

Alliance Data 2019 ESG Performance Report

As Alliance Data has matured since its founding, our culture of caring and doing the right thing has deliberately evolved into a principled, stakeholder-driven sustainability strategy. We hold ourselves accountable to our stakeholders and to the pillars of our strategy, while aligning with respected global frameworks. Reporting publicly on our progress keeps us on track and further demonstrates our commitment to transparency, accountability and good practice.

The 2019 Performance Report outlines our management approaches and performance related to key environmental, social and governance (ESG) topics identified in our most recent materiality assessment, and aligns to select Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) disclosure standards.

This 2019 report reflects Alliance Data's continued business strategy transformation during the year, which included streamlining its operations and global workforce, and further simplifying its business model. On July 1, 2019, we completed the divestiture of our Epsilon business. As such, Epsilon's inclusion in this report is only for the first half of the year.



AllianceData.

A Message from Ralph

2019 was both a challenging and a transformational year for Alliance Data. While financial results fell below original expectations, we took several strategic actions to strengthen our financial position and structure the organization for future success. Throughout this transition, and continuing in 2020 as we manage through the COVID-19 pandemic and ongoing racial injustices in our society, Alliance Data has maintained its commitment to being an ethically driven organization also focused on long-term value creation.

As a responsible corporate citizen, we deliver on our commitments to all stakeholders. We have put in place a principled, stakeholder-driven sustainability strategy, whose five pillars — Ethical Decision-Making, Excellence, Associates, Environment and Community — are the touchstones against which we make decisions about how we operate and position ourselves for continued success. And while we hold ourselves accountable to the pillars of our sustainability strategy, we also align with respected frameworks like the UN Sustainable Development Goals, CDP, the GRI Standards and SASB Standards.

For the second consecutive year, Alliance Data was selected for the annual Bloomberg Gender-Equality Index, which distinguishes companies committed to transparency in gender reporting and advancing women's equality. We were also recognized by Great



Place to Work and FORTUNE 100 as a 2019 Best Companies to Work For, and included in the FTSE4Good Index Series, which measures the performance of companies demonstrating strong ESG practices.

While external recognition provides validation of the way we build our culture, we also celebrate individual associates who embody our Company values by giving back to their communities. In 2019, we continued to focus our community investments — from both a financial and a volunteerism perspective — on education, children, independence and the environment.

Thank you for your interest in our Company.

Ralph Andretta
President and CEO

2019 Highlights



Recognized
by Women on Boards



41%

Women leaders across
Alliance Data



FTSE4Good
Index Series



Bloomberg
Gender-Equality Index



~\$10M

Community
investments



Fortune 100
Best Companies to
Work For

Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. They offer a road map, framework and common language for businesses, investors and stakeholders to discuss their sustainability activities and communicate achievements in advancing the Goals. We have identified five SDGs where we believe we make our greatest contribution.

Gender Equality

Across our business, we work to ensure that women are equally represented and receive equal opportunities for advancement.



Reduced Inequalities

We adhere to fair, responsible and unbiased consumer lending practices and strive to help cardmembers improve their financial literacy.



Zero Hunger and Quality Education

We invest in communities where we live and work, and in programs that help underserved populations receive necessary food and a quality education.



Climate Action

Efforts to reduce our carbon emissions and manage resources more efficiently are integral to how we do business.



Our Response to COVID-19

Alliance Data, along with the rest of the world, is navigating the COVID-19 pandemic. We're doing our part to take care of our associates, cardmembers and customers, partners and clients, and communities. Among the steps we've taken:

- Activated global business continuity plan with approximately 95% of our global workforce working remotely; expanded COVID-19 related benefits and bonus pay for associates working on site.
- Introduced a full suite of cardmember forbearance options, extended expiration dates on retail partner reward programs and adjusted credit bureau reporting to natural disaster coding.
- Adjusted client marketing strategy and support to coincide with increased customer preference for e-commerce; coordinated planning and support for brand re-openings of physical footprint; and added merchandise reward options for our AIR MILES® sponsors to stimulate collector engagement and drive redemptions.
- Committed to donating at least \$750,000 to early COVID-19 relief efforts within virtually all communities worldwide where Alliance Data has locations.

