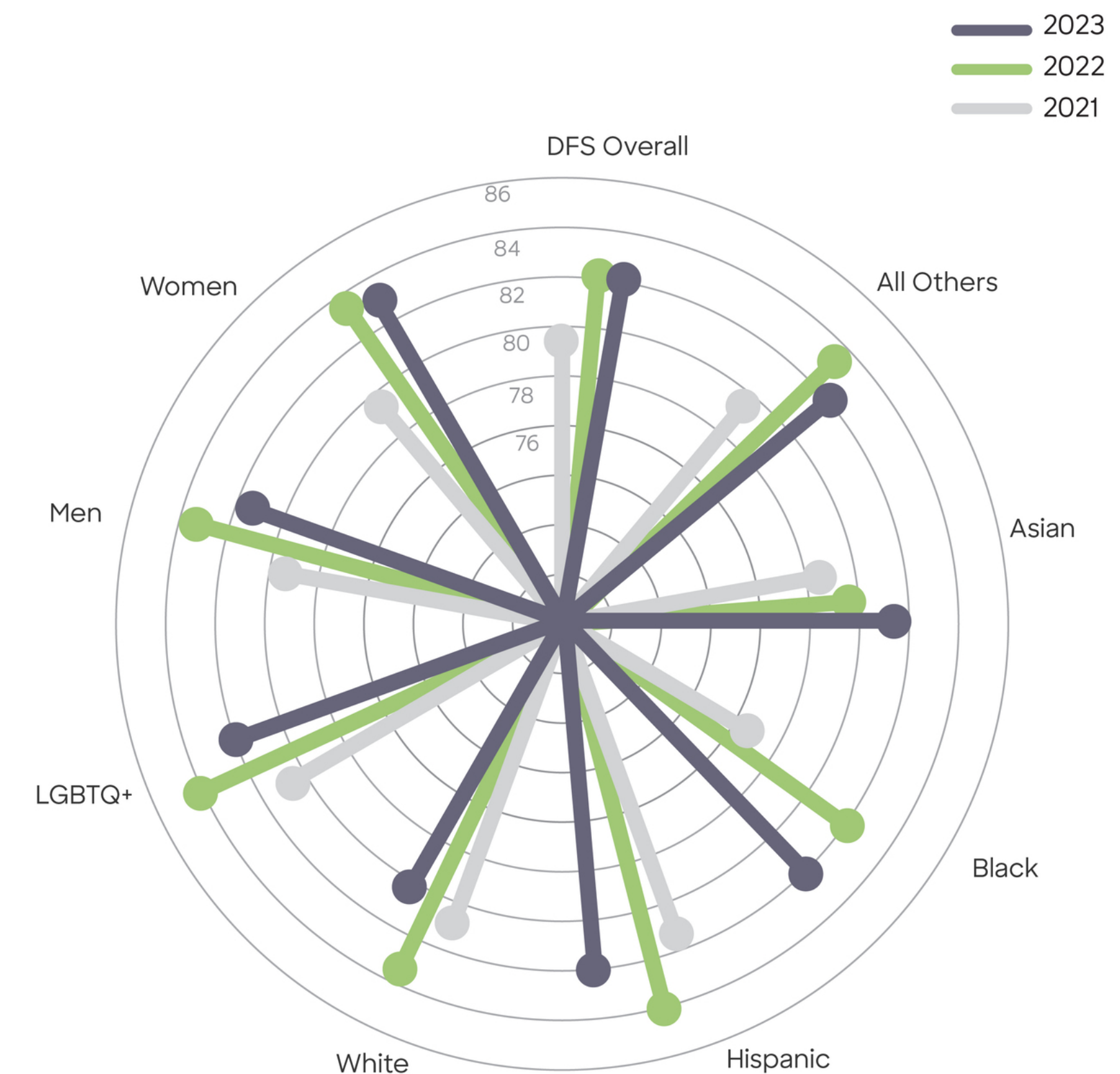
For the last two years, we've seen higher inclusion scores from People Leaders who participated in this challenge. This demonstrates that inclusion training programs can have an important impact on the workplace experience.

**72% of People Leaders completed optional inclusivity training**

**70% of employees completed optional inclusivity training**

Inclusion scores are dynamic and we expect incremental shifts. Data are pulled in October of each year. Data are for United States only.

## Inclusion Index scores out of 100



This graph shows increasing Inclusion Index scores from 2021 to 2023 and that each identity group is moving towards statistically similar employee experiences.



# Equity journey

We get closer to equity with deliberate, strategic, and consistent work. In 2023, we made intentional updates in employee benefits to accommodate different life events and employees' well being. Crucially, we kept pay equity steady among women and minorities.

## Pay transparency

Pay transparency means proactively sharing information on company compensation practices with employees and external candidates. This window into an employers' organization promotes trust, equity, and internal mobility.

Here are a few examples of our pay transparency progress in 2023:

- All U.S. job postings for Director and below levels include base pay ranges and language around total compensation.
- We launched the "Compensation Foundations" employee training, which sheds light on the basics of compensation processes at Discover.
- We launched the "Compensation Decisioning" training for People Leaders, which provides a deep dive into our compensation philosophy and framework, milestone events, and compensation planning processes.

\*After accounting for factors such as role, tenure, and geography.

## Pay equity

We seek to pay our employees fairly for their work. To hold ourselves accountable for this outcome, we partner with a third-party consultant to identify and address potential pay equity discrepancies. In 2023, we celebrated our sixth consecutive year of successful pay equity, with **women and minorities earning \$0.99–\$1.03, on average, for every \$1.00 earned by men and non-minorities.\***

## Self-ID

Our annual company-wide self-identification campaign helps us better understand the diverse needs of our employees. In 2023, we saw significant increases in participation rates for veterans and people with disabilities. This initiative helps us lean into our Inclusion North Star Goal.

“I have led efforts to encourage Self-ID at Discover. I feel it is so important there is a secure place for employees to share all the intersectional ways that make up who they are so the company can understand different communities' specific needs.

David  
Customer Advocacy Representative

## Bereavement benefit

We strive to support employees through times of loss. We modified our bereavement benefits in 2023:

- Paid bereavement days no longer need to be taken consecutively
- Paid bereavement leave for the loss of a pet
- Paid bereavement leave for any of the following reasons: miscarriage, an unsuccessful round of assisted reproduction, a failed adoption match, a failed surrogacy agreement, or a diagnosis that negatively impacts pregnancy or fertility

## Fertility benefit

Starting in 2024, our healthcare plans cover up to four egg retrievals per year. And there are no lifetime maximums for fertility treatment coverage.







# ERGs impact our company

To build deep levels of trust on our teams, all members must feel confident bringing their whole selves to work. Employee Resource Groups (ERGs) are employee-led networks that advocate for diverse identity groups within the organization. By supporting career development, strengthening peer allyship, and nurturing genuine connection with colleagues, ERGs empower employees to express their most authentic selves at work.

We increased our overall ERG membership in 2023, and now have 42 chapters throughout our U.S. and international offices. Nearly all of our ERGs partnered with another ERG to host intersectional events, further amplifying diverse voices and allyship.

## Intersectional highlights

- The N8V ERG and Pride ERG hosted simultaneous events in 2023: Two-Spirit & Non-Binary Fireside and The Walking in Two Worlds StoryBolt.
- The Strive ERG cosponsored an intersectional event with HMOV, N8V, APAD, and HOLA around mental health and overcoming trauma.

“Thank you so much for this. I am moved to tears because being here at Discover® has helped me embrace my Native heritage instead of hide it.

N8V event attendee



27  
intersectional  
ERG events



94  
ERG events

37%  
of employees  
belong to an  
ERG\*



**PRIDE**

Lesbian. Gay. Bisexual.  
Transgender. Allies.

\* Approximation



**HOLA**

Helping Organize Latino  
Achievement



**BOLD**

Black Organizational  
Leadership At Discover



**APAD**

Asian Professionals  
At Discover



**HMOV**

Honoring Military  
& Veterans



**PWIR**

Professional Women  
Impacting Results



**STRIVE**

Strive for Disability  
Empowerment



**N8V**

Native American  
Leadership at Discover





# ERGs impact our communities

Our ERGs make a difference beyond company walls to their local communities. From volunteering time, to donating money, to hosting community events, our ERGs contributed to their own local neighborhoods in 2023. Here are a few highlights:

## **BOLD Juneteenth event**

The Whitehall chapter of BOLD connected with the community for the chapter's first Juneteenth celebration. Attendees enjoyed live music, spoken word, line dancing, activities for all ages, and Ohio history education. This was a great opportunity to meet our new neighbors and introduce ourselves to the community.

## **APAD highlights**

The Utah chapter of APAD supported several local organizations in 2023:

- Mana Academy is a public charter school that encourages education through a cultural lens. The ERG helped sponsor the school's cultural recital and the purchase of new instruments for students learning to play traditional Pacific Islander music.
- Utah Pacific Islander Civic Engagement Coalition (UPICEC) empowers the Pacific Islander community in Utah to be civically engaged through education, leadership development, and advocacy. The ERG helped sponsor the UPICEC Voter Initiative Program.







# Part of the community

Diversity, equity, and inclusion starts with our employees, but doesn't end there. Because of our strong culture at Discover®, we're able to advance equity externally in our communities.

This year, we shifted our community development strategy to be more hyperlocal, narrowing in on smaller areas like neighborhoods rather than entire cities. This strategy applies to all of the places where we have offices.

We are committed to the communities where our employees work and live. This motivates our employees who know that their company values their community.

## Volunteering locally

Employees are encouraged to volunteer at company-sponsored events on company time. Here are some of the organizations we work with:



## Commitment to low- and moderate-income neighborhoods

The Community Reinvestment Act (CRA) is a federal law designed to encourage financial institutions to meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods.

As part of our commitment to the CRA, we've continued to support existing economic development activities via our small business loan program with Grow America and explore new partnerships such as through the Beloved Community Services Corporation, a nonprofit developer that restores historic sites in predominantly Black neighborhoods.

**52,813**  
employee  
volunteer  
hours

**Over \$16 million**  
provided in  
community grants



**Over \$196 million**  
contributed to community  
investments

**39,400 backpacks**  
packed with Cradles  
to Crayons







# Joining the Whitehall community

Our hyperlocal community development strategy comes to life in Whitehall, Ohio.

At the end of 2022, we announced the decision to relocate our Ohio Customer Care Center from New Albany to Whitehall, which is a growing and diverse suburb of Columbus. A team of Ohio employees played a vital role in researching and making recommendations for this site. We saw this was an overlooked region for business, and realized the huge potential of untapped talent.

Before we opened our doors at the Whitehall Center, we're already embedding ourselves into the community. We hosted listening sessions with Whitehall residents to understand how we can contribute to their community.

Our employees and ERG members took the lead at several volunteer events in Whitehall. These events helped employees feel more connected to the local community and to Discover®.

We're also planning to open a dedicated community space in our Whitehall building for local organizations to host meetings and events for free.

## Good for business, good for the community

We've started building relationships and spending with nearby businesses to help stimulate the local economy and grow our connections in Whitehall. We still rely on suppliers from our New Albany office, and we're excited to build new partnerships in the Whitehall community.

Through our Whitehall Center, we see business and inclusion converge. We gain new business partnerships and strong talent, and this opens new economic possibilities for the region. It's a win-win relationship.

“Since I've started with Discover, I've seen that if they say they're going to do something, they're going to do it. Not halfway—they're going to put effort and heart into it to show they care. And that will go a long way with the community of Whitehall.”

JaRon  
Lead Collections Specialist



25  
partnerships with  
nonprofits in the  
area, four are new  
ones from  
Whitehall



Premier  
sponsors for two  
local events  
and festivals





# Building in Chicago's South Side

Our Whitehall office was not the first time we invested in a community of untapped talent. We were inspired to go to Whitehall because of the success at our Chatham Customer Care Center.

Located in the Chatham neighborhood in Chicago's South Side, this Center transformed how we approach site development. It changed how we hire talent, find suppliers, and engage the community.

After three years, we now have 555 employees at the Chatham Center. Our employees are deeply rooted to this neighborhood, which has helped us grow close, mutually-supportive partnerships with local organizations and community members. We don't just operate in Chatham—we're part of it.

## Welcoming community members

When we were getting started in Chatham, residents told us their community needed a modern, clean meeting space. So in August 2022, we opened our Shine Bright Community Center. This 12,500+ square foot event space is available for local nonprofits to meet for free. We didn't force our way into the area; we made ourselves available to listen to our neighbors and find how to add to the strong community that was already built.







# Partnering with diverse businesses

It matters where we spend money. Our business dollars are a powerful tool for advancing equity and effecting systemic change.

We strive to select suppliers and businesses who share our commitments to diversity, equity, inclusion, and social impact. Having a variety of perspectives helps us meet changing consumer needs while also meeting business needs.

## Vision for business diversity

Our vision is to build a more inclusive sourcing and procurement process. We plan to implement programs that develop diverse businesses in a way that promotes equity and fairness during supplier selection and throughout the relationship. We want to increase our commitment to diverse businesses to align with the diversity of our customers and employees, and to promote economic growth. We believe that by partnering with these advocacy organizations we can advance our efforts:



## Tier-2 program

We promote business diversity throughout our supplier network, and we encourage our Tier-1 non-diverse suppliers to engage and partner with diverse-owned businesses in their own supply chain. To track directional progress, we collect data from the largest publicly traded companies we work with to monitor their spend with diverse-owned businesses. As we continue to strengthen our program, we will place additional requirements on our top suppliers.

In 2023, 35 of our top suppliers by spend invested more than \$232,879,524 million with diverse-owned businesses, with \$71,834,570 attributed to work completed for Discover®.

## 2023 spend with diverse businesses







# Partnering with local businesses

As we started building our Whitehall Center and Chatham Center, we wanted to bring economic opportunity to local communities.

We've hired local contractors to build and maintain the buildings, including landscaping and catering services. In the process, our teams developed meaningful relationships with nearby organizations.

## Chatham construction/operations/facility spend

- 70% of our spend, or over \$6.6 million, was with minority- and women-owned businesses (MWBE)
- 34% of our spend, or over \$3.2 million, was with local Black-owned contractors

## Meal service for employees

- 17 local restaurants and caterers provide meal service for employees
- Over \$1.6 million spent with local restaurants

## Whitehall construction spend

- 45% of our spend, or over \$1.8 million, was with MWBEs

“

Discover® is impacting the lives of families and businesses in the heart of the [Chatham] community 365 days a year. We are grateful for their commitment to diversity, equity, and inclusion. They understand the positive impact of investing in the entire ecosystem. We need more corporations to follow the lead of Discover.

Wheeler Coleman  
CEO and Founder, EC-United  
Chicago-based company that supplies technology for Discover





# Developing tech talent around the world

We envision Discover® as a leading destination for talent in technology, and we're actively investing in our talent pipeline. Our tech centers now span four countries and three continents, strengthening our global impact beyond our hometown of Chicago.

As we create jobs in communities around the world, we're guided by our belief in thinking globally while acting locally. We aim to not only create entry-level jobs but also pave advancement paths for international Discover employees.

## Transforming tech

In 2023, we leveraged technology to amplify diverse voices, open career opportunities, and fuel innovation that better serves people from many different backgrounds.



