



PROG Holdings 2021 ESG Review

This document contains disclosure by PROG Holdings, Inc. (which we may refer to as the “Company”, “we”, “our”, or “us”) of environmental, social and governance metrics and practices that we consider to be relevant to our business, as well as certain of those included in the Sustainability Accounting Standards Board (“SASB”) standards for the Consumer Finance industry. The disclosures in this document are also aligned with certain aspects of the United Nations Sustainable Development Goals (“UN SDGs”), as indicated by the numbered squares appearing at the beginning of the various sections of this document. This report discloses ESG data for the Company for the period January 1, 2021, through December 31, 2021, unless otherwise noted. 2021 was our first full year as a standalone fintech holding company, following the spin-off of our former Aaron’s Business segment to our shareholders in November 2020 (the “Spin-Off”). Accordingly, all data and information presented in this report for 2020 and 2019 excludes the Aaron’s Business segment.



Our Approach to ESG

Our Environmental, Social and Governance (“ESG”) program, which we will continuously strive to improve, is based upon information and feedback we have received from our key stakeholders, including our shareholders, customers, employees and Board of Directors (“Board”). In addition, we have considered principles and recommendations from leading ESG standards and rating agencies. Our management team and Board believe that responsible ESG practices are critical to our long-term success and sustainability, and that those practices help drive shareholder value. Currently, our ESG program and initiatives focus on five important goals:

- Respecting and valuing our customers by providing them with transparent, compliant and easy-to-use product offerings, as well as excellent customer service, to position our customers to have a positive and successful experience with our offerings;
- Recruiting, developing, promoting and retaining a diverse workforce, with an emphasis on equity and inclusion, with the goal of ensuring that all of our employees feel a sense of belonging with the Company and their co-workers;
- Improving the communities where our customers and employees live and work by investing our time and money in them; and
- Understanding the Company’s environmental footprint, and working to reduce our unfavorable impacts on the environment, including greenhouse gas (“GHG”) emissions, and energy, water and paper consumption;
- Implementing and maintaining strong corporate governance practices.

We believe that pursuing these goals will be an ongoing journey of continuous improvement. We value the views of our key stakeholders regarding our ESG programs and initiatives, and will continue to listen to the information and feedback we receive from them, as we continue our journey to improve the lives of our customers, employees, communities and environment.

About Us

PROG Holdings, Inc. (NYSE:PRG) is a financial technology holding company based in Salt Lake City, Utah with three business segments: (1) Progressive Leasing, which offers lease-to-own transactions primarily to credit-challenged consumers through e-commerce and point-of-sale retail partners, via online, mobile, and in-store solutions; (2) Vive Financial (“Vive”), which provides consumers who may not qualify for traditional prime lending with a variety of second-look, revolving credit products through private label and branded credit cards; and (3) Four Technologies (“Four”), which provides consumers of all credit backgrounds Buy Now, Pay Later (“BNPL”) options through four interest-free installments through its proprietary platform. We refer to the traditional retail and e-commerce merchants through whom we offer our Progressive Leasing, Vive and/or Four offerings as our “POS partners.”



[Progressive Leasing](#) provides consumers with lease-purchase solutions for merchandise, including furniture, appliances, electronics, jewelry, mobile phones and accessories, mattresses, and automobile electronics and accessories from leading traditional retailers and e-commerce POS partners. Progressive Leasing purchases from its POS partners the merchandise desired by customers and, in turn, leases the merchandise to the customers through a lease-to-own transaction. Progressive Leasing's technology-based, proprietary decisioning platform offers prompt lease decisioning at the point-of-sale and is integrated with both traditional and e-commerce POS partners. Progressive Leasing provides customers with transparent and competitive lease payment options along with flexible terms, intended to help customers achieve merchandise ownership, including through low initial payments and early buyout options. The lease-to-own transactions also benefit Progressive Leasing's POS partners by generating incremental sales with credit-challenged consumers who typically would not have qualified for financing offers traditionally provided by these POS partners. Progressive Leasing has funded over 10 million leases since its inception in 1999.