Management Approach Disclosures

(Policies and Programs)



Ethics

Driving global growth and long-term success through integrity, ethical decision-making and transparency.

Business Integrity and Ethics

Business integrity, ethics and compliance with all applicable laws and regulations governing our business are among the guiding principles that influence planning and decisions related to Alliance Data's operations and success. Our leaders set the tone at the top and foster a culture of integrity and accountability.

We operate under a comprehensive Code of Ethics, which covers numerous aspects of conduct expected of our associates. We also maintain supplementary codes of ethics for our Board of Directors and senior financial officers, which address additional standards and guidance applicable to their roles.

Associates must certify annually that they have read, agree to and adhere to the Code of Ethics (97.9% of associates completed the Code of Ethics training in 2019); and every two years, they complete online Code of Ethics training, which addresses a variety of topics, including anti-harassment and non-retaliation. Additional training is provided to associates on a regular basis covering topics such as global anti-corruption, insider trading, conflicts of interest and antitrust.

Our Corporate Ethics Office periodically conducts meetings with associates, promoting an ethical culture, providing training on the Code, reinforcing awareness of company policies

and providing guidance on how to respond to ethical issues and other situations. Our Corporate Ethics Office provides quarterly ethics reports to the Nominating and Governance Committee of our Board of Directors to keep it apprised of ethics-related complaints and investigations, and to help them assess and understand the Company's corporate culture. Significant ethics-related complaints are also reported to the Audit Committee.

We value and respect the opinions and insights of our associates and encourage them to raise their concerns. If an associate is aware of or suspects a violation of our Code of Ethics, they have a responsibility to report it to their immediate supervisor, their local Human Resources representative, the Human Resources executive for their line of business, the Corporate Ethics Office or via our Ethics Helpline. The Ethics Helpline can be reached by phone or online around the clock, and associates may remain anonymous if they wish (except where prohibited by local law).

We have a long tradition of good corporate governance, and our Board of Directors continues to develop, support and oversee the implementation of responsible, stakeholder-centric practices consistent with the evolving governance environment, our stakeholders' expectations and the commitments we've made to them.

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Excellence

Lead in data-driven marketing and loyalty programs, ensure the secure and responsible use of data, adhere to responsible lending practices and display an unwavering commitment to service.

Information Security and Data Privacy

Respecting consumer privacy and safeguarding information are central to everyone's role at Alliance Data. Our commitment to good data governance and protection in these critical areas is foundational to our ability to help our clients understand and build relationships with their customers, and for consumers to understand how data is governed.

Our attention to data security and privacy starts with policies and practices governing both enterprise-wide and specific lines-of-business controls and compliance procedures. These policies and practices address how we manage our privacy commitments, responsibilities, obligations and marketplace expectations, and privacy and security risks, and how we monitor threats, collaborate across the enterprise and report to the Board.

Dedicated cybersecurity and privacy teams across the Company establish and monitor standards, protocols and management processes. Our clients also depend on us to stay on top of the most current developments in data security and privacy, and to provide insights and education to ensure adherence to strong consumer privacy and data protection expectations, controls and practices.

Cybersecurity demands both vigilance and continual improvement to defend against threats. Data-related issues are compounded by the rapid pace of evolving technology, which continues to reshape the marketplace and, in particular, consumer expectations in how businesses collect and use their information.

As cyber incidents have become a more common occurrence, expectations among consumers, our clients, regulators and investors are also shifting; companies are increasingly judged by the adequacy of their security protocols, controls and practices to safeguard consumer data and mitigate threats. It's our responsibility in these contexts to provide transparency into how we responsibly collect, use and protect data; and to continually invest in technologies, processes and controls and in ongoing security enhancements.

In 2019, we took action to ensure our compliance program and policies were ready for the California Consumer Privacy Act (CCPA), which went into effect in January 2020. We continued to monitor developments and act accordingly to be compliant with geographic and sector-specific laws and regulations, including the European Union's General Data Protection Regulation (GDPR),

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Excellence

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INFORMATION SECURITY AND DATA PRIVACY (CONT.)