**15 years** since we opened our Shanghai Center



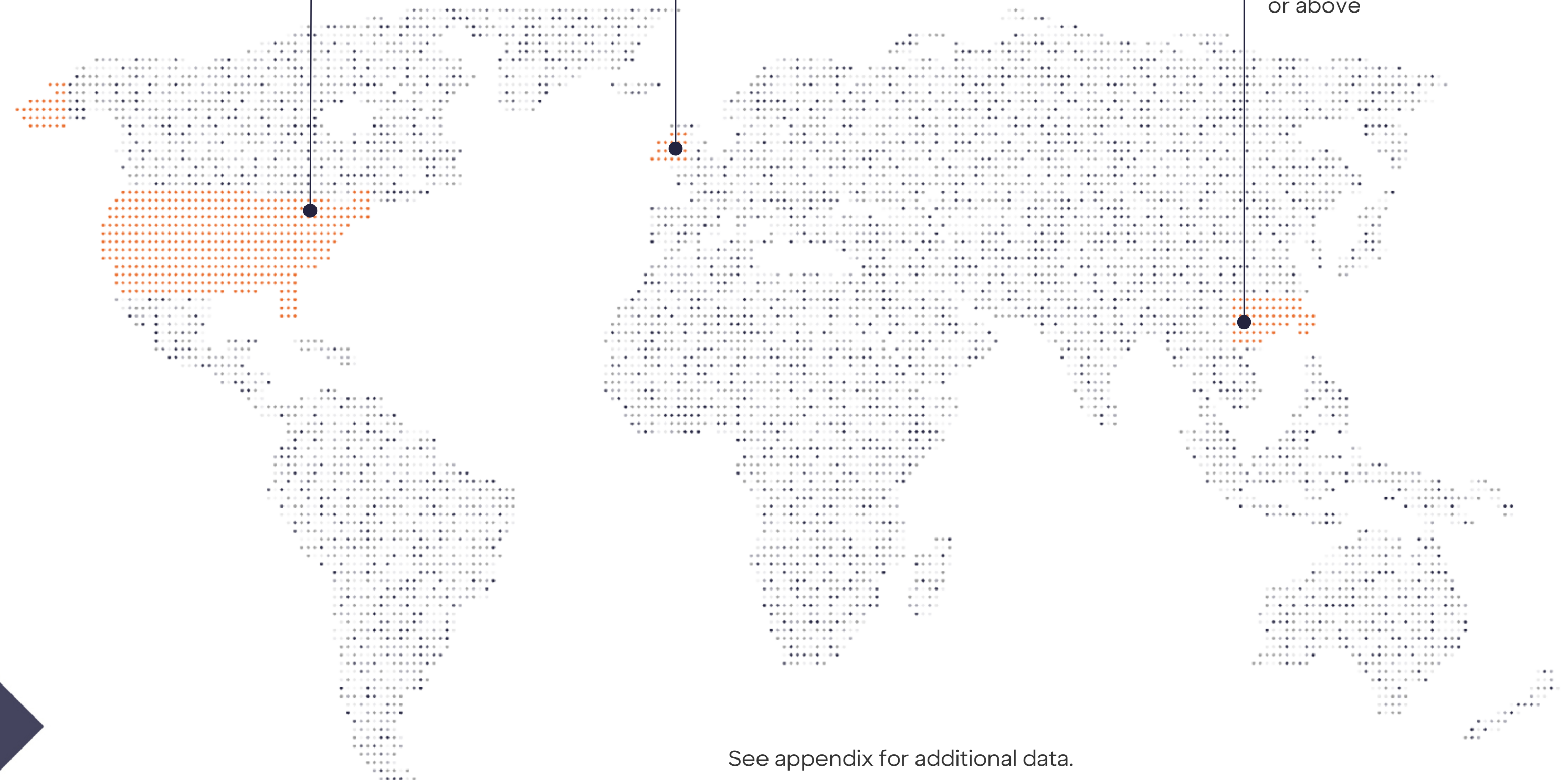
**57% of POC tech employees** in our US offices are at Manager level or above



**46% of POC tech employees** in our UK office are at Manager level or above



**71% of women tech employees** in the APAC region are at Manager level or above







# Opening doors, closing opportunity gaps

Our collective success at Discover® relies on diversity—and we're investing in our future by closing opportunity gaps that stand in the way. That's why our tech programs are designed to attract and develop diverse talent as well as invest in our local communities, without which we couldn't operate.

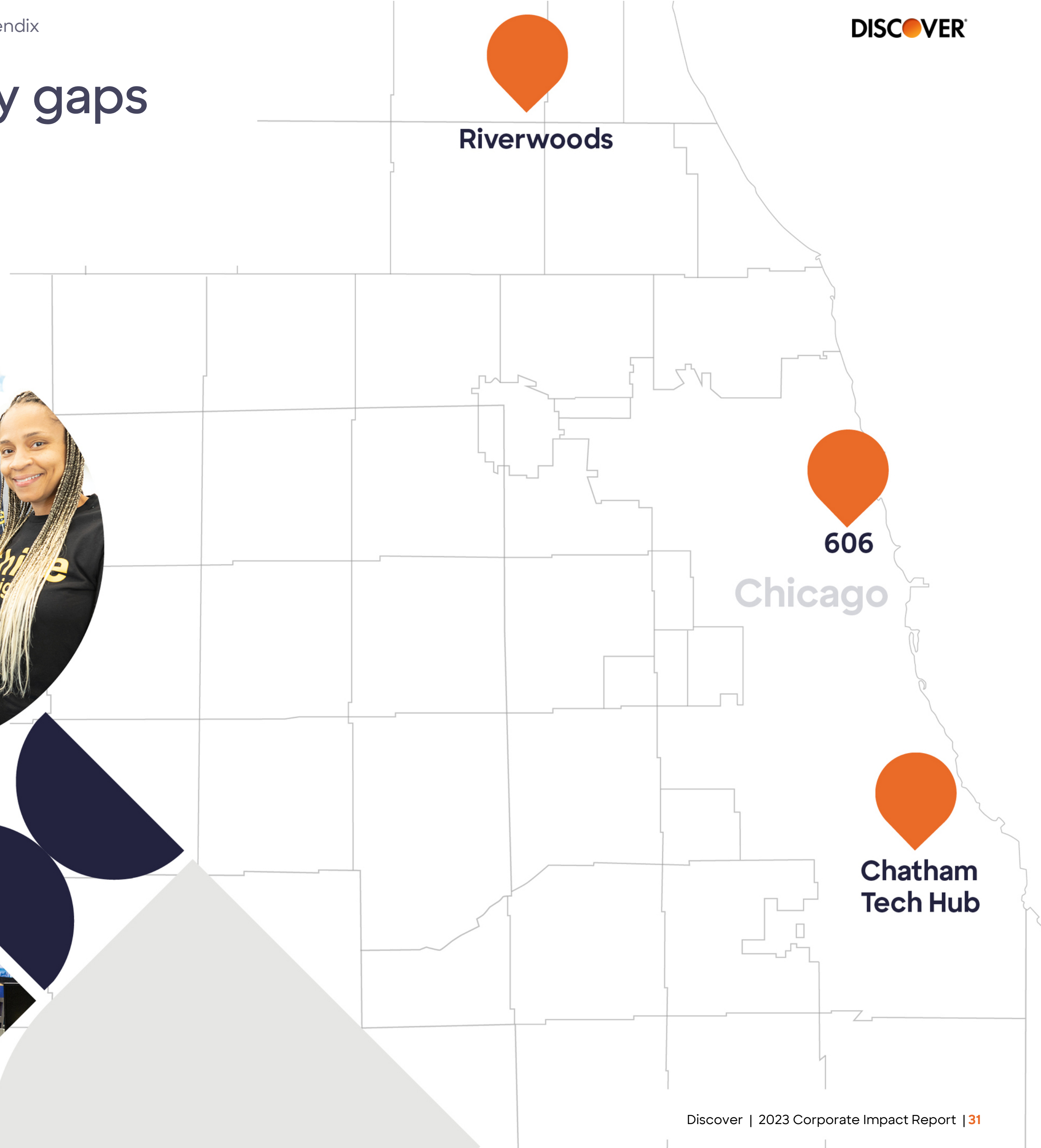
To elevate technical and financial abilities across several areas of Chicago, we've created a variety of coding-based educational opportunities for local residents who want to build their careers with a mission-driven company.

We love our hometown, and we're committed to seeing our neighbors achieve brighter financial futures as Chicago blossoms into a tech destination.



## Talent

is evenly distributed, but opportunity is not. We're creating new opportunities for talented people to reach their full potential—starting in Chicago.





# Attracting tech talent to Chicago

Since the 2021 launch of our tech apprenticeship programs at our downtown Chicago and Chatham locations, we’ve made steady progress in minority representation in tech. Post-program hiring has contributed meaningfully to enterprise-wide improvements in Black and Hispanic/Latiné representation.

### Advanced Analytics Resource Center (AARC)

During this two-year program in our Chicago 606 office, employees explore careers in technology. Participants rotate through a variety of projects and pursue a specialty track with the help of a mentor.

The AARC advances our investment in analytics, helps accelerate career development, establishes a steady pipeline of talent, and brings diverse talent to Chicago.

### Chatham Tech Hub

Our tech hub within our Chatham Customer Care Center trains current and prospective local talent for tech jobs. We’ve even promoted several of our call center agents to technology roles, marking significant career milestones and opening lifelong opportunities in the tech field.

“I will never forget the first day of the internship program. I remember not knowing exactly what to expect, but here I am—growing and developing in a job that gives me space to continuously improve myself in all aspects. I value a company that provides me with opportunities to hone my skills and grow, and most importantly, a good work life balance. At Discover®, I get to enjoy all of these!

David  
AARC Senior Data Science Analyst

15

Chatham  
Tech Hub  
employees  
in 2023



91%

of Chatham Tech  
Hub apprentices are  
internal hires of call  
center agents



33% women,  
22% Black or  
Hispanic/Latiné  
participants  
in AARC





# Mentoring future talent

Many of our experienced technologists volunteer to mentor students interested in technology. Students of all backgrounds can access information and guidance as they carve career paths to become the next generation of tech talent.

Through the Discover External Eminence Program (DEEP), our engineers can gain new professional skills. The program also focuses on attracting diverse tech talent through conference sponsorships, events, and mentorship programs.

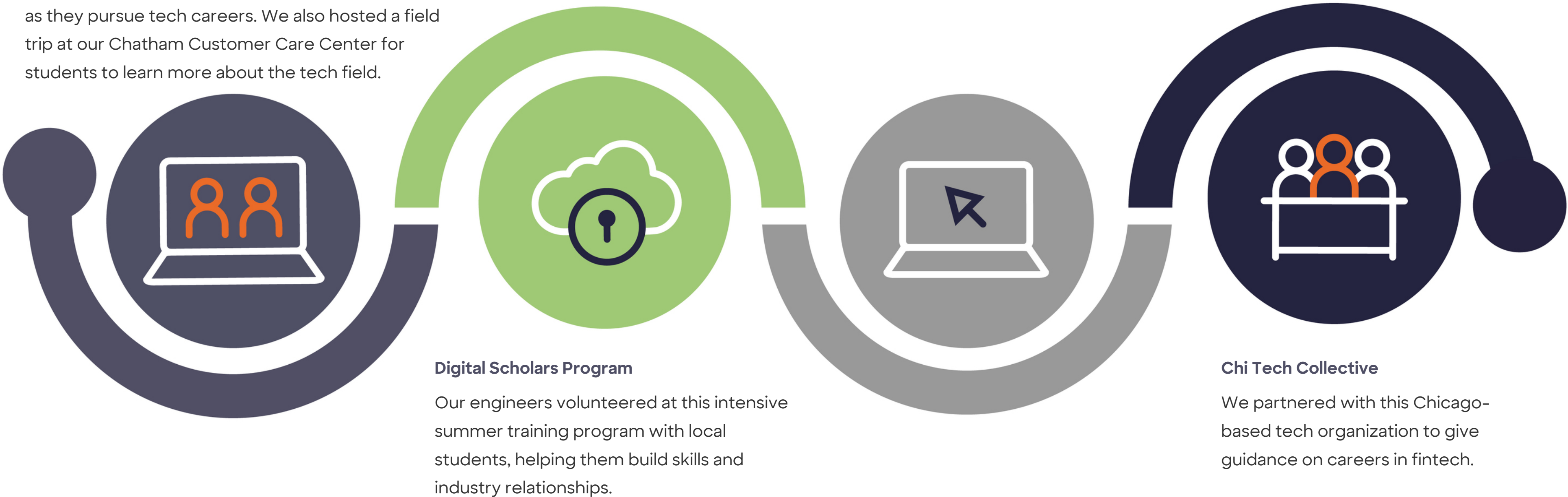
## Here are a few of our most successful mentorship events from 2023:

### Code Nation coaching

Discover® technologists volunteered as coaches at an all-day coding event with Code Nation, a nonprofit that supports students in under-resourced schools as they pursue tech careers. We also hosted a field trip at our Chatham Customer Care Center for students to learn more about the tech field.

### Cybersecurity career panel and workshop

We hosted our first STEM workshop at our Chatham Center for local high school and college students interested in cybersecurity careers.







# The power of our engineers

Engineers at Discover® are not only developing transformative technology—they're sharing it with a global audience.

## Worldwide Hackathon

Discover engineers flexed their expertise at the 2023 Global Accessibility Awareness Day Hackathon, a virtual event where developers competed to create tech solutions within a set time. Participants were challenged to develop an online banking user experience that would be accessible to people with disabilities and visual impairments.

## Patent and Innovation Program

Our Patent and Innovation Program was made not only to protect intellectual property at Discover, but also to foster a culture of innovation that engages diverse tech talent. The program opens opportunities to inventors, including women and POC, which means we can better design for the diverse experiences of users.

### Windy City Tech Connect

Discover hosted Windy City Tech Connect as part of the KubeCon + CloudNativeCon conference. We partnered with several local organizations to bring attendees together to hear from seasoned technologists and to network with other Chicago engineers.

**55%**  
of patent  
submitters are  
women and  
POC



Of nearly 200 developers from 27 countries, there were 27 hackathon winners—and 14 winners were from Discover. The winning codes were made available to the public.