[Vive Financial](#) primarily serves customers that may not qualify for traditional prime lending offers who desire to purchase goods and services from participating POS partners. Vive offers customized programs, with services that include revolving loans through private label and Vive-branded credit cards. Its current network of over 3,000 POS partner locations and e-commerce websites includes furniture, mattresses, fitness equipment, and home improvement retailers, as well as medical and dental service providers. The Company believes the Vive product offerings are complementary to those of Progressive Leasing and Four and allow those companies to expand into the markets and POS partners that Vive serves. Vive extends or declines credit to an applicant through third-party bank partners based upon the applicant's credit profile. Vive's bank partners originate the loan by providing financing to our POS partner at the point-of-sale and acquire the receivables at a discount from the loan face value. Vive then acquires the receivable from the bank and services the account. Qualifying customers receive a credit card to finance their initial purchase and to use in subsequent purchases at the POS partner or other participating POS partners and Vive will renew the account if the customer remains active and in good standing. The customer is required to make minimum monthly payments and may pay certain annual and other periodic fees.



[Four Technologies](#) is a financial technology company that we acquired in 2021, that was founded in 2018, to provide consumers with a Buy Now, Pay Later payment option for acquiring the merchandise they desire through four interest-free installments. Its proprietary BNPL platform allows retailers to empower their shoppers by offering a BNPL solution alongside other payment options, providing shoppers with more flexibility. Shoppers use Four to purchase furniture, clothing, electronics, health and beauty, footwear, jewelry, and other consumer goods from retailers across the United States.

Consolidated Activity Metrics for the Company

Metric	2021	2020	2019
Revenue (\$MM)	\$2,678	\$2,485	\$2,163
Gross Merchandise Volume, or “GMV” ¹ (\$MM)	\$2,352	\$1,982	\$1,896
Employees	2,023	1,868	1,968
Active customer count, by business segment:	(1) 1,044,000	(1) 970,000	(1) 1,072,000
(1) Progressive Leasing	(2) 88,000	(2) 66,000	(2) 48,000
(2) Vive Financial	(3) 18,000	(3) —	(3) —
(3) Four Technologies ²			
SASB: FN-CF-000.A			
Number of	We did not offer pre-paid debit cards in 2021.		
(1) credit cards			
(2) pre-paid debit card accounts			
SASB: FN-CF-000.B			

¹Progressive Leasing’s GMV is defined as the retail price of merchandise acquired by Progressive Leasing, which it then leases to its customers. Vive’s and Four’s GMV is defined as gross loan originations. We believe GMV is a key performance indicator of our Progressive Leasing and Vive segments, as it provides the total value of new lease and loan originations written into our portfolio over a specified time period. GMV does not represent revenues earned by the Company, but rather is a leading indicator we use in forecasting revenues the Company may earn in the short-term.

²Information is not presented for 2020 and 2019, which were prior to the Company’s acquisition of Four Technologies.

A woman with dark hair, wearing a white V-neck shirt, is looking down at a blue card she is holding in her right hand. The background is slightly blurred, showing what appears to be a retail or office environment with green shelving units.

Respecting and Valuing Our Customers



We respect and value our customers and appreciate that they are the lifeblood of our business. As such, we believe it is critical that our customers have a positive and successful experience with the Company and its products, service and support from the moment they enter the stores or e-commerce websites of our POS partners. Our commitments to ethical and transparent selling practices, providing excellent customer service, working with our customers to help them achieve success with our offerings, including when they face unexpected financial hardships or other life challenges, and protecting the security of their personal information, are all part of our efforts to do-right-by them.

We believe the strong focus by Progressive Leasing, Vive and Four on customer satisfaction generates repeat business from our customers and long-lasting relationships with their POS partners. Progressive Leasing, Vive and Four's customers are provided access to products through multiple channels, including Progressive Leasing's and Vive's network of POS partner locations and e-commerce sites, which provide their customers with multiple complimentary service benefits. These benefits generally include early purchase options, reinstatement options, product replacement, discounts and other benefits. In addition, and as discussed below in more detail, Progressive Leasing and Vive offer payment deferral options and other payment adjustment options to customers who are experiencing financial difficulties, such as to those customers who have been adversely impacted by the COVID-19 pandemic.