Canada's Personal Information Protection and Electronic Documents Act (PIPEDA) and others. Additionally, our Chief Security Officer continues to provide quarterly updates to the Audit Committee of our Board of Directors, and beginning in June 2020 will also provide reports to the newly formed Risk Committee, in each case to ensure they are briefed on important developments around protecting privacy and security for the enterprise.

Fair and Responsible Banking

We are committed to building trust and providing outstanding service to our clients and cardmembers. Comenity Bank and Comenity Capital Bank are the banks behind Alliance Data's branded consumer credit programs. We work with top companies and some of the best-known retailers to extend their brands with their customers through innovative private label, co-brand and commercial credit card programs.

Applying the industry's most advanced analytics and data-driven consumer insights, we deliver meaningful customer experiences through tailored credit solutions that build

relationships, drive brand affinity and enhance customer loyalty. Whether our cardmembers shop with our clients in-store, online or through a mobile device, we deliver consistent, seamless customer experiences across all consumer touchpoints.

Credit and lending

As a leading provider of branded credit programs, fair and responsible lending is core to our cardmembers' journey with us. Our credit programs create a win-win for consumers and clients. Significant consideration and detail go into ensuring the consumer credit application and underwriting processes are administered fairly.

We adhere to a straightforward, transparent, impartial and equitable process for our lending practices. This is made possible through our fully automated proprietary process, which has been rigorously calibrated to accurately analyze and issue credit based on unbiased statistical modeling criteria. For further assurance, each year we employ an outside third party to conduct an extensive review of our credit portfolio and evaluation metrics, screening for any evidence of unintentional bias or discrimination to further ensure fair and responsible lending protocols.

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Management Approach Disclosures (Policies and Programs)



Excellence

Lead in data-driven marketing and loyalty programs, ensure the secure and responsible use of data, adhere to responsible lending practices and display an unwavering commitment to service.

FAIR AND RESPONSIBLE BANKING (CONT.)

Issuing credit responsibly also means taking care not to overburden cardmembers with credit limits that surpass their “ability to repay.” We similarly apply advanced analytics and customary industry strategies to establish appropriate limits that give consumers the appropriate level of credit access and spending power, and meet the needs (and are in the best interests) of both cardmembers and our clients. Full-time dedicated resources continually examine and evaluate our models to ensure we maintain accurate and consistent thresholds.

In 2019, we invested in a new and updated customer scoring model that enhances our customer credit decisions and credit assessments by improving how we measure a customer’s credit profile. Application fraud detection and prevention also play an important role in our responsible lending practices. We apply rigorous authentication verification protocols to confirm an applicant’s identity and prevent potential harm and, in 2019, we implemented improved fraud detection and prevention tools across our portfolio. We continuously monitor and optimize existing platforms to lend responsibly to our customers while maintaining safe and sound bank practices.

Customer care

Delivering an exceptional customer experience is at the heart of our business practices, and our award-winning Care Centers are dedicated to creating that positive experience for our valued cardmembers throughout every interaction. Whether communicating approved credit, answering cardmember questions or collecting a payment, we recognize that every opportunity to connect with cardmembers counts. Advancing our customer-centric approach is an ongoing imperative.

In 2019, we made further investments in our call analytics capabilities, which enable us to gauge customer sentiment and apply greater focus on enhancing the customer experience. The sooner we can gather insights from customers, the faster we can improve the resources and information available to our customers and associates. The ongoing benefits of these types of investments will continue into 2020 and beyond.

To make it easier for cardmembers, we introduced Comenity’s EasyPay™ in 2019, which reduces the steps required to make a payment and includes the option of scanning a QR code printed on their statement.

Management Approach Disclosures (Policies and Programs)



Excellence

Lead in data-driven marketing and loyalty programs, ensure the secure and responsible use of data, adhere to responsible lending practices and display an unwavering commitment to service.

FAIR AND RESPONSIBLE BANKING (CONT.)