**140%**  
increase in  
invention  
disclosures from  
2022 to 2023



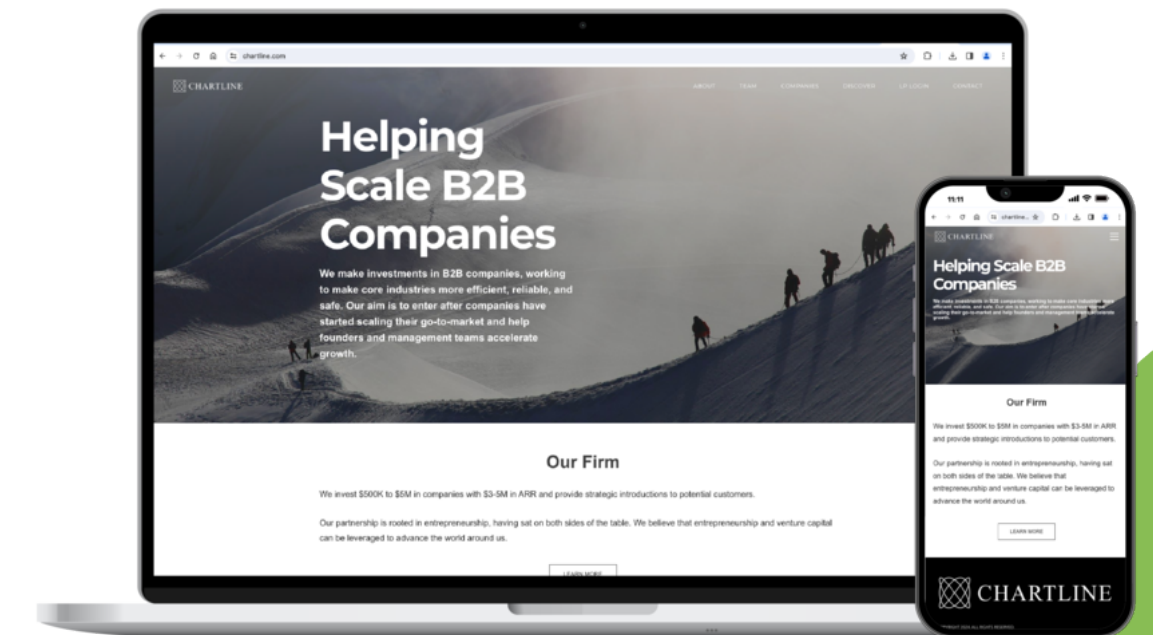
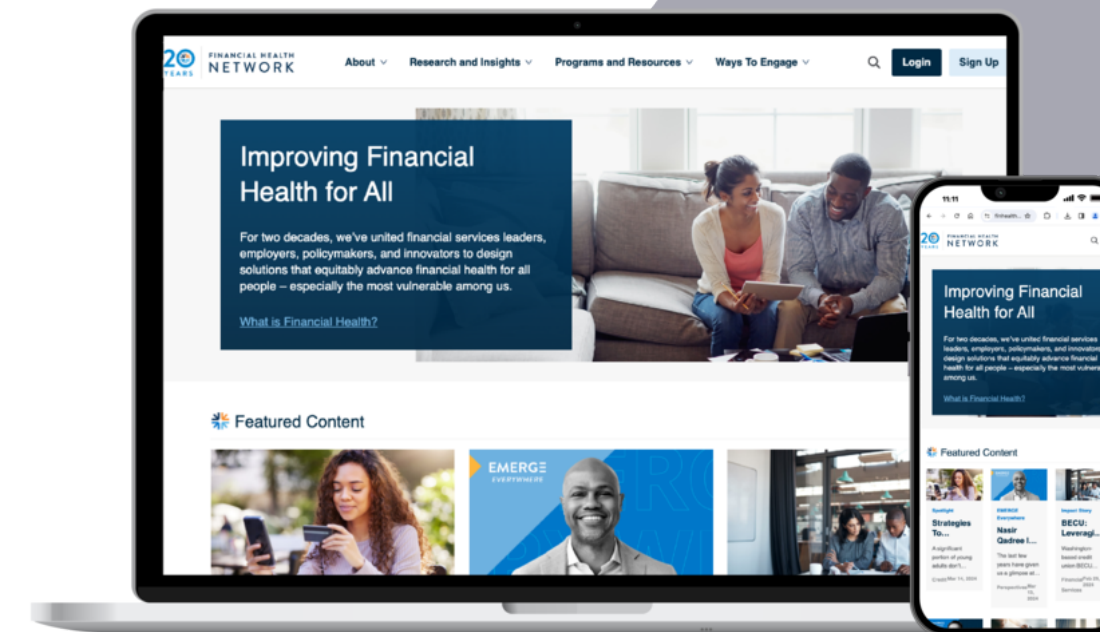


# Funding innovation, fostering change

We're meeting our Core Values of Innovation and Collaboration in new ways. In 2023, [we launched a new mission-focused investment vehicle](#). The Discover® Financial Health Improvement Fund provides venture capital funding for fintech startups that boost the financial health of low- and moderate-income people, communities, and small businesses.

Discover Bank has made an initial capital commitment of \$36 million. In 2023, we made four investments, totaling over \$3 million, in the following startups:

- Alice, which helps working Americans keep more of their paycheck
- EarlyBird, which simplifies investing for parents
- PartnerSlate, which connects emerging food brands with contract manufacturers
- iink, which helps expedite insurance disbursements





# Financial Inclusion drives brighter financial futures

Enable more people to enter and advance within the financial system and support the financial wellness of our employees

In 2023, we formed a cross-functional task force and conducted internal and external research to develop our first Financial Inclusion North Star Goal.

This goal may be new, but financial inclusion and literacy have always been part of who we are. They fuel our mission to help people achieve brighter financial futures.

We believe that everyone should know how to use their money and how to grow it. Financial know-how shouldn't be reserved for a select few—people deserve cards, loans, and services that are easy, fair, and accessible. That's why we make these benefits available to our cardmembers.



## Enter and advance

In this goal, we're looking at a person's entire financial journey. When they enter, such as when they get their first credit card; and as they advance forward, such as when they get a new job or start using retirement savings.

High-yield, no-fee online savings accounts



## Financial inclusion for our employees

This goal is also about our employees. We want to support the financial wellness of our employees by helping them spend and save better. That helps us serve our customers in a more meaningful way.



**Rewards**  
on every purchase

**FICO® Credit Score for free**



**24/7 U.S.-based**  
customer service  
available any time



## Financial literacy starts young

In 2017, we launched Pathway to Financial Success in Schools, a free program that helps teenagers and young adults build a solid foundation of financial skills. By the end of 2023, the program reached more than six million students.

**Free** spend  
analyzer tool



**Free account**  
security features

**No annual**  
fee

## Helping customers

Our customers deserve to be in control of their finances and their futures. We help them through their financial journeys with our specialized products and dedicated service.





# Inclusive marketing

When people interact with our brand, we want them to see themselves. Inclusive marketing complements our marketing policy—it helps our media reflect our audience, and it allows us to connect more meaningfully with more customers. This is part of the “enter” phase of the financial inclusion journey—it’s an opportunity to welcome new customers to Discover®.

## Putting our money where our marketing goal is

We ended 2023 with a 14% increase from 2022 in spend with diverse-owned businesses, partly because of new partnerships with several diverse-owned media companies.

One company we partnered with is Kargo, a leading advertising tech company that shares our passion for inclusion and diversity. Kargo’s Multicultural Content Amplifier program connects advertisers like Discover with diverse-owned media suppliers to provide revenue and resources. Together with Kargo, we’re investing in diverse business owners and content.

## Universal Design Advisory Board

The Universal Design Advisory Board (UDAB) is a dynamic group of Discover employees who volunteer their varying abilities, backgrounds, and perspectives to support excellent, accessible experiences for all of our customers. Many Advisory Board members have lived experience with different types of disabilities, and can offer unique expertise on projects across the company.



“Inclusive marketing isn’t a project or an aspirational goal—it’s a core pillar of our overall marketing strategy. We believe everyone should be treated like they are special on their path to a brighter future, and that spirit is reflected in our messages, our channel mix, and our vendor partners.

Jennifer Murillo, Chief Marketing Officer

“The Universal Design Advisory Board provides teams with the opportunity to gain insights into the lived experiences of people with disabilities, their family, and their friends. Through gaining these perspectives, teams can create more impactful and accessible experiences that better serve our customers’ wants and needs.

Shelby Mitchell, Senior Manager Digital Accessibility-DNA





# Cards that help customers

We're committed to giving our customers simple, easy-to-understand products that can help them build financial literacy and make more informed financial decisions. Discover® has multiple cards that help people enter their financial journey, providing access to resources at every step.



“This card is great for students to build their FICO® Credit Score as well as to get cash back on every transaction made.

Discover it® Student Cardmember, usernamerr93



### Build or rebuild credit

The Discover it® Secured Credit Card helps customers build/rebuild their credit history with responsible use.<sup>3</sup> Customers can upgrade to an unsecured card after six consecutive on-time payments and maintaining good status on all credit accounts, and if they qualify, we will increase their credit line.<sup>4</sup>

### Start building credit in college

Our Discover it® Student Card gives college students access to credit at the beginning of their financial journey. No credit score required to apply.<sup>1</sup> Build credit with responsible use.<sup>2</sup>

<sup>1</sup> Based on the preceding 12 months of Discover Student credit card application data, applicants without a credit score may qualify. You must meet other applicable underwriting criteria. When we evaluate your creditworthiness, we consider all the information you provide on your application, your credit report, and other information. If you have a credit score, we may use that in our evaluation.

<sup>2</sup> Discover reports your credit history to the three major credit bureaus so it can help build your credit if used responsibly. Late payments, delinquencies or other derogatory activity with your credit card accounts and loans may adversely impact your ability to build credit.

<sup>3</sup> Discover reports your credit history to the three major credit bureaus so it can help build/rebuild your credit if used responsibly. Late payments, delinquencies or other derogatory activity with your credit card accounts and loans may adversely impact your ability to build/rebuild credit.

<sup>4</sup> Monthly reviews start your seventh month as a customer. We will refund your security deposit if you have made all payments on time for the last six consecutive billing cycles on all your Discover accounts including any loans, and you've remained in "good status" on all credit accounts you are responsible for whether they are Discover accounts or not. "Good status" means: (1) your credit report shows no delinquencies, charge-offs, repossessions, or bankruptcies for the six months prior to our review; and (2) your Discover Secured Card is not in a prohibited status at the time of our review, including, but not limited to: closed, revoked, suspended, subject to tax levy, garnishment, deceased, lost/stolen, or fraud. Monthly reviews may be delayed if you change your payment due date. When you qualify to upgrade to a standard, 'unsecured card', Discover will also consider you for a credit line increase. We typically process your refund in 2-3 business days based on your delivery preference. If you close your account and pay in full, we'll return your deposit within two billing cycles plus ten days.



**980,000+**  
Gained 982,181 new  
Discover it® Student  
Cardmembers  
in 2023



**290,000+**  
Gained 291,865 new  
Discover it® Secured  
Cardmembers in 2023

**70%**

of Discover it® Secured  
Cardmembers  
upgrade to another  
Discover® Card



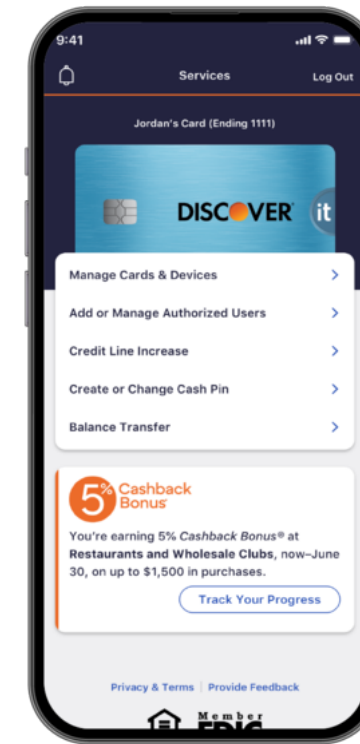


# Cards that help customers

## Bank with a no-fee checking account

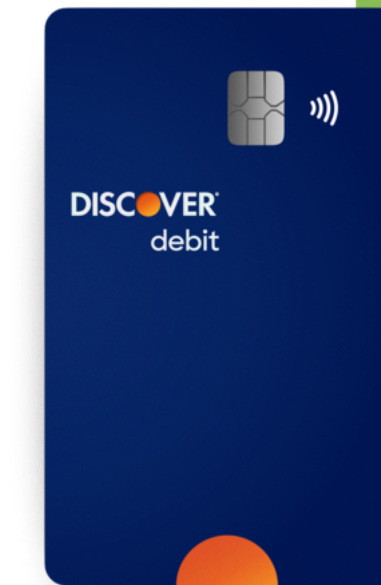
In 2023, we updated our Cashback Debit Card with benefits that make banking easier, flexible, and more accessible.

- No. Fees. Period.
- Early Pay: Get your paycheck up to two days early when you set up direct deposit for your online checking account<sup>1</sup>
- Earn 1% cash back on up to \$3,000 in debit card purchases each month<sup>2</sup>
- Add cash to your checking account using your contactless debit card at any Walmart in the U.S.—with no fees
- 60,000+ fee-free ATMs
- Send money with Zelle®
- Fraud protection
- Overdraft protection
- FDIC-insured, up to the maximum amount allowed by law



## More access to credit

In 2023, we found an alternative way to approve credit customers by looking at factors other than their income and credit score. We're still following standard approval procedures, but have a new way to make credit accessible for people who traditionally would not be considered because of their low FICO® Credit Score or low income.



**\$7.4 million+**  
saved in fees by  
Cashback Debit  
Cardmembers<sup>3</sup>



**\$21.9 million+**

in cash back paid to  
Cashback Debit  
Cardmembers

<sup>1</sup> Early Pay is automatically available to checking, savings (excluding IRA savings) and money market customers who receive qualifying ACH direct deposits. At our discretion, and dependent on the timing of our receipt of the direct deposit instructions, we may make funds from these qualifying direct deposits available to you up to 2 days early. See our Deposit Account Agreement for more information.  
<sup>2</sup> ATM transactions, the purchase of money orders or other cash equivalents, cash over portions of point-of-sale transactions, Peer-to-Peer (P2P) payments (such as Apple Pay Cash), online sports betting and internet gambling transactions, and loan payments or account funding made with your debit card are not eligible for cash back rewards. In addition, purchases made using third-party payment accounts (services such as Venmo® and PayPal®, who also provide P2P payments) may not be eligible for cash back rewards. Apple Pay® is a trademark of Apple Inc. Venmo and PayPal are registered trademarks of PayPal, Inc. Samsung Pay is a registered trademark of Samsung Electronics Co., Ltd. Google, Google Pay, and Android are trademarks of Google LLC.  
<sup>3</sup> Estimated based on historical fees per account, by fee type, applied to number of accounts in 2023.





# Stepping forward together

As our customers advance in their financial journey, we help them grow their money through our online savings accounts.

## Our fee-free accounts offer competitive rates of return:

- Online savings account
- Certificate of Deposit (CD) account
- Money market account
- Retirement account

## Stepping forward with each customer

We're here to help each of our customers build a brighter financial future. From credit card services, to online banking, to loans, to cardmember benefits, we've paved paths for people to pursue their financial goals.

## Stepping forward with financial literacy tools

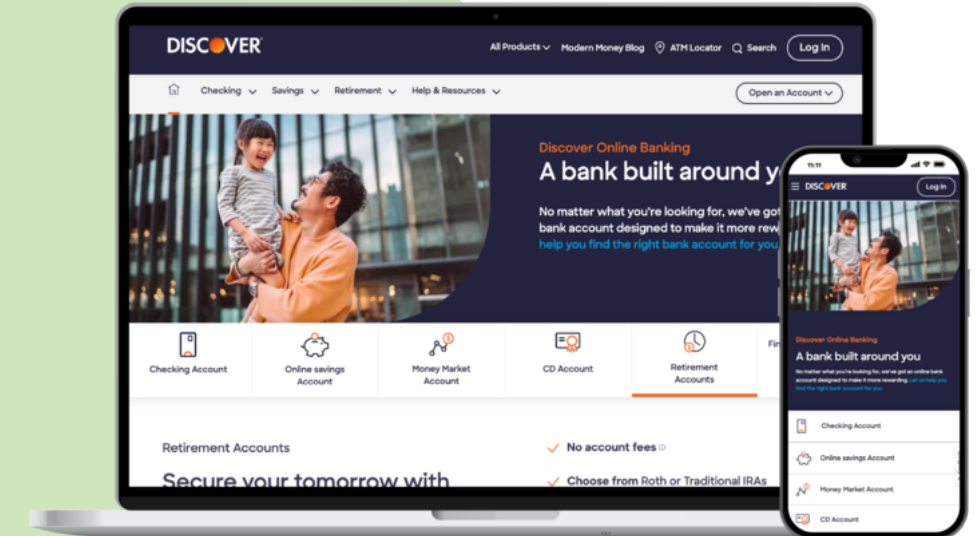
We don't stop at product offerings—we want to share our knowledge, too. That's why we provide resources that help people learn while they use our products.