Customer Welfare

Metric	Disclosure
Supporting customers to enable ownership of leased merchandise	<p>One of the ways we evaluate if our customers have a successful experience with our offerings is by monitoring the percentage of Progressive Leasing's lease-to-own ("LTO") transactions that result in customers achieving ownership of the merchandise they have leased. A significant portion of Progressive Leasing's customers achieve merchandise ownership, including by paying-off their leases early, successfully completing their lease term, or through other arrangements with the Company. Thus, we provide these consumers, who typically do not have the means to purchase the big-ticket merchandise they need or desire, and do not qualify for traditional financing products, with an avenue for achieving merchandise ownership.</p> <p>For leases funded by Progressive Leasing in 2019, approximately 75% of those transactions resulted in customers achieving ownership of the leased merchandise. For leases funded by Progressive Leasing in 2020, approximately 82% of those transactions resulted in customers achieving ownership of the leased merchandise.*</p>
Supporting customers facing economic challenges	<p>To assist customers who experience financial difficulties due to the COVID-19 pandemic, fires, catastrophic weather events, the loss of a job, a medical emergency, or similar unexpected situations, we carefully evaluate each customer's unique situation and, depending on the facts and circumstances, our actions to support those customers have included, and will continue to include:</p> <ul style="list-style-type: none"> ■ Allowing customers to defer making payments owed to us; ■ Suspending collections activities; ■ Partnering with customers to create payment schedules personalized to their unique situations; ■ Offering discounted settlement opportunities; and ■ Waiving return payment fees in our Progressive Leasing business. <p>In addition, with respect to Progressive Leasing customers who are active duty military personnel, when those customers experience financial challenges, or are deployed, we typically forgive their remaining lease payments and allow them or their families to keep the merchandise they had been leasing, at no additional charge.</p> <p>Our goal in situations where our customers are facing unexpected financial and life challenges is to assist those customers in finding a way to ultimately be successful with our product offering, despite the hardships they are facing.</p>

*Because the typical length of Progressive Leasing's leases with its consumers is twelve months, the data needed to disclose the percentage of leases funded during 2021 that resulted in customers achieving merchandise ownership will not be available until the first quarter of 2023.

Customer Welfare

Metric	Disclosure
Resolving customer concerns in a timely manner	<p>We provide customers with multiple avenues for making us aware of any concerns or complaints they may have about their experiences with us. For 2021, the number of customer complaints expressed as a percentage of total active leases averaged 0.60%. We carefully track the nature and number of complaints that we receive from customers, and strive to resolve our customers' concerns as quickly as possible.</p> <div><div><div>46%</div><div>In 2021: of Progressive Leasing customer complaints were resolved on the same day they were received</div></div><div><div>82%</div><div>were resolved in less than 10 days</div></div><div><div>96%</div><div>were resolved in less than thirty days</div></div></div> <p>Our goal is not merely to resolve the individual complaint, but to identify and address the root cause. Our robust, wide-net approach to investigating complaints assists us in gaining valuable feedback, resulting in improved customer experiences. The nature and number of customer complaints are tracked and reported to the Company's internal Compliance Committee, and also to the Audit Committee of the Company's Board.</p>
Monitoring customer satisfaction	<p>We believe the service our customers receive through our customer support agents is critical to them having a positive experience, and wanting to utilize our product offerings again as repeat customers. For that reason, we frequently conduct customer satisfaction surveys that are focused on how customers view their interactions with our support agents, at all phases of the transaction lifecycle.</p> <p>For 2021, 94% of Progressive Leasing customers surveyed indicated that our customer service agents were friendly, and 91% indicated that our customer service agents were knowledgeable about the matter raised by the customer. In addition, with more than 15,000 reviews having been completed, our Google rating at the end of 2021 was 4.8 out of a possible 5 stars. We believe these scores demonstrate that we are providing strong customer service, but we intend to continue our efforts to further improve the quality and timeliness of our customer service.</p> <div><div>Google rating at the end of 2021</div><div><div><div><div><div></div><div></div><div></div><div></div><div></div></div><div>4.8</div></div></div></div></div>
Providing customers with significant payment and transaction flexibility	<p>Our Progressive Leasing business provides its customers with flexible terms that are designed to help the customers achieve merchandise ownership, including through low initial payments and early buyout options, such as our 90-day early buyout option. In addition, our Progressive Leasing customers have the option to cancel their agreements with us at any time without any negative consequences, by returning the leased merchandise to us, or having us pick-up the merchandise. They are not "locked into" a fixed or long-term lease arrangement.</p>

