



Corporate Impact Report



DISCOVER

DISCOVER[®]

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:

- Majority voting for Directors (with resignation policy)
- Shareholder right to call a special meeting
- One share, one vote policy
- Independent Chair of the Board
- Year-round corporate governance shareholder engagement
- Annual election of all Directors
- No supermajority vote requirements
- No dual-class common stock
- Exclusive forum bylaw for certain actions
- Robust onboarding and ongoing education for Directors
- Proxy access bylaw
- Director retirement age of 75
- Confidential voting
- Board, committee, and individual Director self-evaluation process
- Tenure limit of 14 years for non-employee Directors, beginning with nominations related to the 2025 Annual Meeting of Shareholders



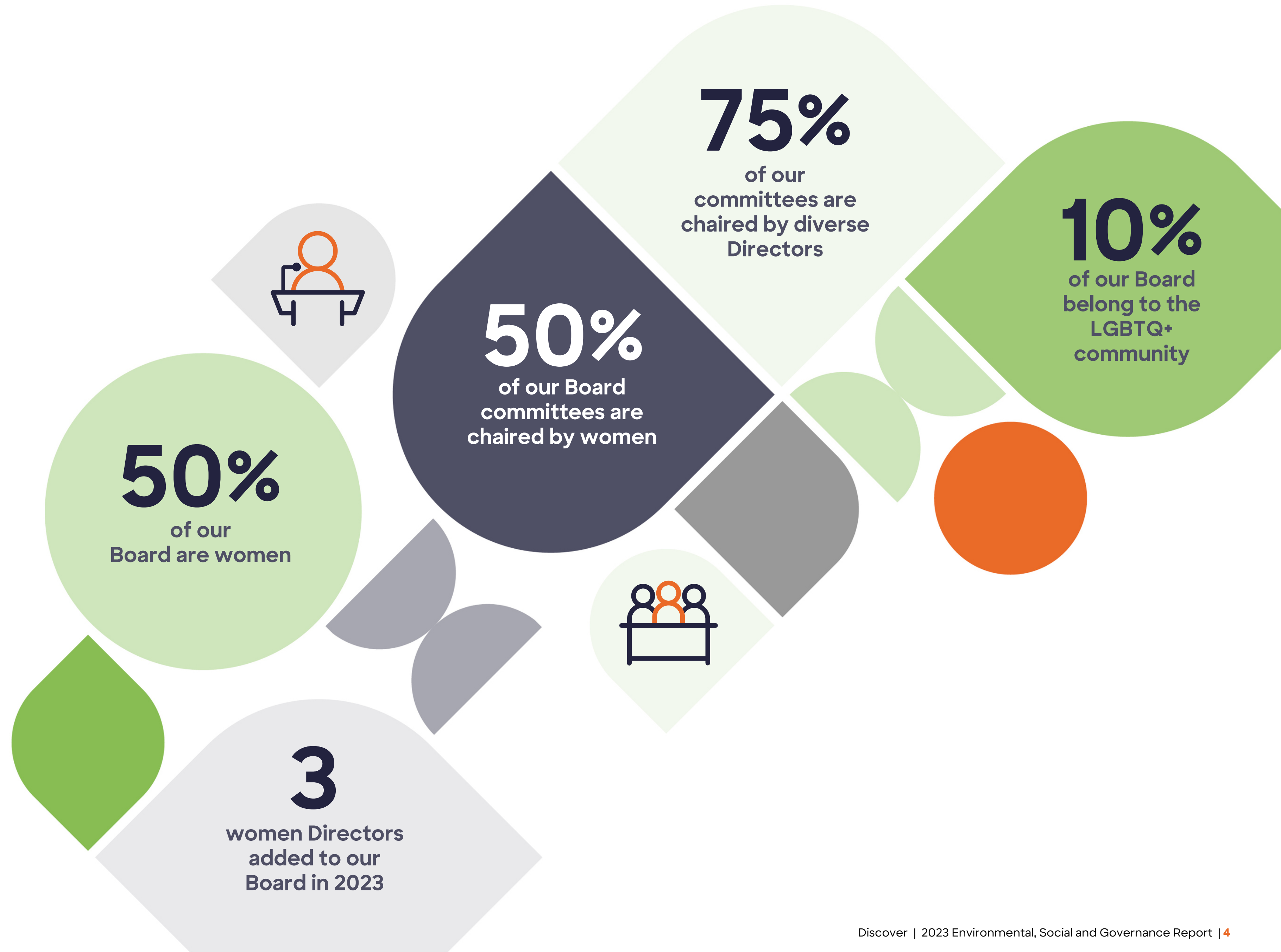
See our [2024 Proxy Statement](#) and [2023 Annual Report](#) for more information about our Board and policies.



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.

\$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



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



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.





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

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. 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

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Appendix A. GRI Content Index (continued)

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415-1	Political contributions	Political disclosures



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 page 129 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	Cybersecurity and data privacy section
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 page 63 .
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	Consumer Complaint Database
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 page 129 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 (tCO ₂ e)	1,156	1,048	1,043	1,121	1,108	1,216	1,243
	Mobile combustion (tCO ₂ e)	51	28	44	33	7	6	7
	Fugitive emissions from air-conditioning (tCO ₂ e)	662	427	187	526	726	2,325	1,788
	Other fugitive or process emissions (tCO ₂ e)	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 ₂)	80	189	191	239
Scope 2 total (tCO ₂)	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.