## Stepping forward with our employees

We're turning our lens inward to pilot innovative financial inclusion solutions with employees and grow their financial wellness.

## Stepping forward with our communities

Discover® could not thrive without the communities in which we operate, and we leverage our hyperlocal relationships to better serve our neighbors.



**High-yield,  
no-fee online  
savings  
accounts**







DISCOVER

Environmental





# Big goals, small footprint



**We contribute to a more sustainable world through resource conservation and the reduction of our operational impact.**

We know that climate change disproportionately impacts vulnerable communities. As a company committed to helping people, caring for the planet is important to our business.

We're already a step ahead in advancing sustainability—as a digital bank, we have few physical locations so our operational carbon footprint is relatively small compared to similar companies.

Our Environmental Management System promotes a safe, resource-efficient work environment through its strategic policies and procedures designed to safeguard employees and visitors in our buildings.

In 2024, we're looking forward to several new initiatives that empower employees to contribute to a more sustainable workplace.



Our environmental initiatives are born at the intersection of sustainability and diversity, equity, and inclusion. We're aware that vulnerable communities often bear the brunt of environmental hazards, so we've identified goals that serve not just the planet but also the people who live on it.

Kathia Benitez, Director Sustainability, Compliance and Health & Safety



## Environmental sustainability

### Goals

Reduce our Scope 1 and Scope 2 GHG emissions by 50% from the 2017 baseline by 2030

Conduct lifecycle assessments and build out additional goals

### Progress

Reduced our Scope 1 and 2 emissions by over 24% from our 2017 baseline

Continue to conduct lifecycle assessments with a focus on paper vs. electronic statements and credit card material to help inform potential environmental reduction strategies by the end of 2024





# Our total emissions

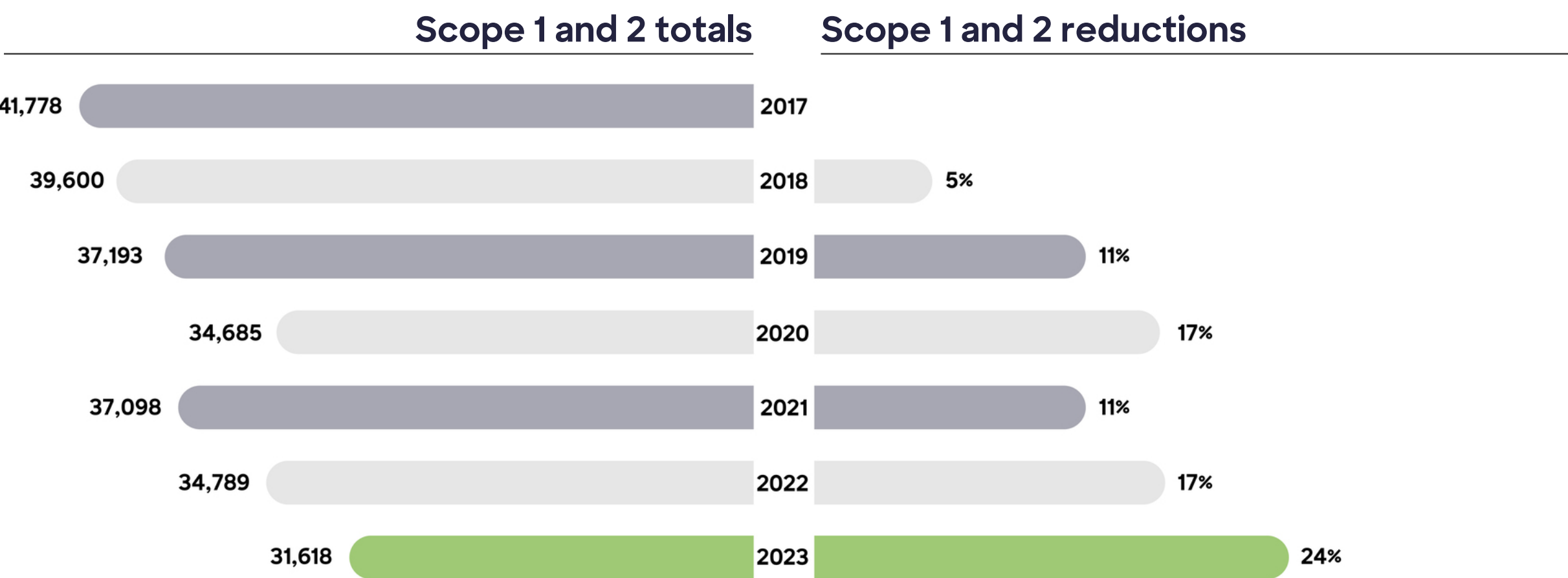
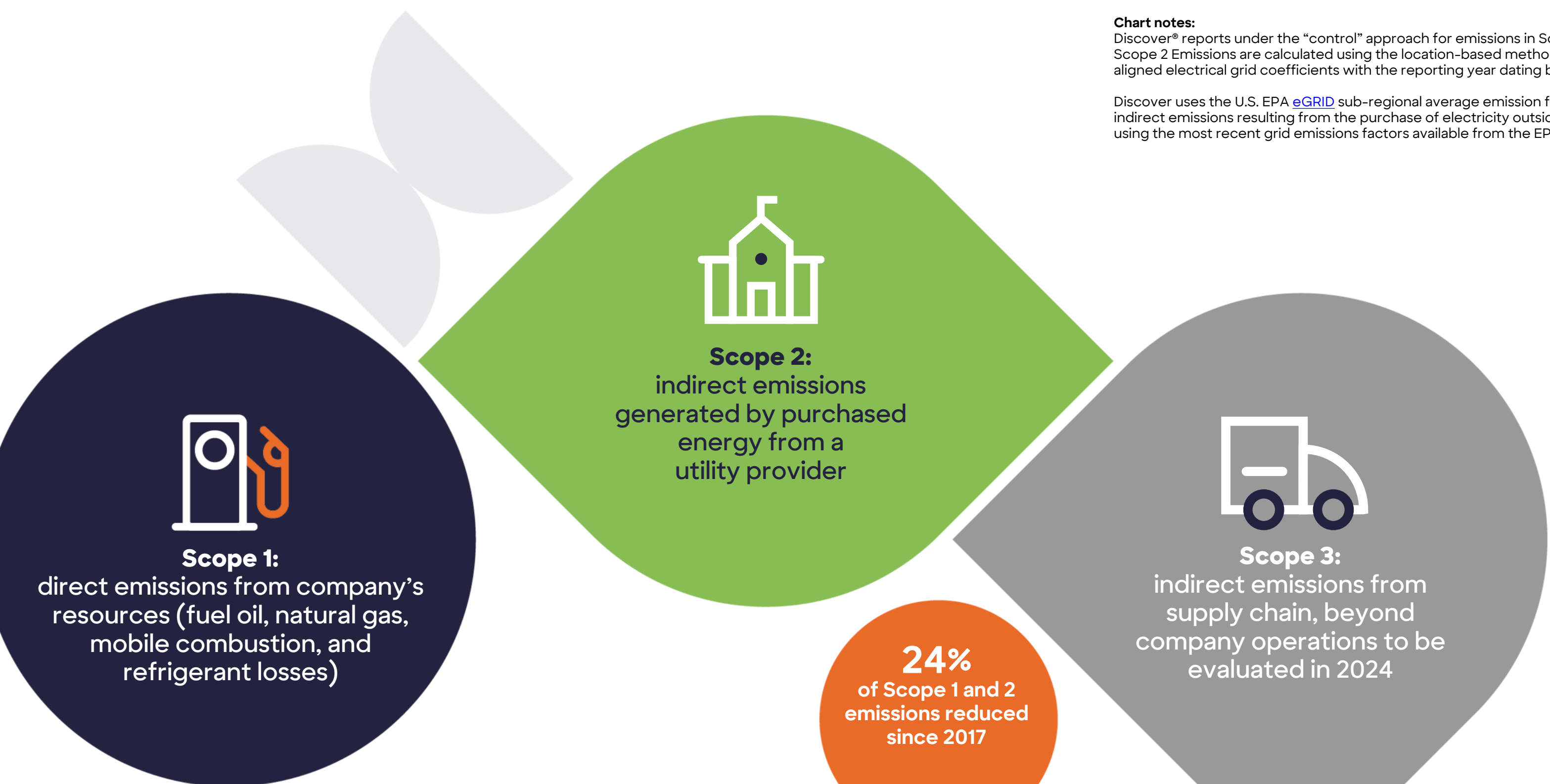
## Built environment decarbonization

Even with few physical locations, we’re determined to reduce our emissions from our operations and support a low-carbon environment.

To calculate our emissions, we rely on the Greenhouse Gas Protocol Standard, a comprehensive framework used industry-wide to measure and manage GHG emissions.

Through multiple energy-saving initiatives, we’ve reduced total Scope 1 and 2 emissions by 24% from our 2017 baseline.

See appendix for full Discover data



**Chart notes:**  
Discover® reports under the “control” approach for emissions in Scopes 1 and 2, as defined in the Greenhouse Gas Protocol, from sources over which it has operational control. Scope 2 Emissions are calculated using the location-based method which reflects the average emissions intensity of grids on which energy consumption occurs. In 2023, we aligned electrical grid coefficients with the reporting year dating back to 2017. The changes are reflected in the table above.

Discover uses the U.S. EPA [eGRID](#) sub-regional average emission factors to calculate indirect emissions resulting from the purchase of electricity in the United States, while indirect emissions resulting from the purchase of electricity outside of the U.S. are calculated using DEFRA for the UK. Electricity emissions for the a reporting year are calculated using the most recent grid emissions factors available from the EPA and DEFRA as of the time GHG emissions calculations are run for the reporting year.

“We keep making changes to decrease our environmental impact. As of 2023, we’ve reduced our emissions by 24% since 2017, achieved a waste diversion rate of 74%, and saved over 46 million gallons of water since 2017. There’s more that we can do—we’re excited for our plans in 2024 and the future.

Richard Prange  
Vice President, Real Estate, Facilities, and Sustainability





# How we'll reduce emissions

**Our goal for 2030 is to reduce Scope 1 and 2 GHG emissions by 50% following these strategies:**

## Operations, design, and construction

As we build or improve our offices<sup>1</sup>, we find ways to use sustainable materials and technology, including:

1. Managing energy efficient buildings
2. Retrofitting traditional lighting with LED lighting and advanced lighting controls
3. Optimizing daylighting
4. Upgrading to efficient HVAC systems
5. Enhancing building automation systems

## Renewable energy

We're researching opportunities to integrate renewable energy sources, like solar panels or geothermal systems to generate clean, on-site energy. We're also exploring renewable natural gas generated from composting organic waste in a local biodigester to offset our fossil fuel consumption.

## Regular building audits

We conduct regular energy audits to assess the energy performance of our facilities, identify areas of inefficiency, and prioritize energy-saving opportunities. Engineers and building managers monitor, track, and analyze energy consumption patterns in real-time, providing performance data that can help make informed decisions on how to improve energy efficiency.

## Teamwork

We partner with energy service providers, equipment vendors, and energy consultants to identify and implement energy-efficient technologies and practices. We engage employees to promote energy conservation and behavior change, fostering a culture of energy efficiency.

## Certifications and regulations

We follow energy efficiency regulations and certifications, such as LEED (Leadership in Energy and Environmental Design) certification for sustainable building design, ENERGY STAR ratings, and local building codes and standards.



<sup>1</sup> Includes owned and operated buildings as well as leased suites





# Building for tomorrow

## Green building

We want the few buildings we own and lease to meet a higher, greener standard so they can contribute to a lower-carbon world. That's why we're members of the U.S. Green Building Council, a nonprofit that champions greener buildings and communities. They rate buildings' sustainability using the world-recognized system, Leadership in Energy and Environmental Design (LEED).

To achieve a LEED certification, a project or building is rated on several factors, like energy, water, waste, indoor air quality, and transportation. Earning LEED certification demonstrates commitment to reducing our environmental footprint.

In 2023, we achieved three new LEED certifications with two other sites pending evaluation.

## Our LEED-certified workplaces:

1. **UK, Farnborough Ascent 3**—LEED v4.1 O+M: EB Gold attained in December 2023
2. **Discover Bank**—LEED v4.1 O+M: EB Silver attained in December 2023
3. **Discover Shanghai Office**—LEED v4 ID+C Silver attained in March 2023
4. **Riverwoods Office Building 2-4A**—LEED CI v2009 Silver attained in May 2017
5. **Riverwoods Office Building 1-1S, 2S, & 1C**—LEED CI v2009 Silver attained in June 2016
6. **Ohio Buckeye Data Center**—LEED NC v2009 Silver attained in January 2014

Another way we measure our buildings' efficiency is through ENERGY STAR Portfolio Manager, which is a U.S. program developed by the Environmental Protection Agency to help standardize and improve energy efficiency. Their benchmark tool helps us measure and compare our building's energy consumption to others like it. Our average ENERGY STAR score improved by 2% in 2023, and our energy use intensity decreased by 7%. With these improvements, we're pursuing an ENERGY STAR Certification, which certifies that our buildings operate more efficiently than 75% of similar buildings nationwide.







# Building for tomorrow

## Efficient lighting

Another way we promote sustainability in our buildings is through lighting. Low-wattage lighting is a simple way we can reduce energy use and save money. Starting in 2018, we retrofitted traditional lighting with energy-efficient LED fixtures and advanced lighting controls—like sensors and daylight harvesting systems—to reduce energy consumption and maintenance costs. We’ve achieved 98% LED lighting in our buildings, and will replace the remaining 2% in the beginning of 2024.

## WELL Health-Safety rating

We strive for buildings that are not only sustainable, but also safe for our employees and visitors. In 2023, we earned the WELL Health-Safety rating for 9 of our U.S. offices. This rating system was established after COVID-19 to assess indoor air quality in shared spaces. It’s a science-based, third-party evaluation that examines several factors, like cleaning and sanitization procedures, emergency preparedness, lighting, acoustics, thermal comfort, and air and water quality management. All these factors not only improve the health of those inside, but also contribute to overall energy efficiency.

## The future of our buildings

We’re proud of the progress we’ve made, and we’re determined to do even better through these steps:

- Upgrade building systems, such as HVAC, to high-efficiency models
- Pursue LEED certifications for new construction or renovations that emphasize sustainable design, energy efficiency, water conservation, and indoor environmental quality
- Design and construct facilities with a focus on sustainable materials, green roofs, efficient insulation, and renewable energy integration
- Develop energy efficiency programs that engage employees
- Develop long-term, specific targets and strategies to further reduce carbon emissions across our building portfolio

We’re committed to taking a holistic approach to sustainability—using environmentally friendly practices that enhance the health and comfort of employees and visitors, decrease greenhouse gas emissions, and mitigate climate change.

“As a member of our Engineering team, I am proud to be making a difference on our environmental impact and am excited about leveraging cutting-edge technologies and innovative solutions that will allow us to operate more efficiently, lower emissions, and reduce our carbon footprint.