Customer Privacy

Metric	Disclosure
Privacy Policy	PROG Leasing Privacy Policy , Vive Financial Privacy Policy and Four Technologies Privacy Policy
Number of account holders whose information is used for secondary purposes <i>SASB: FN-CF-220a.1</i>	Neither the Company nor any of its business units sell customer data to third parties. Nor do they transfer any of their customers' data to third parties, other than transferring data, with the customer's consent, to third party firms that provide us with information used in our applicant decisioning process, and to our POS partners when it is necessary to complete the customers' desired transactions.
Total amount of monetary losses as a result of legal proceedings associated with customer privacy <i>SASB: FN-CF-220a.2</i>	Information about material legal proceedings can be found in our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the SEC on February 23, 2022.
Protecting our customers' information	See "Description of approach to identifying and addressing data security risks SASB: FN-CF-230a.3" under the " Data Security " heading below.

Responsible Selling Practices

The Company maintains a framework of compliance policies, procedures and internal controls that are designed to ensure that our product offerings are advertised, marketed, and otherwise presented to consumers in a manner that complies with applicable laws and regulations and our internal policies, including those that prohibit unfair or deceptive acts. The Company works to detect and promptly remediate any acts or practices that are inconsistent with these expectations and requirements. Our dedication to ensuring that customer-facing materials and agreements describe our product offerings in an accurate, transparent and easy-to-understand manner aligns with our mission to provide simple and affordable purchase options for credit-challenged consumers, and that those consumers have positive and successful experiences with us.

The Company's compliance departments are responsible for developing programs and processes to address compliance risks, including, for example, those related to unfair, deceptive, or abusive acts or practices. The compliance departments carry out those responsibilities with assistance from, and collaboration with, a cross functional group of the Company's business units and functional departments.

Responsible Selling Practices

Metric	Disclosure
Responsible product offering	<p>As we begin to launch significant new product offerings as part of our strategy to grow our GMV, revenue and earnings, or implement significant changes to our existing offerings, as part of our “Product Development Lifecycle”, we are in the process of implementing a review and sign-off process to ensure, among other things, that:</p> <ul style="list-style-type: none"> ✓ the new or revised offering complies with all laws, regulations and Company policies ✓ the terms of use are transparent and easy for the customer to understand ✓ the product is easy for the customer to use ✓ the product and the customer related interactions with it and with us are designed to protect the customer’s personal information <p>To achieve these important objectives, a cross-functional team will conduct the reviews described above, including the Company’s compliance and law departments, as well as its information security and data privacy functions. Depending on the nature of the new product offering, or change to an existing product offering, approvals by senior managers may be required. In addition, where appropriate, new or revised offerings may be reviewed by external counsel as an additional measure of risk mitigation.</p> <p>As part of our process to ensure new product offerings are easy for the customer to understand and use, we plan to beta test them with smaller groups, to identify any adjustments we need to make before launching the products to a larger group of potential customers.</p> <p>We also conduct compliance reviews of the customer-facing disclosures, agreements and terms and conditions applicable to our existing product offerings, including, for example, utilizing both internal and, where needed, external government affairs legal resources to monitor for any changes in laws or regulations that would require us to update any of that information.</p> <p>We provide our Progressive Leasing customers with flexible terms that are designed to help them achieve merchandise ownership, including through low initial payments and early buyout options, such as our 90-day early buyout option. Our Progressive Leasing customers have the option to cancel their LTO agreements with us at any time without any negative consequences, by returning the leased merchandise to us, or having us pick-up the merchandise from them. They are not “locked into” a fixed or long-term lease arrangement.</p>
<p>Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold</p> <p>SASB: FN-CF-270a.1</p>	<p>None of our employees have variable compensation connected to the number of individual LTO or credit agreements generated with end customers. For certain employees, their incentive compensation is connected to the GMV generated from the POS partners that are assigned to them as their accounts. However, those employees have no influence on or input to the decisioning or approval process for individual applicants.</p>