To further our efforts to ensure the best cardmember experience possible, we created a Customer Experience (CX) team, which includes leaders within our Care Centers. The goal of the CX team is to improve associate and company interactions with cardmembers in all situations. The team began by analyzing areas of lower customer satisfaction to determine how new strategies could improve the experience. Simultaneously, the team reviewed training materials and held boot camps for customer care staff which, among other things, addressed specific challenges such as how to better present unwelcome information.

More fundamentally, our efforts were aimed at reinforcing a care culture built around customer advocacy and celebrating “moments that matter.” These moments start with the customer’s initial discovery of our private label or co-branded credit card products and grow as cardmembers move through the purchasing and servicing lifecycle. Associates who provide exceptional service to cardmembers in these moments are recognized, thereby reinforcing our culture of caring.

We created an Enterprise Customer Messaging Strategies and Standards (ECMSS) function to improve the clarity and quality of all customer-facing messaging and communications, recognizing that what we say and how we say it matters. The team developed and published new Comenity “voice” standards and a writing guide for customer service representatives. It also drafted new messaging strategies for use across cardmember messaging, including letters and emails, and revised scripts used by associates when talking with cardmembers. Cardmembers also engage with us on the Comenity website, where we introduced a series of educational videos and articles on a range of financial topics tailored for different consumer audiences, which is another expectation under the principles of fair and responsible banking.

Management Approach Disclosures (Policies and Programs)



Excellence

Lead in data-driven marketing and loyalty programs, ensure the secure and responsible use of data, adhere to responsible lending practices and display an unwavering commitment to service.

Responsible Marketing

Across the entire enterprise, through our data-driven marketing services and across all channels, we work with clients to create marketing campaigns that result in relevant, meaningful communication for end-consumers.

We believe consumers should understand how information is provided and used for marketing purposes. The more informed consumers are about the use of data for marketing purposes, the more they can enjoy the many benefits provided by the responsible use of information.

Among the steps taken to help build trust and loyalty with consumers:

- We strive for transparency and consumer choice. On the Comenity website, there is clear, detailed information about marketing practices, marketing regulations and a toll-free number for consumers to call with any questions.

- Our marketing practices are honest, truthful and fair. All associates responsible for managing advertising, direct marketing and point-of-sale material are required to carry out their responsibilities in a manner that upholds these values and industry standards. Compliance staff also monitor how we market to consumers and how information is shared among business partners to ensure consumer rights are always protected across all global jurisdictions where we operate.
- Each line of business engages with, and contributes to, national and regional marketing associations, channel and sector-specific discussion groups, and think tanks. For example, we are actively engaged with the Association of National Advertisers (ANA) to help us align with best practices related to responsible data-driven marketing and to shape responsible industry standards.

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Associates

Cultivate an inclusive, healthy workplace where we develop and reward associates — and empower them to contribute to our continued success.

Attracting and Retaining Top Talent

The better we do at meeting our associates' needs, the better we'll do as a company. The same shifting of expectations among clients and consumers that is disrupting the marketplace — and we're innovating to keep pace.

Associate experience

Every associate's workday is made up of scores of discrete tasks: training, performance and career planning, timekeeping, collaboration across teams and locations, and so on. In 2019, we set out to create a best-in-class digital system that would enable our associates to do these tasks faster, more easily and with optimal individual control. It creates a digital experience for associates designed to reduce the number of times an employee has to touch a transaction, integrating an array of tools, resources, applications and databases all customizable through one seamless gateway. The full roll-out of the system is coming in 2020.

Training and development

We offer a variety of online and on-site structured training, coaching, tuition reimbursement for external courses and on-the-job learning opportunities. In 2019, we invested \$16.08 million in training and development programs, the equivalent of an average of \$1,136 per associate.

In our Care Centers, virtual training sessions help minimize downtime and improve productivity. In one example, our customer care associates attended a virtual presentation on the topic of negotiation that saved approximately 30 hours of productivity by enabling us to run larger sessions than would typically fit into a classroom.

Physical and financial well-being

There's a well-established connection between associate health and well-being and an associate's ability to do his or her best work. Our data also tells us that associates who join one of our on-site fitness centers, undergo company-provided health checks or participate in our 401(k) plan are significantly more likely to stay with the Company. For these reasons, we have long had programs to support associate physical, mental and financial well-being.