Luke, Facilities Operations Specialist







# Sending less to landfills

## Waste management

We are committed to minimizing waste in every part of our business, in every building. In 2023, Discover® recycled 1,310 tons of material across all our U.S. offices, achieving a 74% diversion rate.

We even keep track of what's in our trash. We require detailed reports on waste handling, disposal, and recycling from our third-party waste haulers. In 2023, we performed several waste audits for all waste streams in our operations. We sorted and identified different types of waste, which helps track volume across waste streams and informs a more effective recycling program. Because of these audits, we saw an increase in recycling awareness among our employees, and we're able to develop plans for organic composting in 2024.

There are more improvements we want to make through a comprehensive waste management plan:

- Evaluate Internet of Things devices that use sensors and technology to collect waste-related data
- Assess the impact of raw plastic material for cards versus a recyclable material
- Eliminate waste generation at the source through procurement, supplier take back programs, and reuse systems
- Optimize existing recycling programs and research potential for food scraps collection

- Introduce new recycling programs for unique waste streams
- Establish partnership with a Chicagoland urban green farm that can compost our waste for local farming and for renewable natural gas that can help offset our fossil fuel consumption
- Empower unit-level decision makers and change agents so they can implement local solutions that meet their specific needs

With the audit and improved data collection, we aim to set a waste diversion target for the organization that will be announced in 2024.

## Helping people helps our planet

**PCs for People:** In 2023, we launched a partnership with PCs for People, a national nonprofit that gets low-cost computers and internet service into the homes of individuals, families, and nonprofits with low income. We will route some of our decommissioned corporate computers to PCs for People to be refurbished and repurposed.

**Furniture donation:** We donated office chairs and file cabinets in 2023, which diverted 77,100 pounds of furniture from ending up in landfills. That prevents 196,914 pounds of carbon dioxide from entering the atmosphere, which equals electric power for nearly 30 American homes for a year.



**77,100**  
pounds of  
furniture  
diverted from  
landfills



## Paper makes a difference

89% Sustainable Forestry Initiative (SFI) Certified for all of our marketing paper

Over 50% of credit card statements are electronically distributed to our customers versus paper statements

**74%**  
diversion  
rate







# Sharing rides and saving water

## Sustainable transportation

We're trying to reduce our employees' carbon footprint, even before they get to work. We have several commuting options to support sustainable, equitable, and accommodating travel for everyone.

And in 2023, we enhanced all of these options for employees returning to the office:

- Carpools—Organized by Pace RideShare for Riverwoods employees
- Commuter Benefits Plan—Employees can use pre-tax dollars to purchase transportation passes, tickets, or vouchers; to pay a parking facility; or to fund an account for reimbursement of certain work-related transportation and parking expenses. Participating employees also receive a \$60 monthly subsidy. There were 12,151 commuter benefits plan users in 2023.
- Shuttles—Available between the Riverwoods office and public transportation options. There were 9,551 riders using shuttles in 2023.
- Vanpools—Guaranteed Ride Home Program
- Electric Vehicles—Added two new ChargePoint charging stations for a total of 12 in Riverwoods, with plans to evaluate implementation at other sites.

## Water conservation and land use

Conserving water is critical, not only in drought-prone areas, but all across the country. Our 2023 fresh water consumption decreased over 46 million gallons from 2017. We're monitoring water consumption, and generate internal reports on it monthly and annually.

For the water-related impact of our operations and services, we take a systematic approach. We conduct a thorough assessment across our entire operational footprint—including offices, data centers, and customer care centers. The scope includes direct and indirect impacts on water resources, considering water withdrawal, consumption, and potential runoff from the organization's activities.

To reduce water usage, we rely mostly on facilities' plumbing and landscaping conservation efforts. We use low-flow fixtures like faucets and flushometers in several locations.

## We also follow sustainable landscaping techniques:

- Use native plants that thrive in local climates
- Implement xeriscaping to avoid supplemental irrigation and improve the quality of the landscape over time
- Hydrate using turf management to reduce water use and keep grass healthy
- Replace old rotor heads with efficient sprinkler heads to help with pressure regulation and efficiency of the sprinkler zones

**46 million**  
gallons of water saved  
since 2017







# Working for a better world

## Inclusive engagement

Our commitment to sustainability doesn't come just from the top of our company. We believe in the power of our employees to make change.

Our diverse employee population takes part in shaping the environmental sustainability roadmap. The spectrum of perspectives makes a more effective strategy, which includes outreach to underrepresented groups and partnerships with environmental justice organizations.

Sustainability and social impact merge together, and we see the strength of this combination through the Green Team.

Our Green Team is an employee-run interest group that educates on sustainable actions and technologies while encouraging colleagues to be more environmentally mindful.

Their quarterly newsletters highlight sustainable initiatives at Discover® and community volunteering events. Members also write articles with sustainability tips for employees to use at home or at the office.

## Green Team 2023 highlights

Earth Day: The Green Team led Earth Day activities at the Chatham office and Riverwoods office with guidance from local experts. The Chatham event focused on home energy efficiency, and the Riverwoods employees learned about restoring pollinators in their own backyards.

Waste audits: Riverwoods and Chatham employees sorted and measured trash at their offices to support the company's waste reduction goals and find more opportunities to decrease waste.

New chapter: The Green Team began organizing their first satellite chapter at the company's Salt Lake City office.

Beyond our offices: The Green Team's community involvement soared in 2023. Members volunteered at several local sustainability-focused events, and they grew partnerships with neighboring organizations. At the Riverwoods office, Green Team members participated in Adopt-A-Highway and completed their first highway trash pick-up. In 2024, Discover will sponsor highway cleanups in Utah, Arizona, Ohio, and Texas near the communities where we serve.

## Continuing our sustainability journey

At Discover, we are committed to integrating environmental sustainability into our business practices. Through responsible supply chain management, energy efficiency, resource conservation, a focus on renewable energy, green building initiatives, risk mitigation, employee engagement, and collaborative partnerships, we strive to create a positive environmental impact. We believe that by acting now, we can contribute to a more sustainable world for future generations. We make it our mission to contribute to a more equitable and sustainable world so everyone can achieve a brighter financial future.

“As Green Team members, we recognize our responsibility extends beyond our organization. Guided by the Discover values, we strive to set a positive example and motivate others to join us in embracing the responsibility of living sustainably.

Cheryl  
Senior Principal Research & Development Specialist,  
Business Technology





# DISCOVER

DISCOVER<sup>®</sup>

Governance





# Corporate governance at Discover



**We commit to “Doing the Right Thing” by being transparent, accountable, and ethical in everything we do.**

Our Board of Directors, governance infrastructures, and risk management framework support our commitment to “Doing The Right Thing.” We’ve designed policies to promote accountability, transparency, and ethical behavior; we reinforce this through open and transparent communications across Discover®. 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.

Throughout 2023, Discover went through many regulatory and compliance changes, as well as an executive leadership transition. Because of these changes, we’ve invested significant resources into risk management, compliance, legal, and corporate governance. We know we have more work to do. We continue to evaluate and implement additional action to enhance our performance, strengthen our commitment to our Core Values, and help us deliver on our mission.



Effective corporate governance does not stay still. We're always striving to evaluate and enhance our practices to go above and beyond what our shareholders expect. Our Board of Directors and senior leadership recognize the importance of corporate governance and believe it is important to stay current with the always–changing governance landscape and exceed requirements, when possible.

Hope D. Mehlman, Executive Vice President,  
Chief Legal Officer, General Counsel and Corporate Secretary



## Here are our leading governance practices:

- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"><li>• Majority voting for Directors (with resignation policy)</li><li>• Shareholder right to call a special meeting</li><li>• One share, one vote policy</li><li>• Independent Chair of the Board</li><li>• Year-round corporate governance shareholder engagement</li></ul> | <ul style="list-style-type: none"><li>• Annual election of all Directors</li><li>• No supermajority vote requirements</li><li>• No dual-class common stock</li><li>• Exclusive forum bylaw for certain actions</li><li>• Robust onboarding and ongoing education for Directors</li></ul> | <ul style="list-style-type: none"><li>• Proxy access bylaw</li><li>• Director retirement age of 75</li><li>• Confidential voting</li><li>• Board, committee, and individual Director self-evaluation process</li><li>• Tenure limit of 14 years for non-employee Directors, beginning with nominations related to the 2025 Annual Meeting of Shareholders</li></ul> |
|--|--|---|



See our [2024 Proxy Statement](#) and [2023 Annual Report](#)

for more information about our Board and policies.

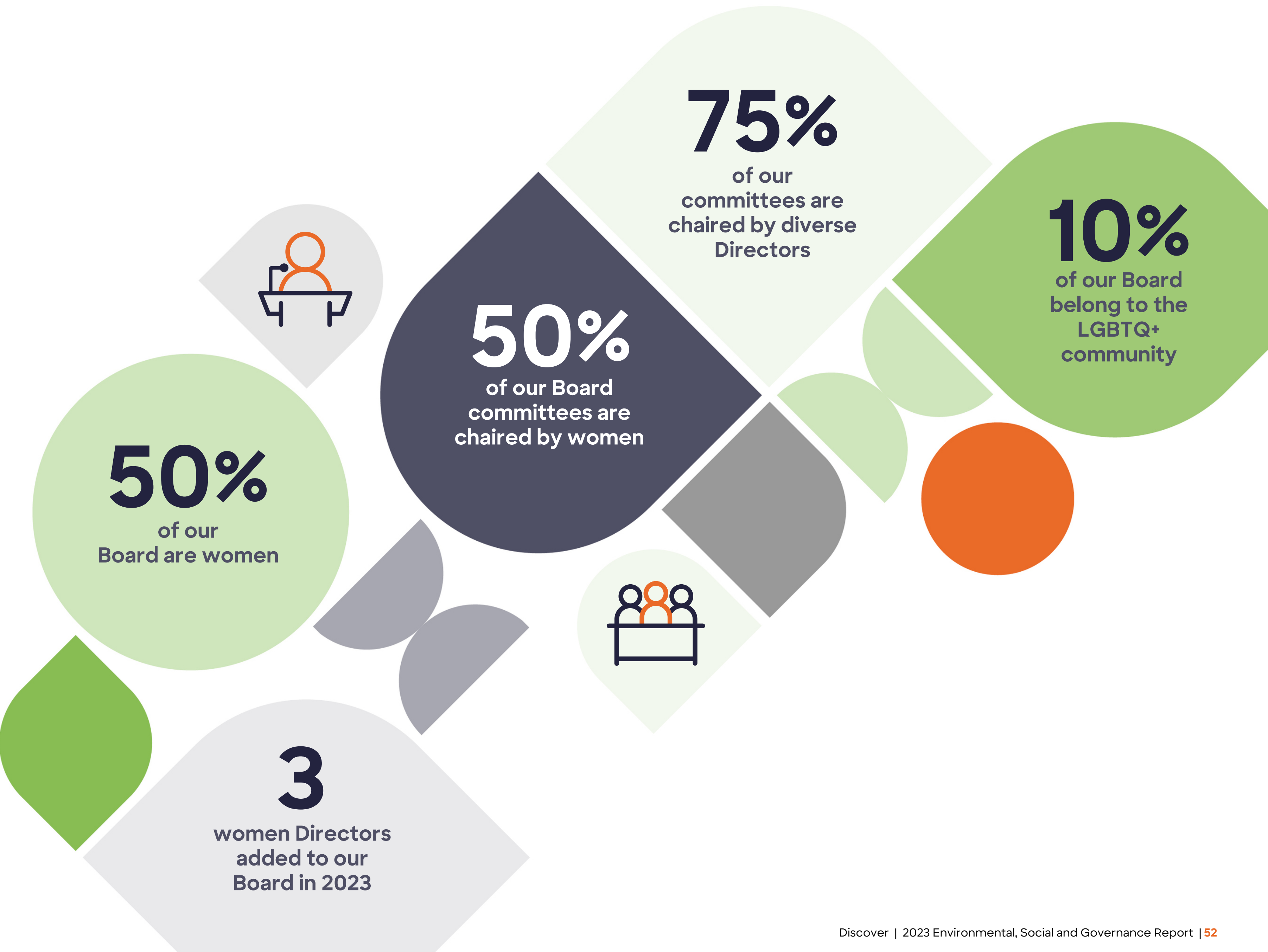




# Board diversity

Our commitment to diversity extends to our Board. We outline in the company's Corporate Governance Guidelines that diversity of a candidate's perspective, background, experience, and other demographics is incredibly valuable. Our Board understands that a comprehensive, well-rounded viewpoint requires diverse membership.

Our Board is proud of its current diverse leadership. In addition to diversity of skills, experience, and backgrounds, our Board is currently 50% women, including three women Directors added in 2023. We have 30% representation of People of Color on our Board, including one new addition in 2023. And, we have 10% representation of LGBTQ+ on our Board. Additionally, three of the four standing committees are chaired by diverse Directors.\*



\*Represents Board composition as of the 2024 Annual Meeting of Shareholders held on May 9, 2024.





# Board refreshment

In 2023, our Board of Directors and the NGPR Committee prioritized Board refreshment. They partnered with an external search firm to help identify and vet potential Director candidates. By the end of the year, four new Directors were added to our Board, and three Directors retired. Each new Director was chosen based on their skill set, experience, and background to complement the existing Board.

There were several other enhancements made in 2023 to our Board:

- Revised Diversity Matrix—The NGPR Committee revised the Director Skills and Diversity Matrix to better reflect the representation of skills on the Board. The Matrix helps to define the skills we believe are most important to the Board's oversight of the company, to clearly gauge the skills and experience on the Board, and to identify if any skills are underrepresented or overrepresented on the Board. Directors completed the new skills assessment questionnaire, which helped populate the Matrix included in the 2024 Proxy Statement.
- Updated self-evaluations—The Board's self-evaluation process was updated to typically include three distinct areas: individual Director conversations, committee evaluations, and a full Board discussion. In 2023, an outside consultant facilitated individual Director conversations, and anonymous results were later shared with the NGPR Committee and the full Board.
- Added retirement age—To help promote Board refreshment, the Board adopted a mandatory retirement age of 75 for Directors.
- Added tenure policy—Generally a 14-year limit for non-employee Directors, beginning with nominations related to the 2025 Annual Meeting of Shareholders.

# Shareholder engagement

In 2023, we updated our shareholder outreach by launching our Corporate Governance Shareholder Engagement Program. A cross-functional team of Discover® employees from Corporate Governance, Investor Relations, Corporate Impact, Legal, Total Rewards, and Human Resources met virtually and in-person throughout the fall with representatives from our institutional shareholders' proxy voting, investor

stewardship, Corporate Governance, and similar teams. Together they discussed corporate governance, executive compensation, Corporate Impact, progress, and goals.

We also met with institutional investors at various corporate governance-focused conferences and events throughout 2023.

Through in-person and virtual engagements over the past year, we spoke with investors owning or representing over one third of our common stock at year-end.







# Risk management

As a financial institution, we are keenly focused on risk management. Our enterprise-wide risk management framework is comprised of four parts: governance and oversight, business strategy, risk infrastructure, and risk culture. Together these parts support the company's efforts to identify, measure, manage, monitor, and report ("IMMMR") the risks that are impacting or could impact Discover®.

Our Board reviews and approves this framework; the Risk Oversight Committee enables the consistent execution of risk management principles through a comprehensive set of programs defined in formal policies and procedures. Independent oversight, including adherence to policy requirements, is provided by the second and third lines of defense, which are our Corporate Risk Management team and Internal Audit team.