Responsible Selling Practices

Metric	Disclosure																								
Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660 SASB: FN-CF-270a.2	Our application review and evaluation process, and the decisions we reach regarding whether to approve an applicant for an LTO transaction with Progressive Leasing is made with the objective of ensuring the customers will be able to satisfy their contractual lease obligations. That review and evaluation process for credit transactions with Vive or Four, and the dollar amount of any approval, is carried out with the objective of ensuring the applicant will be able to satisfy his or her payment obligations once the applicant becomes a customer. However, when customers experience unanticipated financial challenges, we work with them in a number of ways, including those referenced above in “Supporting customers facing economic challenges.”																								
(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660 SASB: FN-CF-270a.3	<p>Our businesses do not sell or otherwise offer add-on or pre-paid products. As relevant to our reportable segments, we measure performance for this area of SASB based on the metrics described below, and other factors.</p> <p>Progressive Leasing</p> <table><tr><th></th><th>2021</th><th>2020</th><th>2019</th></tr><tr><td>Provision for lease merchandise write-offs</td><td>4.8%</td><td>5.4%</td><td>7.2%</td></tr></table> <p>Vive</p> <table><tr><th>Percent of accounts past due</th><th>2021</th><th>2020</th><th>2019</th></tr><tr><td>30-59 days</td><td>6.0%</td><td>5.7%</td><td>6.9%</td></tr><tr><td>60-89 days</td><td>3.0%</td><td>2.6%</td><td>3.6%</td></tr><tr><td>90+ days</td><td>4.1%</td><td>3.1%</td><td>5.0%</td></tr></table>		2021	2020	2019	Provision for lease merchandise write-offs	4.8%	5.4%	7.2%	Percent of accounts past due	2021	2020	2019	30-59 days	6.0%	5.7%	6.9%	60-89 days	3.0%	2.6%	3.6%	90+ days	4.1%	3.1%	5.0%
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90+ days	4.1%	3.1%	5.0%																						

Responsible Selling Practices

Metric	Disclosure
<p>(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by customer, (4) percentage that resulted in investigation by the CFPB</p> <p>SASB: FN-CF-270a.4</p>	<p>We have not been informed about, and are not aware of, any complaints being filed with the CFPB during 2021 regarding any of our product offerings or business practices, or otherwise about us.</p>
<p>Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products</p> <p>SASB: FN-CF-270a.5</p>	<p>Information about material legal proceedings can be found in our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the SEC on February 23, 2022.</p>



Recruiting, Developing, Promoting and Retaining Our Employees



Our Board of Directors and management team believes that recruiting, developing, mentoring, promoting, and retaining a diverse and highly motivated and qualified team of employees is critical to the long-term success and sustainability of our business. For this reason, we have enhanced our recruiting, onboarding, employee engagement, training and development, and diversity equity and inclusion efforts during 2021, and intend to further those efforts in 2022. In addition, we have taken steps to ensure that our compensation and benefits programs are competitive and designed to help us motivate and retain our employees. Finally, we continue to be focused on the health and safety of our employees, including continuing our efforts to keep them and their families safe and well during the COVID-19 pandemic. These efforts are described in more detail in the information provided below.

Human Capital Management

Metric	Disclosure
Talent recruitment	<p>Talent Acquisition Promoter (“TAP”) Program</p> <p>More than twenty employees across all business units have joined forces to innovate and promote new TAP initiatives. Simultaneously, we increased our talent acquisition team’s sourcing capabilities to draw talent to the Company with best-in-class resources and tools. As a result of those initiatives, we participated in more than twenty virtual and in-person recruiting events in 2021. In addition, through our TAP Program, we developed enhanced workforce planning and fulfillment capabilities and tools, including those that enabled us to:</p> <ul style="list-style-type: none"> ■ Provide specific information, including tailored supply-and-demand data, to hiring managers to assist them in targeting candidates across the country who possess high-demand skills; and ■ Open two virtual customer contact centers in Texas. <p>For 2022, our TAP Program initiatives include:</p> <ul style="list-style-type: none"> ■ Implementing a “boomerang” campaign designed to recruit former high potential employees back to the Company; ■ Leveraging our employee referral program, through which approximately one-third of our new hires were generated in 2021, to increase employee-based recruitment and referral efforts; ■ Participating in more strategic talent acquisition events to share our employee value proposition with more potential candidates and increase interest in the Company; ■ Increasing the visibility of, and employee interest in, internal career advancement and promotion opportunities, to enable our employees to continue to advance their careers through challenging new roles; and ■ Partnering with our internal Employee Resource Groups to have them assist us with our efforts to source a diverse pool of highly motivated and talented employees from across the nation.