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Associates

Cultivate an inclusive, healthy workplace where we develop and reward associates — and empower them to contribute to our continued success.

ATTRACTING AND RETAINING TOP TALENT (CONT.)

We continue to offer an innovative concierge service model with a completely customizable, patient-focused approach. Benefits administrators work as advocates for our associates rather than gatekeepers. The goal is to always point our people to the right resources at the right time. Not only can they expect improved outcomes, but having health care advocates navigating the service

Diversity, Equality and Inclusion

As a company with clients, end-consumers and associates around the world, we work to reflect the diversity of the markets we serve and embrace different backgrounds, viewpoints, skills and talents.

Consistent with our values, our Code of Ethics states that we will not discriminate based on race, color, religion, religious dress and grooming, gender, pregnancy, age, national origin, disability, sexual orientation, marital status, citizenship, veteran status, gender identity, transgender status or any other protected status.

Beyond the Code, and basic protection of individual rights, we actively promote diversity, equality and inclusion (DE&I). Alliance Data has established Business

on their behalf will also save them time and money. Since implementation, we've seen use rates go up. While that may create added cost for the Company, we know that it means our associates are getting healthier and are happier with the service — which, in the long run, means less time lost to illness, increased efficiency and greater overall associate satisfaction.

Resource Groups that provide an opportunity for professional development, education, and social and community involvement for our associates from unique backgrounds.

At the Board and leadership levels, the focus has been on promoting gender and skills diversity. While demographics have been the focus of associate diversity efforts in the past, the Board of Directors adopted the Rooney Rule in 2019, which is a commitment to include women and underrepresented minority candidates in every pool from which Board nominees are chosen. Our Board is also regularly briefed on our diversity performance, including gender make-up, gender leadership, Board refreshment and pay equity.

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Communities

Invest in the long-term vitality of our communities through programs and initiatives that make a measurable impact.

Community Investment

Our Company is only as strong as the communities where we work and that we serve. Alliance Data directly supports people, associations and agencies in those communities by investing in an array of targeted initiatives.

While all businesses tailor their approach to meeting the needs of their respective associates and local communities, we have enterprise-wide goals, guidelines, programs and governance that guide our decision-making and align our efforts.

Corporate responsibility representatives from each line of business are critical for partnering on grant making, best practices, data collection and reporting. For international grant making, we rely on the consultative expertise and nonprofit equivalency determination of the Silicon Valley Community Foundation.

We continue to grow our community investments commensurate with the growth of our business. Our four focus areas are based on what's most important to our associates, where our communities need the most support and how we can promote a sustainable economic environment:

- **Education** — helping students of all ages acquire the skills and knowledge they need to achieve their highest potential and become productive members of society
- **Children** — promoting, protecting and improving the lives and health of children
- **Independence** — maximizing individuals' independence and self-determination
- **Environment** — respecting the impact our operations have on the environment and striving to measurably reduce our carbon footprint

In addition, we prioritize investments that connect associates, align with our expertise, are geographically inclusive, provide measurable impact, and enhance our brand and reputation.

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Communities

Invest in the long-term vitality of our communities through programs and initiatives that make a measurable impact.

Community Reinvestment

Under the Community Reinvestment Act (CRA), passed in 1977 as a measure to expand access to credit, federally insured depository institutions like Comenity Bank and Comenity Capital Bank have an obligation to support the credit needs of the communities in which they are located.

Comenity and Comenity Capital are subject to regulatory supervision by the FDIC and the Consumer Financial Protection Bureau (CFPB), in addition to state supervision in Delaware and Utah, where the banks are respectively headquartered. In our most recent FDIC examination, we received the highest rating of “outstanding” for our activities under the CRA.

Comenity’s holistic approach to community reinvestment engages and connects local stakeholders and resources, as well as community development investments and services, to meet the greatest needs of the communities it serves. These programs are led by an officer appointed by the bank’s Board of Directors, with oversight from respective bank committees.