Collectively, our risk management framework and supporting programs are designed to ensure our businesses are making risk-informed decisions and appropriately balancing risk and return in their activities.

## Climate-related risks

Climate-related risks are also managed within our enterprise-wide risk management framework. We continue to enhance processes in consideration of evolving climate risks.

In 2023, we partnered with an external environmental consultant to help us identify climate risks and opportunities. These insights will inform the development of a Task Force on Climate-Related Financial Disclosures (TCFD) report in the future.



For more information about risk management at Discover, see our [2024 Proxy Statement](#) and [2023 Annual Report](#).

### Governance & Oversight

- Board and executive management
- Management committees
- Policies and standards
- Escalation structure (early warning allows for preemptive actions)
- Risk appetite
- Risk categorization

### Business Strategy

- Executing business strategies across the company that drives profitable growth and delivers value for our customers
- Aligning to mission, values, and defined risk appetite

**\$500 million**

invested in compliance and risk management capabilities in 2023

“Risk management is embedded in all the work we do every day at Discover. Our strong risk management framework allows us to anticipate and reduce risks systematically. When issues are identified, we have the tools and processes to quickly respond.”

Jess Bonnet, SVP, Non-Financial Risk Management

### Risk Infrastructure

- People: Three lines of defense, and roles and responsibilities
- Process: Risk programs, IMMMR, procedures, audits, and reviews
- Technology: Risk systems and tools (e.g., Archer, WDesk, ServiceNow)

### Risk Culture

- Proactive demonstration at all levels of shared Core Values, principles, and behaviors that drive our collective ability to manage risk as part of day-to-day work, driving benefits that align with our business strategies
- Continuous learning culture to raise awareness and competence as risk management evolves





# Ethics and compliance

At Discover®, we share a culture of “Doing The Right Thing,” which means acting ethically and with honesty and integrity, in a manner consistent with our policies and procedures as well as with all laws and regulations applicable to Discover. We strive to perform our jobs to the highest professional and ethical standards. It also means we are accountable for our actions, our conduct, and for the results we deliver.

The process for managing our adherence to regulatory requirements is overseen by the Chief Compliance Officer (CCO) who reports administratively to the Chief Risk Officer. Through a staff of skilled compliance professionals who are focused on consumer and non-consumer regulatory requirements, our Compliance Management System is implemented and monitored throughout the various lines of business. The CCO reports to various Board committees throughout the year on the Compliance Management System within Discover. These committees include, but may not be limited to, the following: Compliance Committee, Risk Committee, and Audit and Risk Oversight Committees of the Board. Also, meetings with the regulatory agencies are held monthly (or more frequently, if requested).

The Audit Committee, which is a committee of the Board, meets quarterly and is responsible for reviewing reports from management that outline the assessment and management of risk exposure. This includes the Company's major financial risk exposures, and the steps management has taken to monitor and control exposures in order to mitigate operational, strategic, legal, regulatory, and reputational risks.

## Introducing the Office of Ethics and Conduct

Building upon our existing foundation and Core Values, in 2023 we established an Office of Ethics and Conduct within Corporate Compliance. As part of our commitment to a strong and resilient risk culture, the company is establishing easily-understood expectations. We're also creating defined escalation paths regarding ethical conduct and compliance with consumer protection laws and regulations. The Ethics and Conduct Program will centralize the monitoring and reporting of issues derived from analyses of complaints; conflicts of interest; employee hotline cases; and Code of Ethics violations, including whistleblower processes and non-adherence to policies. The Program is expected to support a greatly improved governance and control environment that is sustainable for the long term.







# Ethics and compliance continued

To reinforce our Core Values and to help our employees navigate a variety of circumstances, we have several policies and procedures that inform our actions and give further guidance on specific ethics and compliance areas. These include our Code of Ethics, the Supplier Code of Conduct, and employee training.

**Our Code of Conduct and Business Ethics (Code of Ethics)** 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® premises or on or off duty. Our Code of Ethics and related policies are reviewed and refreshed as appropriate, on an annual basis. The Code of Ethics and related policies are presented to the Risk Committee and Board for approval.

In alignment with regulatory expectations that provide anti-retaliation protections for employees who share information regarding potential violations, the Code of Ethics outlines how to report (through SEC, DoJ, Inspector General, etc.) and ensure anonymity when reporting.

The Security, Intelligence & Operations Center (SIOC) works collaboratively with Employee

Relations to address Code of Ethics investigations and maintains metrics on the reporting of such.

## In 2023, we made several updates to the Code of Ethics:

- New Foreword from the Board of Directors and CEO, emphasizing the importance of ethics, compliance, reporting conduct, and the Integrity Hotline for anonymous reporting
- More clarity on the prohibition of retaliation against someone who makes good faith reports about potential or actual violation of the Code of Ethics
- More clarity on Confidential Supervisory Information and the need to protect it
- Details around the prohibition against incentive plans or practices other than those specifically allowed by the company's incentive programs
- Information about self-dealing
- Outline on compliance with applicable federal and state laws that prohibit unfair, deceptive, or abusive acts or practices
- Added supplements to the Code of Ethics, including New Code of Ethics for Senior Financial Officers Supplement, Proprietary Rights Supplement, and Shanghai Supplement

**The Supplier Code of Conduct** is published on the Discover [website](#) to help set expectations for current and potential suppliers (including supplier employees, agents, contractors, and other representatives acting on behalf of Discover) as they do, or consider doing, business with Discover.

Discover prizes partners who share our values, and violating our Supplier Code of Conduct may impact a partner's current or future business opportunities.

The Supplier Code of Conduct is reviewed and approved on an annual basis. We continually seek opportunities to increase awareness, compliance, and monitoring of third-party adherence to the code.

## Ethics and compliance training for employees

Through the internal training portal at Discover, all employees are required to take and acknowledge their completion of Code of Ethics training every year. Employee performance and adherence to the Code of Ethics is assessed against the Discover Behaviors throughout the year as part of quarterly check-ins and year-end performance reviews. Non-compliance with our Code of Ethics can result in corrective action up to and including termination of employment.

Employees also complete annual training on Anti-Bribery and Anti-Corruption (ABAC), Anti-Money Laundering (AML) Policy, U.S. and Canadian AML laws, and Discover processes. This includes specific guidance on identifying and reporting transactions associated with money laundering, terrorist financing, or human trafficking. Upon completion of training, employees are tested on their understanding of the Code of Ethics and they must achieve a score of 80% or greater. The administration of training requirements and monitoring of such is a collaborative effort between the second line Compliance Training team and line of business management. Periodically throughout the year, management receives metrics on employee training completion rates.



**The Supplier Code of Conduct**





# Ethics and compliance continued

## 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 the trust we've earned 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 and is intended to promote ethical conduct to prevent bribery and other corrupt practices.

Our ABAC Compliance Program is designed to implement our ABAC-related policies and procedures. Key components of the ABAC Compliance Program include:

- ABAC Standard that details the Program's requirements
- Dedicated ABAC team within our Compliance Risk Management Department
- Periodic assessments of bribery and corruption risks

- 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

ABAC compliance is managed by the Discover Anti-Bribery and Anti-Corruption Compliance Team, which consists of second line anti-corruption professionals dedicated solely to the management and implementation of an effective ABAC Program. This team receives appropriate oversight from the Board and Senior Management. The ABAC Program is led by a Director of ABAC Compliance, who reports directly to the Discover Vice President and Head of BSA/AML Compliance. Throughout the year, the Director of ABAC Compliance reports to the AML Operating Committee on matters related to anti-bribery and corruption compliance.

## 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's our policy to aid law enforcement through reporting suspicious activity.

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

## Anti-competitive behavior

Discover is committed to fair competition in compliance with antitrust laws, which prohibit, among other things, agreements between competitors relating to price-fixing, boycotts, market allocations, and bid-rigging, as well as monopolization and attempts to monopolize. Discussions with competitors can be particularly sensitive, and must be carefully managed to ensure that they do not serve to inhibit competition.

## Upholding human rights

Wherever we do business, we strive to respect and protect human rights. As outlined in our annual Modern Slavery Act Transparency Statement, we prohibit any violations relating to, but not limited to, child labor, forced labor, elder abuse, slavery, and human trafficking. Our Code of Ethics 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 annually on underlying principles and policies of the Code of Ethics. 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.







# Ethics and compliance continued

## Reporting conduct

The Code of Ethics is available externally on the Discover® Corporate Governance website and internally on our intranet. If anyone suspects that there have been actions or inaction that may have violated the law, the Code of Ethics, any of the company's other policies, or if someone observes or becomes aware of any illegal, harassing/discriminatory behaviors, unethical or improper conduct by an Officer, Director, another employee, consumer, consultant, vendor, or third party relating to the company, that person should promptly notify one of the following:

- Direct Management
- Employee Relations
- Chief Legal Officer
- Chief Compliance Officer
- Chief Risk Officer
- Chief Audit Executive

For Fraud, an employee may also email the Internal Investigation Team at Discover at [internalinvestigationrequests@discover.com](mailto:internalinvestigationrequests@discover.com)

## To report concerns about Executive Management:

- Contact the Chief Audit Executive, and/or Chief Legal Officer, if the concern is about the Chief Executive Officer, any other Senior Executive or Financial Officer, or a member of the Board.
- Contact the Chairman of the Board if the concern is about the Chief Legal Officer or the Chief Audit Executive.

If a person feels they are unable to address or resolve a matter using any of the above options, or would like to report a matter anonymously, the matter can be reported to the company's Integrity Hotline. The Integrity Hotline is a service that can be accessed from any location by phone or internet. A person may choose to identify themselves when making a report, or may choose to remain anonymous (where allowed by local laws). The Integrity Hotline is available 24 hours a day, seven days a week, and is staffed by a third-party service provider whose employees are trained to receive initial reports of potential misconduct. Reports may be made on a confidential, anonymous basis.

Discover prohibits retaliation against individuals who raise an issue in good faith or assists with an investigation. Reporting issues internally does not prevent employees from reporting to the government, or regulatory agencies, any conduct that they believe violates the law or a regulation.



## [The Integrity Hotline](#)

**is available 24 hours a day, 7 days a week to receive reports of potential misconduct.**

**Reports may be made on a confidential, anonymous basis (where permitted by law)**

**by calling 866-714-1305**

**or online to [Discover.alertline.com](https://discover.alertline.com).**





# Our Compliance Management System

Our Board, Senior Management, and employees are committed to carrying out our Compliance Management System (CMS). It is yet another way we are working towards being the leading digital bank and payments partner. Our Chief Compliance Officer oversees adherence to the CMS across all

lines of business and corporate functions. In 2023, we've invested in our CMS by acquiring new regulatory change management software, onboarding additional experienced compliance staff, and expanding machine learning within Financial Crimes Compliance. Furthermore, the

CCO has established an Office of Ethics and Conduct, which consolidated ethics and conduct programs—such as our Integrity Hotline—under a new executive leader reporting directly to the CCO. Discover provides compliance training to our Board of Directors and all employees to enable an

effective CMS for the firm to maintain appropriate and compliant conduct in our day-to-day operations.

## Responsible AI

As artificial intelligence (AI) gains prominence in the public sphere, we remain aware of its inherent risks. In the financial services sector, it is important for institutions to leverage AI responsibly and adhere to regulatory guidance for model risk.

We aim to create AI guardrails that are applicable across business units. We established an AI Governance Council to guide the adoption of AI at Discover®. The Council is a cross-functional team of data scientists, cybersecurity experts, audit and compliance personnel, legal representatives, technologists, and decision-makers who collaborate to set standards and establish a framework for AI use at Discover. It is crucial that we keep our AI approach interpretable and managing bias. We've been very intentional in including a wide range of participants who interface with AI in a variety of ways; we want to ensure the Council considers unique use cases and engages differing perspectives.

### At a high level, our AI guardrails involve:

- Instituting a clear intake process that teams must complete when they want to use public, vendor, or homegrown AI tools and models
- Limiting digital access to all public large language models and prohibiting employees from using customer data within any public generative AI models
- Establishing a risk management framework to evaluate the use cases and validate the controls to manage relevant risks
- Requiring continuous authentication and authorization to maintain the principles of least privilege and context of user entitlement
- Requiring proper data labeling and logging to maintain confidentiality
- Abiding by human-in-the-loop validation to ensure each AI use case is reviewed and approved by a subject matter expert who will confirm the accuracy and quality of the output is fit for purpose

- Recording inputs and documenting what we're inputting into any language models, and logging outcomes to protect the integrity of the processes
- Establishing feedback loops so that we're quickly getting and responding to feedback about using the models
- Requiring training for any employee using AI models in their work to promote adherence to standards related to AI trust, transparency, and trustworthiness.

As we deploy our guardrails, we share these standards across the organization through events, emails, required security training, and our tech learning platform, Discover Technology Academy.







# Cybersecurity and data privacy

As a leader in online banking, we know that cybersecurity is vital. We prioritize the security of our employees' and customers' data, and ensure they have the information and skills they need to protect themselves.

Our Chief Information Security Officer (CISO) leads our Information Security Program and, along with other members of management, provides quarterly updates to the Board on significant matters relating to cybersecurity, information security, and the like.

The primary stakeholders of the Information Security Program include the Board of Directors, the Chief Executive Officer, Chief Information Officer, Chief Information Security Officer, Chief Risk Officer, and Vice President of Information Security and Technology Risk.

## Board-level committees

The company and the Board have appointed a Chief Information Security Officer to coordinate and oversee enterprise-wide compliance with the Information Security Program and related laws, policies, standards, and practices. The Chief Information Security Officer, reporting to the Chief Information Officer (with a dotted line to the Chief Risk Officer), regularly reports to the company's Board on the current state of enterprise security relative to managing information security risk and protecting enterprise information assets.

The VP-ISTR leads the Information Risk Management Department. Reporting to the SVP, Non-Financial Risk Management, the VP-ISTR provides second-line oversight of the Information Security Program, informs the cybersecurity strategy, and helps to develop policies and standards for securing information assets.

The Board requires that management develop an enterprise-wide risk management framework. It also supports executive leadership by providing staffing and budget to help mitigate Information Security risks. The Board approves the appetite for what Information Security-related risks should be accepted, mitigated, or transferred through cyber liability insurance. The Board also approves the Program and Information Security strategic plans that align with the company's overall business strategy, while holding management accountable for identifying, measuring, and mitigating security risks that impact the company.

## Management Risk Committee

The Risk Oversight Committee also authorizes the company's Management Risk Committee, which is an executive management-level committee that establishes and oversees a comprehensive enterprise risk management program that includes (i) providing a regular forum for representatives of our different functional groups to identify and discuss key risk issues and to recommend to senior management actions that should be taken to manage the level of risk taken by the business lines;

(ii) establishing and overseeing an enterprise-wide approach to risk management through the development of our Enterprise Risk Management Policy and the associated oversight framework for the identification, measurement, monitoring, management, and reporting of enterprise risk; (iii) communicating our risk appetite and philosophy, including establishing limits and thresholds for managing enterprise-wide risks; and (iv) reviewing, on a periodic basis, our aggregate enterprise-wide risk exposures and the effectiveness of risk identification, measurement, monitoring, management, and reporting policies and procedures, and related controls, within the lines of business.