Human Capital Management

Metric	Disclosure												
Talent recruitment	<p>Onboarding Process</p> <p>During 2021, we began transforming the onboarding experience for new employees. This included digitization of the experience from the time of recruitment to hire, prioritizing the implementation of enhancements and naming a project manager to be on-point in delivering best-in-class onboarding and assimilation, and surveying new hires at 30, 60 and 90 days after their start date to gain insights on additional opportunities to improve the new hire experience.</p> <p>Internship Program</p> <p>We held the Company's first fully virtual internship program in 2021, due to the COVID-19 pandemic. The Company had 15 interns, including interns from Howard University, a historically black university, and the program featured:</p> <ul style="list-style-type: none">■ C-level roundtable discussions;■ team-building activities with interns and managers; and■ weekly check-ins with the interns by Talent Acquisition team members to ensure the interns were engaged and receiving meaningful work assignments. <p>Partnerships</p> <p>We have engaged and/or partnered with a number of universities, organizations and websites to enhance our recruiting efforts, including:</p> <ul style="list-style-type: none">■ Brigham Young University;■ Diversity information session and outreach tools, such as Fairstream, Fairy Godboss, and Talent Neuron;■ Howard University;■ Recruitment sites such as LinkedIn Recruiter, Dice, Hiretual, Indeed, and Glassdoor;■ University of Utah; and■ Women Tech Council, a national organization focused on the economic impact of women in the technology sector, that creates mentoring, networking and visibility programs at every stage of the talent pipeline, from high school to the board room. <p>A summary of the number of employees we have hired during the 2019 through 2021 time period, and the number of recruitment events held during that time period, is shown in the table below.</p> <table><tr><th></th><th>2021</th><th>2020</th><th>2019</th></tr><tr><td>Annual hiring</td><td>999</td><td>652</td><td>1,120</td></tr><tr><td>Recruitment events</td><td>25</td><td>7</td><td>50</td></tr></table>		2021	2020	2019	Annual hiring	999	652	1,120	Recruitment events	25	7	50
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Human Capital Management

Metric	Disclosure
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Employee engagement

The results from quarterly engagement surveys are reviewed by management, led by our Chief People Officer, to identify areas to further enhance the employee experience. Leaders receive the scores for their teams in an interactive dashboard and are charged with developing plans to improve employee engagement. For example, engagement surveys completed during 2020 indicated that employees desired a greater number of training and development opportunities, including those offered by external sources. In response to that feedback, one of our key objective and key results, or “OKRs”, for 2021 focused on that request, and resulted in the implementation of an improved Learning Management System and LinkedIn Learning being made available to employees at no-cost to them. Survey results help determine the nature of the questions that will be included in later surveys to enable us to “follow-up” with our employees to make sure their concerns have been addressed.

Participation rates in the surveys are high, reflecting the importance of the surveys to employees and management is committed to acting on the results. The participation rates in those employee engagement surveys, and the Net Promoter Scores, or “NPSs” for employee surveys for the 2021 through 2019 time periods were:

	2021	2020	2019
Engagement Survey Participation	80%	78%	85%
Employee NPS*	50	62	64

*NPS refers to “Net Promoter Score.”