In 2019, Comenity Bank convened its ninth annual Community Leaders Symposium, hosting 36 nonprofit and community leaders in a discussion to better understand needs in Delaware with keynote speakers Bob Weir,

Director of the Department of Real Estate and Housing for the City of Wilmington, and Carrie Casey, Manager of the Division of Community Development and Housing for New Castle County. Comenity Bank invited attendees to apply for a special “Blight Grant” that specifically targeted blighted areas in New Castle County. The final grant of \$50,000 was ultimately awarded to Cornerstone West for its Green Gate Project, which converted blighted property into housing for 10 individuals who are either transitioning out of foster care or are currently homeless.

Comenity Bank granted an additional \$621,000 to nonprofits and purchased \$11.7 million of CRA-qualifying investments. The CRA-qualifying investments support home ownership for low- to moderate-income communities and small businesses. Comenity Capital Bank in Utah granted \$437,500 to nonprofits and purchased \$22.75 million of CRA-qualifying investments that support home ownership for low- to moderate-income communities and small businesses. It also increased its participation to \$15 million in a community development loan consortium focused on new affordable multi-family projects and the preservation of existing affordable housing.

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Environment

Respect our environment through sustainable operations and investments in global conservation efforts.

Reducing Our Carbon Footprint

Alliance Data has an ongoing commitment to reducing our greenhouse gas (GHG) emissions to help combat climate change. Our efforts extend to all lines of business, stakeholder groups and our work in the community.

The starting point of our efforts to reduce our carbon footprint is capturing our GHG inventory, which details and quantifies our emissions. We completed our eighth inventory in 2019, and we are using the results to better understand and manage our impacts and to report to the CDP. The GHG inventory also provides the basis for ultimately setting science-based emissions reduction targets.

Given our divestiture of Epsilon, which occurred in July 2019, only the emissions for the period of January 1 to July 31, 2019, while Epsilon was operating, are included in our 2019 inventory. Epsilon will be fully removed from the 2020 GHG inventory. This divestiture will trigger a restatement of base and all intervening historical year emissions.

Using Resources Efficiently

Our GHG inventory indicates that some of our biggest environmental impacts are energy consumption, paper usage and associate commuting — so that's where we focus our environmental efforts.

Energy conservation

Facility managers are responsible for conservation projects at their respective buildings. Improvements have been made by upgrading to energy-efficient LED lighting and removing desktop printers in existing buildings. However, the biggest gains come from new facilities that are designed for efficiency from the start: LoyaltyOne's headquarters has received LEED Platinum certification and the Company has been recognized as one of Canada's Greenest Employers.

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Environment

Respect our environment through sustainable operations and investments in global conservation efforts.

USING RESOURCES EFFICIENTLY (CONT.)

Paper

The majority of our paper purchase is based on the needs of our clients. Paper is used in client-driven marketing materials and cardmember or collector statements, although many clients are shifting from print to digital formats. We've made strong gains internally by switching from individual desktop printers to multi-function devices (MFDs), which are shared by multiple users and discourage unnecessary printing. MFD defaults are set to double-sided black-and-white printing.

Commuting

Efforts to minimize emissions from commuting include work-from-home programs, which are rare for the industry, electric car charging stations, and bike racks and on-site shower facilities to encourage cycling to work. In 2019, we launched a business-wide evaluation of our office footprint, which resulted in a significant number of associates moving to work-from-home arrangements and will help us reduce

energy consumption and commuting-related emissions. With an additional 16% of AIR MILES' frontline workforce moving to home offices in 2019, a full 84% of its frontline associates now work from home on a full-time basis.

At our headquarters in Columbus, Ohio, we are an Acceleration Partner in the Smart Columbus "Smart Cities" initiative aimed at inspiring and motivating employees to drive electric and drive less. As a partner, we've committed to five engagements: appointing a program leader, encouraging executives to buy electric vehicles (EV), installing charging infrastructure, educating our associates on smart mobility and incentivizing behavior change. Smart Columbus' goals are to bring the city's EV adoption rate to at least 1.8% by 2020 — a four-fold increase that would put more than 3,600 electric vehicles on the road — and decrease single-occupant vehicle commuter traffic by 10%.