# Cybersecurity and data privacy continued

## Technology and Information Risk Committee (TIRC)

The Technology and Information Risk Committee—which reports up to, and is subject to oversight by, the Management Risk Committee—provides oversight, leadership, approvals for risk acceptances near or exceeding risk appetite, direction setting concerning data risk, technology risk, and information security on an enterprise-wide basis (collectively known as the Programs) at the company and its related entities.

Our Information Security Policy sets the foundation and direction concerning information risk on an enterprise-wide basis, while our Board approves the program. Our Chief Information Security Officer leads our Information Security Program. The program is designed to safeguard the confidentiality, integrity, and availability of information assets. We continuously monitor the cyber threat landscape and technological changes to mitigate risks to the organization and to our customers. Together with our lines of business and corporate functions, our enterprise-wide incident management framework lets us manage risk mitigation activities that stem from incidents—including governance structure and organization, an incident management program, incident management and escalation principles, requirements for testing and exercising the program, risk management principles, and external reporting guidance.

## Information Security Policy

Our Information Security Policy provides a framework for the security of information assets and computer resources. It helps to ensure that security is maintained in compliance with applicable laws and regulations, such as the Gramm-Leach-Bliley Act and the Sarbanes-Oxley Act. Discover® maintains customer data confidentiality by adhering to industry best practices and standards.

## Identifying and addressing data security risks

Our Cybersecurity Program ensures the right governance, policies, standards, and practices are in place to identify and address data security risks. Our investments in people, processes, and technology enable us to maintain a robust data security framework.

Within our Cybersecurity Program is a Security Intelligence and Incident Response Team (SIIRT). The SIIRT is responsible for managing cybersecurity incidents by leading, designing, and implementing strategic initiatives that drive the evolution of detection and response practices. Our goal is to achieve proactive threat intelligence, continuous monitoring, and rapid response.

Additionally, our Incident Management and Handling Framework is designed to help properly mitigate risk incidents by identifying, detecting, protecting, responding, and recovering.

Discover is committed to a culture of strong third-party information security risk management. We have oversight in place that ensures data protection is present within third-party engagements.

## Information security training

The Discover Information Security Training and Awareness Program is dedicated to teaching all employees 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; they are taught to recognize and report threats; and they are empowered to protect the company, themselves, and their families from cyber risks.







# Cybersecurity and data privacy continued

## Data Privacy Commitment

Data privacy relates to an individual's right to participate in when, how, and to what extent Personal Information (PI) about the individual is collected, retained, used, disclosed, shared, or otherwise processed. Discover® recognizes the importance of transparency when it comes to data privacy and earning and keeping the trust of its customers and employees. Discover is committed to respecting individuals' rights to their PI that the Company holds, providing requisite notice and options to individuals before processing their PI, and complying with applicable federal, state, and international data privacy laws and standards.

## Data Privacy Capabilities

Discover deploys various capabilities to ensure individuals' rights are appropriately communicated and respected, including, but not limited to:

- **Data Privacy Notices.** Discover provides required data privacy notices to its customers, individuals accessing online or mobile services, and employees; these notices can include information about how Discover collects PI, the purpose for collection, with whom Discover shares PI, any rights the individual may have to the PI, retention of PI, and more. Discover hosts many of its privacy notices within its [Privacy Center](#). Discover processes PI as indicated in these notices and consistent with the law. When there are changes to its privacy notices, Discover updates affected individuals as required by law.

- **Data Privacy Processing Preferences Including Marketing Preferences.** Discover provides individuals with the requisite options to restrict or direct how we use, share, disclose, or otherwise process their PI, including for marketing purposes.
- **Data Privacy Communications Preferences.** Discover provides individuals with the requisite options to restrict the channels via which we contact them and the equipment we use to communicate with them.
- **Data Breach Notification.** Discover informs individuals in a timely manner in the event of a data breach as required by applicable law.
- **Data Subject Rights Requests.** Pursuant to applicable laws, Discover provides eligible individuals with the ability to obtain a copy of, correct, or delete PI that Discover holds.
- **Consent Management.** Discover obtains any requisite consents before relevant collection, use, or sharing of PI.
- **Data Privacy Contact.** Discover provides instructions on how individuals can contact us with questions about Discover's data privacy practices.

## Data Privacy Governance & Oversight

Discover is committed to governing and overseeing data privacy risk and promoting a culture of compliance with applicable data privacy laws. Discover's Privacy Policy documents our commitment to compliance with data privacy laws, regulations, and standards and outlines the principle, stakeholder, and capabilities Discover implements to achieve that commitment.

Discover's Compliance & Ethics Committee oversees data privacy risk. The Privacy Compliance Team within Compliance Advisory is primarily responsible for supporting the oversight and management of data privacy risk. Additionally, Compliance Advisory, Legal, and Audit play critical roles in overseeing data privacy risk management.

## Data Privacy Risk Assessments including Third Parties

Discover assesses data privacy risk at key change events including the development of new products and services and when engaging and overseeing third-party service providers who handle Discover's customer and employee PI. Discover may share PI with its service providers and third parties consistent with our privacy notices to protect ourselves from potential fraud, pursuant to an individual's request or authorization, or as permitted by law.

## Data Privacy Training

Discover provides regular training for employees who have access to PI. These trainings can cover a variety of topics such as privacy in marketing, privacy in communications, and data subject rights including rights under the California Consumer Privacy Act.







# Policy engagement

Discover® believes that engagement with policymakers on issues that could impact its business is important to the long-term interests of the company, its employees, and its shareholders. The Government Relations team carries out our public policy strategies, political engagement, and outreach activities under the direction of the VP of Government Relations. The Executive Committee oversees our public policy activities.

Additionally, Discover engages in the political process through the Discover Financial Services Political Action Committee (PAC). Our mission is to help people achieve a brighter financial future; the Discover Financial Services PAC supports candidates who work to create a legislative environment where that is possible.

The PAC is funded solely through voluntary contributions made by eligible employees, not through corporate political contributions. The PAC is governed by its by-laws and is overseen by officers representing various business units throughout the company.

In 2023, the PAC contributed \$119,000 of financial and in-kind political contributions made directly and indirectly by the organization.

All PAC receipts and disbursements are reported to the Federal Election Commission and can be viewed by the public at [www.fec.gov](http://www.fec.gov). PAC disbursements from the past five years can also be viewed on our [website](#).

Discover files all state and federal lobbying disclosure reports in a complete and timely manner in accordance with applicable requirements. The company regularly files reports with the Secretary of the U.S. Senate and the Clerk of the U.S. House of Representatives detailing its lobbying activities. The reports are available on the U.S. House [website](#).

The company seeks to maintain the highest ethical standards and transparency when engaging with public officials and abides by all appropriate reporting and disclosure requirements.







DISCOVER

Appendix





## Appendix A. GRI Content Index

Disclosure	Description	Response
GRI 2: General Disclosures 2021		
2-1	Organizational details	<a href="#">About Discover®</a>
2-2	Entities included in the organization's sustainability reporting	<a href="#">About this report</a>
2-3	Reporting period, frequency, and contact point	<a href="#">About this report: AbigailBeach@Discover.com</a>
2-9	Governance structure and composition	<a href="#">Managing our Corporate Impact</a>
2-10	Nomination and selection of the highest governance body	<a href="#">Board diversity</a>
2-11	Chair of the highest governance body	<a href="#">Managing our Corporate Impact</a>
2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">Managing our Corporate Impact</a>
2-13	Delegation of responsibility for managing impacts	<a href="#">Managing our Corporate Impact</a>
2-14	Role of the highest governance body in sustainability reporting	<a href="#">Managing our Corporate Impact</a>
2-15	Conflicts of interest	<a href="#">2024 Proxy Statement</a>
2-18	Evaluation of the performance of the highest governance body	<a href="#">Goals and progress</a>
2-19	Remuneration policies	<a href="#">2024 Proxy Statement</a>
2-20	Process to determine remuneration	<a href="#">2024 Proxy Statement</a>
2-21	Annual total compensation ratio	<a href="#">2024 Proxy Statement</a>
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Ethics and compliance</a>
2-27	Compliance with laws and regulations	<a href="#">Ethics and compliance</a>
2-28	Membership associations	<a href="#">Trade associations</a>
2-29	Approach to stakeholder engagement	<a href="#">Corporate Impact at Discover</a>
GRI 3: Material Topics 2021		
3-3	Management of material topics	<a href="#">Managing our Corporate Impact</a>
200	Economic topics	
205	Anti-corruption 2016	
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Ethics and compliance</a>
206	Anti-competitive Behavior 2016	





## Appendix A. GRI Content Index (continued)

Disclosure	Description	Response
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">Ethics and compliance</a>
300	Environmental topics	
303	Water and Effluents 2018	
303-1	Interactions with water as a shared resource	<a href="#">Sharing rides and saving water</a>
303-5	Water consumption	<a href="#">Sharing rides and saving water</a>
305	Emissions 2016	
305-1	Direct (Scope 1) GHG emissions	<a href="#">Our total emissions</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Our total emissions</a>
305-5	Reduction of GHG emissions	<a href="#">Our total emissions</a>
306	Waste 2020	
306-2	Management of significant waste-related impacts	<a href="#">Sharing rides and saving water</a>
306-3	Waste generated	<a href="#">Sending less to landfills</a>
400	Social topics	
401	Employment 2016	
401-1	New employee hires and employee turnover	<a href="#">Appendix E&amp;F</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Employee benefits</a>
401-3	Parental leave	<a href="#">Appendix J</a>
403-6	Promotion of worker health	<a href="#">Appendix K</a>
404	Training and Education 2016	
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Diversity beyond recruitment</a>
405	Diversity and Equal Opportunity 2016	
405-1	Diversity of governance bodies and employees	<a href="#">Appendix D</a>
415	Public Policy 2016	
415-1	Political contributions	<a href="#">Political disclosures</a>





## Appendix B. SASB Index

The index was prepared using the Sustainability Accounting Standards Board (SASB) Standards for the Financials Sector that Discover® determined to be most relevant to our business: Consumer Finance. The disclosure is in accordance with Industry Standards Version 2023-12. Unless otherwise noted, all data and descriptions are reported for the entire operations for the year ended December 31, 2023. Certain information may not be provided in this index if it (i) is not considered material; (ii) is deemed privileged or confidential; (iii) could cause a competitive disadvantage to Discover if publicly disclosed; or (iv) is not currently collected in a way that is consistent with the related SASB metric. Other primary information sources, in addition to this index and our 2023 Corporate Impact Report, include our 2023 Annual Report on form 10-K, 2024 Proxy Statement, and the Discover website.

Disclosure	Description	Response
FN-CF	Consumer Finance	
FN-CF-220a	Customer Privacy	
FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	DFS only uses and shares customer personal information for purposes outlined in our privacy statements and terms and conditions, or as permitted by law.
FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	For information on legal proceedings, please refer to <a href="#">page 129</a> Note 19: Litigation and Regulatory Matters to our consolidated financial statements.
FN-CF-230a	Data Security	
FN-CF-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, and (3) number of account holders affected	Not disclosed—see introduction
FN-CF-230a.2	Card-related fraud losses from (1) card-not-present fraud, and (2) card-present and other fraud	Not disclosed—see introduction
FN-CF-230a.3	Description of approach to identifying and addressing data security risks	<a href="#">Cybersecurity and data privacy section</a>
FN-CF-270a	Selling Practices	
FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	An explanation of our compensation programs can be found in the Compensation Discussion and Analysis section of our 2024 Proxy Statement which begins on <a href="#">page 63</a> .
FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants	Not disclosed—see introduction
FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR of credit products, (3) average age of credit products, (4) average number of credit accounts, and (5) average annual fees for pre-paid products	Not disclosed—see introduction
FN-CF-270a.4	(1) Number of customer complaints filed, and (2) percentage with monetary or non-monetary relief	<a href="#">Consumer Complaint Database</a>
FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	For information on legal proceedings, please refer to <a href="#">page 129</a> Note 19: Litigation and Regulatory Matters to our consolidated financial statements.





# Appendix C. Diversity on a global scale

We welcome employees from all over the world to come together as one team at Discover®. That diversity of backgrounds and perspectives enriches our workplace and furthers our capabilities.

Our offices in the UK, China, and Singapore strengthen our overall workforce.

Over 730 Discover employees work in a country outside the United States.





Appendix D. Gender and race/ethnicity at Discover®

		2019	2020	2021	2022	2023
Women	Officers	35%	33%	36%	36%	42%
	Directors	40%	38%	41%	46%	48%
	People Managers	52%	51%	53%	53%	53%
	Individual Contributor, Salaried	45%	44%	45%	46%	46%
	Individual Contributor, Hourly	69%	72%	74%	79%	81%
Men	Officers	65%	67%	64%	64%	58%
	Directors	60%	62%	59%	54%	52%
	People Managers	48%	49%	47%	47%	47%
	Individual Contributor, Salaried	55%	56%	55%	54%	54%
	Individual Contributor, Hourly	31%	28%	26%	21%	19%
White	Officers	73%	72%	69%	70%	69%
	Directors	74%	75%	72%	72%	71%
	People Managers	67%	66%	66%	63%	61%
	Individual Contributor, Salaried	57%	55%	54%	52%	49%
	Individual Contributor, Hourly	58%	57%	56%	51%	50%
POC	Officers	27%	28%	31%	30%	31%
	Directors	26%	25%	28%	28%	29%
	People Managers	33%	34%	34%	37%	39%
	Individual Contributor, Salaried	43%	45%	46%	48%	51%
	Individual Contributor, Hourly	42%	43%	44%	49%	50%
Black	Officers	6%	5%	5%	4%	4%
	Directors	3%	4%	5%	5%	5%
	People Managers	7%	7%	7%	9%	8%
	Individual Contributor, Salaried	6%	6%	6%	8%	8%
	Individual Contributor, Hourly	12%	13%	16%	23%	24%





Appendix D. Gender and race/ethnicity at Discover®  
(continued)

		2019	2020	2021	2022	2023
Hispanic/Latiné	Officers	6%	7%	8%	8%	7%
	Directors	3%	3%	4%	5%	5%
	People Managers	7%	8%	7%	8%	8%
	Individual Contributor, Salaried	6%	6%	6%	8%	8%
	Individual Contributor, Hourly	22%	20%	20%	18%	18%
Asian	Officers	15%	16%	16%	16%	19%
	Directors	19%	18%	19%	18%	18%
	People Managers	17%	18%	17%	18%	20%
	Individual Contributor, Salaried	29%	31%	31%	30%	34%
	Individual Contributor, Hourly	2%	2%	2%	2%	2%
All Other	Officers	0%	0%	1%	2%	2%
	Directors	1%	1%	1%	—%	1%
	People Managers	2%	2%	2%	2%	2%
	Individual Contributor, Salaried	2%	2%	2%	2%	2%
	Individual Contributor, Hourly	6%	6%	6%	6%	6%
WOC	Officers	8%	9%	9%	9%	10%
	Directors	10%	9%	11%	13%	15%
	People Managers	16%	16%	17%	19%	19%
	Individual Contributor, Salaried	19%	19%	19%	21%	23%
	Individual Contributor, Hourly	30%	31%	33%	40%	40%

**Chart notes:**

- Current data on gender is measured men/women. We recognize this does not represent the full spectrum of gender identities, but we are matching to the external benchmark. Results from our self-ID campaign indicate that .15% of the Discover® population identifies as nonbinary.
- Officers are comprised of the Executive Vice President, Senior Vice President, and Vice President population. People Managers are employees who have a supervisory role but not Directors or above. Individual Contributors are employees whose FLSA status is Exempt and do not have a supervisory role.
- Comparisons to system(s) of record, both current and historical, may vary due to rounding and/or transactional changes.
- Discover partners with an independent, third-party consultant to conduct a company-wide pay equity analysis that considers race, ethnicity, and gender.
- Data as of December 31 for each year listed.
- POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.
- WOC is defined as Women of Color; WOC comprises women from all races/ethnicities in the United States that are not categorized as White/Caucasian.