In addition to formal engagement surveys, we have implemented numerous other programs and initiatives to promote and increase employee engagement and to improve our Employee NPS, including:

- A Company-wide, digital peer recognition tool that allows employees at any level of the organization to recognize other employees for notable accomplishments;
- Multimedia communications, including videos, Intranet posts, digital newsletters and e-mails, that highlight departmental or employee team “wins,” engagement activities and accomplishments, and other morale-boosting subjects;
- Creative townhall “all hands on” meetings held at least twice per year, to update employees on Company initiatives and performance, and recognize employee and/or departmental accomplishments;
- Monthly or, in some situations, weekly manager meetings to review the status of Company and departmental initiatives and projects, and discuss employee career development and training opportunities;
- Community service projects, designed to bring employees and management together for a common cause;
- Service awards given at 5 years and 10 years of service, through which employees are provided with a bonus award, and Company-wide recognition; and
- Business units are afforded a budget on an annual basis to recognize and reward employees for high performance, including exemplifying the Company’s core values.

Human Capital Management

Metric	Disclosure																
Training and development	<p>We are dedicated to providing training and other development opportunities to our employees that will not only enable them to grow both professionally and personally, but provide them with the tools they need to succeed in their careers and in life as well. As such, we have made significant investments in training programs and other development opportunities, including enhancing our on-boarding and early-stage training to include more immersive and on-the-job learning opportunities, and more formalized mentoring arrangements. Some of the training and other development opportunities we provide to our employees throughout their career development cycles include:</p> <ul style="list-style-type: none">■ Providing no-cost access to LinkedIn Learning to all employees, enabling them to take unlimited courses from a library of thousands of options, which is integrated with our Learning Management System, so that employees and their managers are able to track courses the employees have taken;■ Providing our technology-focused employees with no-cost access to Pluralsight, a learning platform with a focus on technology topics relevant to their job responsibilities and career development;■ Reimbursing our support services employees for classes they take to further improve their skills and qualifications;■ Offering tuition assistance reimbursement of up to \$5,250 per year for full time employees and \$2,625 per year for part time employees;■ Offering our Accelerated Leadership Performance Series to individuals identified as high-potential employees to help them develop the skills and leadership qualities needed to become leaders within the Company; and■ Offering our Summit Leadership Development Program, which teaches core leadership competencies to employees at every level of the organization. <p>In 2021, we hired two full-time talent development managers who are focused on developing new curricula and improving existing curricula for our leadership development programs. We believe the addition of these resources will further advance our plans and strategies to develop valuable leaders from within the Company, enabling us to promote-from-within and retain more employees.</p> <p>A summary of the number of training hours our employees completed during 2019 through 2021, the value of the Company’s tuition reimbursements to employees and the number of employees promoted internally for those years is summarized in the table below.</p> <table><tr><th></th><th>2021</th><th>2020</th><th>2019</th></tr><tr><td>Total training hours</td><td>150,000</td><td>135,000</td><td>148,000</td></tr><tr><td>Tuition reimbursement dollars</td><td>\$305,442</td><td>\$283,024</td><td>\$369,137</td></tr><tr><td>Internal promotions</td><td>246</td><td>240</td><td>287</td></tr></table>		2021	2020	2019	Total training hours	150,000	135,000	148,000	Tuition reimbursement dollars	\$305,442	\$283,024	\$369,137	Internal promotions	246	240	287
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Human Capital Management