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Alliance Data ESG Performance

The 2019 Performance Report outlines our management approaches and performance related to key environmental, social and governance (ESG) topics identified in our most recent materiality assessment, and aligns to select Global Reporting Initiative (GRI) Standards disclosures, and to the Sustainability Accounting Standards Board (SASB) Standards — Technology & Communications Sector Standard (Software & IT Services), and Financials Sector Standard (Commercial Banks).

This 2019 report reflects Alliance Data's continued business strategy transformation during the year, which included streamlining its operations and global workforce and further simplifying its business model. On July 1, 2019, we completed the divestiture of our Epsilon business. As such, Epsilon's inclusion in this report is only for the first half of the year.

Topic/Issue	Metric/Unit	2019	2018	2017	GRI Indicator	SASB Code
 FINANCIAL/GOVERNANCE						
Financial Performance						
Core earnings per share (EPS)	Number	16.77	19.49	19.35		
Total revenues	US\$ millions	5,581.30	5,666.60	5,474.70	201-1	
Adjusted EBITDA	US\$ millions	1,271.30	10,609.40	1,465.40		
Provision for income taxes	US\$ millions	165.80	269.50	292.40		
Net income	US\$ millions	278	963.10	788.70	201-1	
Receivables outstanding	US\$ millions	18,413.10	16,869.90	17,700.00		
Stock price (end of year)	US\$	112.20	150.08	253.48		
Governance and Ethics						
Say on Pay — executive compensation	%	93	95.3	98.4	102-38	
Board diversity — gender (women representation)	%	28	22	11	102-18	
Board independence	%	100	89	89		
Board average tenure	Years	12	9	12		
Total PAC disbursements	US\$	25,500	141,400	39,500	415-1	

Alliance Data ESG Performance

Topic/Issue	Metric/Unit	2019	2018	2017	GRI Indicator	SASB Code
Number of disbursements to candidate committees	Number	10	48	16		
Government contacts	Number	220	50	52		
Associates completing annual, mandatory ethics training	%	97.7	97.9	98		
Significant fines or monetary sanctions	US\$	0	0	0		FN-CB-510a.1

CLIENTS/CONSUMERS

Number of clients	Number	464*	2,100	2,000		
Active cardmember accounts	Number in millions	44.6	41.7	43.4		FN-CB-000.A
AIR MILES® issued	Number	5,511	5,500	5,524.2		
AIR MILES® redeemed	Number	4,415	4,482	4,552.1		

Security and Privacy

Security and privacy certifications	List	N/A	ISO 27001 SSAE18 SOC2	ISO 27001 SSAE18 SOC2		FN-CB-230a.2 TC-SI-230a.2
Data breaches	Number	0	0	0		FN-CB-230a.1 TC-SI-230a.1
Board updates	Number	4	4			
Number of drills	Number	2	4			

Fair and Responsible Banking

Community Reinvestment Act	Rating	Outstanding	Outstanding	Outstanding		
		47.7 (Next to lowest among credit card banking peers)	36.4 (Fewest among credit card banking peers)			
Credit card complaints (as reported to the CFPB)	Per million active accounts					
Care Center and collections training & development hours	Hours	18,380	24,722	—		

* Does not include Epsilon clients

Alliance Data ESG Performance

Topic/Issue	Metric/Unit	2019	2018	2017	GRI Indicator	SASB Code
First call resolution (BenchmarkPortal)	%	90.90% same as industry average	3% above industry average	—		
Customer satisfaction (BenchmarkPortal)	%	4.26% above industry average	7% above industry average	—		
First call resolution	%	90.9	88			

EMPLOYEES AND SUPPLIERS

Total Headcount (Does not include Epsilon associates)

Total number of employees	Number	8,500	20,000	20,000	102-8	
New employee growth rate	%	15-20	25-30	25-30	102-41	