Appendix E. Hires, promotions, and attrition of salaried employees

		2019	2020	2021	2022	2023
Women	Representation	47%	46%	47%	48%	48%
	Hires	37%	34%	41%	42%	40%
	Promotions	50%	54%	51%	57%	56%
	Attrition	40%	46%	40%	40%	38%
Men	Representation	53%	54%	53%	52%	52%
	Hires	63%	66%	59%	58%	60%
	Promotions	50%	46%	49%	43%	44%
	Attrition	60%	54%	60%	60%	62%
White	Representation	61%	59%	58%	56%	53%
	Hires	42%	38%	38%	39%	33%
	Promotions	61%	62%	53%	59%	58%
	Attrition	55%	57%	52%	45%	48%
POC	Representation	39%	41%	42%	44%	47%
	Hires	58%	62%	62%	61%	67%
	Promotions	39%	38%	47%	41%	42%
	Attrition	45%	43%	48%	55%	52%
Black	Representation	6%	6%	7%	8%	8%
	Hires	4%	6%	10%	11%	9%
	Promotions	4%	6%	6%	8%	8%
	Attrition	7%	8%	7%	6%	12%





## Appendix E. Hires, promotions, and attrition of salaried employees (continued)

		2019	2020	2021	2022	2023
Hispanic/Latiné	Representation	6%	6%	6%	8%	8%
	Hires	6%	5%	8%	8%	7%
	Promotions	5%	8%	7%	10%	9%
	Attrition	6%	4%	6%	6%	7%
Asian	Representation	24%	26%	27%	26%	29%
	Hires	47%	49%	42%	39%	50%
	Promotions	28%	23%	32%	21%	22%
	Attrition	30%	29%	33%	41%	31%
All Other	Representation	2%	2%	2%	2%	2%
	Hires	1%	2%	3%	2%	2%
	Promotions	1%	2%	2%	3%	4%
	Attrition	2%	2%	2%	2%	2%
WOC	Representation	18%	18%	18%	20%	21%
	Hires	23%	19%	23%	26%	26%
	Promotions	23%	25%	26%	23%	22%
	Attrition	20%	20%	20%	21%	19%

### Chart notes:

- Current data on gender is measured men/women. We recognize this does not represent the full spectrum of gender identities, but we are matching to the external benchmark. Results from our self-ID campaign indicate that .15% of the Discover® population identifies as nonbinary.
- Comparisons to system(s) of record, both current and historical, may vary due to rounding and/or transactional changes.
- Discover partners with an independent, third-party consultant to conduct a company-wide pay equity analysis that considers race, ethnicity, and gender.
- Data as of December 31 for each year listed.
- POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.
- WOC is defined as Women of Color; WOC comprises women of all races/ethnicities in the United States that are not categorized as White/Caucasian.





## Appendix F. Hires, promotions, and attrition of hourly employees

		2019	2020	2021	2022	2023
Women	Representation	70%	72%	74%	79%	81%
	Hires	68%	73%	76%	83%	83%
	Promotions	64%	66%	71%	79%	82%
	Attrition	67%	69%	70%	77%	80%
Men	Representation	30%	28%	26%	21%	19%
	Hires	32%	27%	24%	17%	17%
	Promotions	36%	34%	29%	21%	18%
	Attrition	33%	31%	30%	23%	20%
White	Representation	57%	57%	56%	51%	50%
	Hires	49%	48%	44%	43%	40%
	Promotions	57%	54%	54%	52%	50%
	Attrition	52%	47%	47%	46%	41%
POC	Representation	43%	43%	44%	49%	50%
	Hires	51%	52%	56%	57%	60%
	Promotions	43%	46%	46%	48%	50%
	Attrition	48%	53%	53%	54%	59%
Black	Representation	13%	13%	16%	23%	24%
	Hires	12%	16%	26%	31%	34%
	Promotions	9%	10%	12%	22%	27%
	Attrition	13%	16%	18%	26%	32%





## Appendix F. Hires, promotions, and attrition of hourly employees (continued)

		2019	2020	2021	2022	2023
Hispanic/Latiné	Representation	22%	22%	20%	18%	18%
	Hires	29%	27%	20%	17%	17%
	Promotions	25%	26%	26%	18%	15%
	Attrition	25%	27%	25%	19%	18%
Asian	Representation	2%	2%	2%	2%	2%
	Hires	2%	2%	2%	2%	1%
	Promotions	2%	2%	1%	2%	2%
	Attrition	2%	3%	2%	1%	2%
All Other	Representation	6%	6%	6%	6%	6%
	Hires	8%	8%	7%	7%	8%
	Promotions	7%	7%	6%	6%	7%
	Attrition	8%	8%	8%	7%	8%
WOC	Representation	30%	31%	33%	40%	40%
	Hires	36%	41%	43%	48%	50%
	Promotions	34%	33%	36%	38%	42%
	Attrition	33%	38%	38%	43%	48%

## Chart notes:

- Current data on gender is measured men/women. We recognize this does not represent the full spectrum of gender identities, but we are matching to the external benchmark. Results from our self-ID campaign indicate that .15% of the Discover® population identifies as nonbinary.
- Comparisons to system(s) of record, both current and historical, may vary due to rounding and/or transactional changes.
- Discover partners with an independent, third-party consultant to conduct a company-wide pay equity analysis that considers race, ethnicity, and gender.
- Data as of December 31 for each year listed.
- POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.
- WOC is defined as Women of Color; WOC comprises women of all races/ethnicities in the United States that are not categorized as White/Caucasian.





# Appendix G. Employee age data

Each generation has its own unique perspective, and a workplace that has many generations can draw from the best of each. That’s why we support employees of different ages at Discover.

Employee age	2023
% of employees under 26	9%
% of employees between 27–45	63%
% of employees between 46–58	21%
% of employees over 58	7%

**Chart notes:**  
Data as of December 31, 2023.



Appendix H. Authenticity, Belonging, Equal Opportunity, Team Inclusion, and Engagement scores

	Authenticity			Belonging			Equal Opportunity			Team Inclusion			Inclusion Index			Engagement		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
DFS Overall	82	85	84	76	80	78	80	83	81	83	86	85	80	83	82	80	83	80
All Other	80	84	82	75	81	79	81	84	82	83	86	85	80	84	82	79	84	81
Asian	82	83	83	77	78	79	77	79	79	80	82	83	79	80	81	80	80	79
Black	78	84	83	74	80	79	74	83	81	80	86	86	77	83	82	79	84	81
Hispanic/Latiné	83	85	85	76	80	80	82	85	84	83	87	86	81	84	84	81	84	82
White	82	85	84	77	81	78	81	84	81	84	87	86	81	84	82	80	83	80
LGBTQ+	82	87	86	76	83	82	81	83	82	84	88	88	81	85	84	80	85	82
Men	81	84	83	76	78	77	80	81	80	83	85	85	80	82	81	79	81	78
Women	82	85	84	77	81	79	80	84	81	83	87	85	80	84	83	81	84	81
Veteran	82	84	81	80	79	75	83	78	77	86	85	85	83	82	80	83	82	79
Disability	79	84	83	75	81	79	78	83	81	82	87	86	78	84	82	80	85	81

**Chart notes:**

- Scores are out of 100.
- Data for 2021 are pulled in August 2021. Data for 2022 are pulled in October 2022. Data for 2023 are pulled in October 2023. Data are for United States only. Our Inclusion Index is an aggregate measure of Authenticity, Belonging, Equal Opportunity, and Team Inclusion.





Appendix I. Discover® representation in technology roles

	2021	2022	2023
Women	27%	29%	34%
Men	73%	71%	66%
WOC	16%	18%	20%
POC	55%	58%	60%
White	45%	42%	40%

**Chart notes:**

- Current data on gender is measured men/women. We recognize this does not represent the full spectrum of gender identities, but we are matching to the external benchmark. Results from our self-ID campaign indicate that .15% of the Discover population identifies as nonbinary.
- Data as of December 31 for each year listed.
- Comparisons to system(s) of record, both current and historical, may vary due to rounding and/or transactional changes.
- WOC is defined as Women of Color; WOC comprises women of all races/ethnicities in the United States that are not categorized as White/Caucasian.
- POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.

Representation of tech roles by region

	2023
Number of Discover employees outside of US	730
% of PG08 and above tech POC in EMEA	46%
% of PG08 and above tech POC in US	57%
% of PG08 and above tech women in APAC	71%
% of PG08 and above tech women in EMEA	13%
% of PG08 and above tech women in US	30%
Number of tech employees in APAC	220
Number of tech employees in EMEA	325
Number of tech employees in US	4,184
Total Chatham Tech Hub tech employees at end of 2023	13

**Chart notes:**

- PG08 indicates Manager level.
- POC is defined as People of Color; POC comprises all races/ethnicities in the United States that are not categorized as White/Caucasian.
- EMEA is defined as Europe, the Middle East, and Africa.
- APAC is defined as Asia-Pacific region.





# Appendix J. Parental leave

We support our employees through all of life’s milestones. The work/life balance culture at Discover® makes it possible for so many employees to return to work after parental leave.

Parental leave	2023
Retention rate of women that took parental leave	91%
Retention rate of men that took parental leave	92%
% of women return to work after parental leave	99%
% of men return to work after parental leave	99%





# Appendix K. Employee health and safety

Our Health and Safety Program prioritizes the well-being of its employees, vendors, contractors, and visitors. We have a range of policies, initiatives, and trainings designed to mitigate risks, promote a safe work environment, and ensure compliance with health and safety standards.

Our Health and Safety Policy outlines our commitment to safeguarding employees and visitors. And it addresses hazard identification, risk assessment, emergency preparedness, incident reporting, and compliance with safety and legal requirements.

Employee training is also available at all levels, including orientation for new hires, ongoing training on hazard awareness, emergency response, and safety procedures. Training programs are tailored to specific job roles and potential workplace risks.

We conduct regular risk assessments to identify potential hazards in the workplace, including ergonomic factors and physical safety. We then eliminate or minimize risks through engineering controls, administrative measures, and personal protective equipment.

Employees and visitors can report health and safety incidents, near misses, and occupational illnesses. We then investigate and analyze root causes, implement corrective actions, and share lessons learned to prevent future occurrences.

Employee Health and Safety	2023
Number of work-related injuries	12
Number of work-related fatalities	0





Appendix L. Environmental emissions

Year								
Scope	Activity Type	2017	2018	2019	2020	2021	2022	2023
Scope 1	Stationary combustion (tCO2e)	1,156	1,048	1,043	1,121	1,108	1,216	1,243
	Mobile combustion (tCO2e)	51	28	44	33	7	6	7
	Fugitive emissions from air-conditioning (tCO2e)	662	427	187	526	726	2,325	1,788
	Other fugitive or process emissions (tCO2e)	0	0	0	0	0	0	0
	Scope 1 total	1,869	1,502	1,275	1,680	1,841	3,547	3,038
Scope 2	Purchased electricity–location-based	39,909	38,098	35,918	33,005	35,256	31,242	28,580
	Steam heating	0	0	0	0	0	0	0
	Scope 2 total	39,909	38,098	35,918	33,005	35,256	31,242	28,580
Scope 1 and 2 Totals		41,778	39,600	37,193	34,685	37,098	34,789	31,618
Stationary combustion		62%	70%	82%	67%	60%	34%	41%
Mobile combustion		3%	2%	3%	2%	0%	0%	0%
Fugitive emissions from air-conditioning		35%	28%	15%	31%	39%	66%	59%
Scope 1 and 2 reductions			5%	11%	17%	11%	17%	24%

**Chart notes:**  
Discover® reports under the “control” approach for emissions in Scopes 1 and 2, as defined in the Protocol, from sources over which it has operational control. Scope 2 Emissions are calculated using the location-based method which reflects the average emissions intensity of grids on which energy consumption occurs. In 2023, we aligned electrical grid coefficients with the reporting year dating back to 2017, the changes are reflected in the table.

Discover uses the U.S. EPA eGRID sub-regional average emission factors to calculate indirect emissions resulting from the purchase of electricity in the United States, while indirect emissions resulting from the purchase of electricity outside of the U.S. are calculated using DEFRA for the UK. Electricity emissions for the current reporting year are calculated using the most recent grid emissions factors available from the EPA and DEFRA as of the time GHG emissions calculations are run for the reporting year.

Our emissions are not currently verified by an independent third party.





# Appendix M. Environmental emissions (UK)

In 2023, our UK office attained LEED V4.1 Gold Rating in Operations and Maintenance, high energy performance certificate, and excellent BREEAM (Building Research Establishment Environmental Assessment Methodology) ratings. We reduced our operational impact in the UK through the use of LED lights, electrical vehicle charging stations, and the use of Integrated Renewable Energy via onsite solar panels. Our office also includes rooftop beehives and an onsite box cafe designed to reduce waste and energy consumption.

Scope	Year			
	2020	2021	2022	2023
Scope 1 total (tCO <sub>2</sub> )	80	189	191	239
Scope 2 total (tCO <sub>2</sub> )	241	592	548	527

**Chart notes:**  
Discover® reports under the “control” approach for emissions in Scopes 1 and 2, as defined in the Protocol, from sources over which it has operational control. Scope 2 Emissions are calculated using the location-based method which reflects the average emissions intensity of grids on which energy consumption occurs. In 2023, we aligned electrical grid coefficients with the reporting year dating back to 2017, the changes are reflected in the table.

Discover uses the U.S. EPA eGRID sub-regional average emission factors to calculate indirect emissions resulting from the purchase of electricity in the United States, while indirect emissions resulting from the purchase of electricity outside of the U.S. are calculated using DEFRA for the UK. Electricity emissions for the current reporting year are calculated using the most recent grid emissions factors available from the EPA and DEFRA as of the time GHG emissions calculations are run for the reporting year.

Our emissions are not currently verified by an independent third party.





Appendix N. Environmental sustainability data

Measure	2017	2018	2019	2020	2021	2022	2023
Fuel (MWh)	5,959	5,466	5,405	5,782	5,754	6,344	6,545
Electricity (MWh)	79,964	80,293	80,176	80,822	81,749	74,346	67,438
Water (Gallons)	109,674,684	114,682,350	94,021,944	92,298,367	67,172,075	77,070,097	63,433,535
% of total water consumed in a region of high water stress	27%	24%	26%	24%	24%	35%	0%
Waste diversion rate						42%	74%
Power Usage Effectiveness (PUE), Buckeye Data Center							1.53
Power Usage Effectiveness (PUE), Shared Services Building							1.73

**Chart notes:**

- Waste Diversion rate reported in 2022 only represents mixed recycling. 2023 diversion rate includes mixed recycling (cardboard, paper, shredded paper, etc.), electronic waste, wood pallets, organic landscaping, scrap metals, universal and hazardous waste.
- Power usage effectiveness (PUE) is a metric used to determine the energy efficiency of a data center. PUE is determined by dividing the total amount of power entering a data center by the power used to run the IT equipment within it.





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