Voluntary Turnover

Voluntary turnover — average (all employees)	%	18.0	15.3	16.1	401-1	
Turnover — non-exempt (hourly employees)	%	21.0	20.0	23.7	401-1	
Turnover — exempt (salaried employees)	%	14.0	12.2	11.2	401-1	
Turnover — male	%	18.6	14.2	14.5	401-1	
Turnover — female	%	17.7	16.4	17.8	401-1	

Diversity and Inclusion

Total workforce by gender	% female	62	54.3	55	102-8	TC-SI-330a.3
Senior leadership by gender	% female	41.2	34.5	34.1	102-8	TC-SI-330a.3
Total workforce by ethnicity — minority representation	%	44	38	38.1	102-8	TC-SI-330a.3
Senior leadership by ethnicity — minority representation	%	15	12.7	11.1	102-8	TC-SI-330a.3
Pay parity — weighted by job level	%	3.9	2	2.7		
Pay parity — weighted by ethnicity	%	2	-1	-0.1		
Human Rights Campaign: Corporate Equality Index Benchmark	%	65	85	100		


Alliance Data ESG Performance

Topic/Issue	Metric/Unit	2019	2018	2017	GRI Indicator	SASB Code
Employee Training and Engagement (Includes Epsilon up to July 1, 2019)						
Training and development — total investment	US\$ millions	16.08	17.70	17.50		
Training and development — dollars per employee	US\$	1,136	899	933	404-1	
Procurement/Supplier Diversity						
Total supplier diversity spending	%	8.09	10.1	8.2		
Minority-owned supplier spending	%	1.96	3.6	2.2		
Women-owned supplier spending	%	1.18	1.8	1.8		
Veteran-owned supplier spending	%	0.02	0.1	0.1		
LGBTQ-owned supplier spending	%	0	0.1	N/A		

COMMUNITY INVESTMENT

Community investment — donations	US\$ millions	9.50	16.50	14.40	201-1	
Community investment as a percent of EBITDA	%	0.50	0.67	0.63		
Community investment — volunteerism	Hours	26,500	40,000	38,000		
Volunteerism per employee	Hours	3	2	2		
Data for Good investment	US\$ millions	2.10	3.50	1.20		
Value of matching gifts	US\$	2,800,000	990,000	1,015,400		
Dollars for Doers — volunteerism	Hours	10,000	30,000	not reported		
Dollars for Doers — donations	US\$	247,000	127,000	not reported		

Alliance Data ESG Performance

Topic/Issue	Metric/Unit	2019	2018	2017	GRI Indicator	SASB Code
 ENVIRONMENT						
Greenhouse gas emissions (GHG) — Total	MT CO ₂ e	120,005	129,860	138,740		
Greenhouse gas emissions (GHG) — Scope 1 emissions	MT CO ₂ e	2,266	2,331	2,275	305-1	
Greenhouse gas emissions (GHG) — Scope 2 emissions	MT CO ₂ e	33,464	40,091	39,231	305-2	
Greenhouse gas emissions (GHG) — Scope 3 emissions*	MT CO ₂ e	84,275	87,438	97,234	305-3	
GHG Scope 1 + Scope 2 total per associate	MT CO ₂ e	4	2	0		
Total energy consumed	GJ	279,413	323,476	308,041	302-1	TC-SI-130a.1
Electricity sourced from the grid	%	92	93	94		TC-SI-130a.1
Electricity from renewable sources	%	8	7	6		TC-SI-130a.1
CDP Carbon Disclosure rating	Letter rating	N/A	C	D		

* We currently quantify and report on Scope 3 GHG emissions from the following: purchased paper used internally (i.e., office paper) and externally (i.e., statements, mail-outs, marketing activities); business travel (i.e., commercial air travel, rental cars); employee commuting; freight shipments to customers by air and truck; and packaging materials (i.e., cardboard, bubble wrap, fill paper). GHG emissions from other Scope 3 categories will continue to be assessed for relevance, quantified and reported in the future.

“As Alliance Data has matured since its founding, **our culture of caring and ‘doing the right thing’** has deliberately **evolved into a principled, stakeholder-driven, sustainability strategy.**”

Ralph Andretta, President and CEO

To learn more about our sustainability strategy, visit alliancedata.com/sustainability or email allforgood@alliancedata.com

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