Metric	Disclosure								
Talent retention	<p>The voluntary and involuntary turnover rates in 2021 for all employees other than those who work in our Operations area, which is comprised primarily of our hourly customer contact center agents were 17.2% and 3.3%, respectively. The voluntary and involuntary employee turnover rates for employees working in our Operations area for 2021 were 57.6% and 4.8% respectively. We, like many others in industries that utilize customer contact center employees, experienced a relatively high turnover rate with that segment of our employee base during 2021. We have implemented a number of initiatives to improve that turnover rate in 2022, including, completing a salary market analysis and adjusting compensation accordingly, implementing initiatives intended to improve retention in response to feedback received through enhanced exit surveys and interviews with departing customer service agents, and broadening our geographic hiring footprint to new labor markets that are not as concentrated with other companies who hire similar roles.</p> <p>We believe the data in the table below shows that our efforts to improve employee retention, and thus, employee tenure, are beginning to show progress.</p> <div> <p>Average Employee Tenure (years)</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Average Employee Tenure (years)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>3.03</td> </tr> <tr> <td>2020</td> <td>2.63</td> </tr> <tr> <td>2019</td> <td>2.44</td> </tr> </tbody> </table> </div>	Year	Average Employee Tenure (years)	2021	3.03	2020	2.63	2019	2.44
Year	Average Employee Tenure (years)								
2021	3.03								
2020	2.63								
2019	2.44								
Benefits and compensation	<p>The Company is committed to providing a comprehensive, competitive benefits package, which our employees may customize to meet their specific needs and goals. Those benefits include:</p> <ul style="list-style-type: none"> ■ Multiple options for medical insurance coverage for all eligible employees, including hourly employees, for which the Company has absorbed the cost of all premium increases for the past seven years; ■ Medical, pharmacy, dental and vision insurance plans; ■ Accident, disability and life insurance, including certain threshold levels of coverage that require no contribution from employees; ■ Family planning benefits; ■ An Employee Assistance Program that provides employees and their immediate family members with professional referrals, counseling sessions, (provided at no charge for the first five sessions), financial planning services, family assistance and legal assistance; ■ Paid maternal and paternal parental leave for up to twelve weeks for primary caregivers, and four weeks for secondary caregivers, following the birth or adoption of a child, or the placement of a foster child; ■ A 401(k) plan that matches employees' contributions after 90 days of service with 100% match on the first 3% of pay that the employee contributes, and a 50% match on the next 2% of pay that the employee contributes; ■ An attractive employee stock purchase program with above market discounts for eligible employees, for which 426 employees were enrolled at the end of 2021; ■ Health and wellness programs and perks for employees and their spouses or partners, which includes personalized health coaching, team and individual challenges, live wellness webinars and a monthly stipend for gym memberships and fitness classes. <p>All of our employees earn more than the federal minimum wage. The average wage of a full-time hourly employee of the Company as of December 31, 2021 was \$17.25, with approximately 96% of those employees earning an average hourly wage of \$15 or more. The average total compensation and benefits for a full-time hourly employee of the Company at December 31, 2021 was approximately \$46,723 including base wages, average overtime wages, bonuses and benefits, such as paid time off.</p> <p>The Company offers community service and philanthropy-related benefits, which are described within the "Community" section of this report.</p>								

Human Capital Management

Metric

Disclosure

Employee health and safety, including our response to the COVID-19 pandemic

Our COVID-19 Response

We continued to prioritize employee health and safety as an important area of focus during 2021. Since 2020, many of our employee health and safety measures have been implemented in response to the COVID-19 pandemic, to keep our employees and their families safe and well.

The steps we have taken as we strive to achieve that objective have included:

✓

Transitioning our employees to working remotely from their homes

✓

Ensuring our employees had the computers, monitors, headsets and other equipment necessary for them to successfully perform their jobs from their homes

✓

Providing employees with a \$500 stipend for them to use to enhance their home office environments

✓

Increasing facility hygiene and cleaning procedures and safety protocols, to provide a safe working environment for the employees who desired to work from our facilities or whose jobs require them to be present on-site

✓

Providing our employees and their family members with no-cost access to virtual mental health counseling services

✓

Granting paid time off to receive vaccines and boosters

✓

Monitoring the percentage of our workforce who has been vaccinated

✓

Expanding our policies to provide employees who test positive for COVID-19 with paid sick leave

✓

Providing COVID-19 tests and masks for employees entering our offices

✓

Continuing to monitor CDC and state and local guidelines and regulations to ensure we are compliant with the most recent advice and requirements related to the pandemic

With respect to general employee health and safety, we believe our policies, training, reporting and review procedures have been effective in meaningfully limiting employee injuries, as evidenced by the table below.

	2021	2020	2019
Total recordable incidents	5	8	13
Total cases w/ days away	1	2	2

Employee Emergency Response

During catastrophic weather events, fires or other natural disasters or emergencies, our People Team contacts any potentially impacted employees to conduct welfare and safety checks, and then provides support to the impacted employees as needed. For example, following previous catastrophies of that nature, the Company has provided impacted employees with gift cards for food, clothing and supplies and arranged the travel and lodging to temporarily move the employees into safer areas, at no cost to the employees.

Diversity, Equity and Inclusion

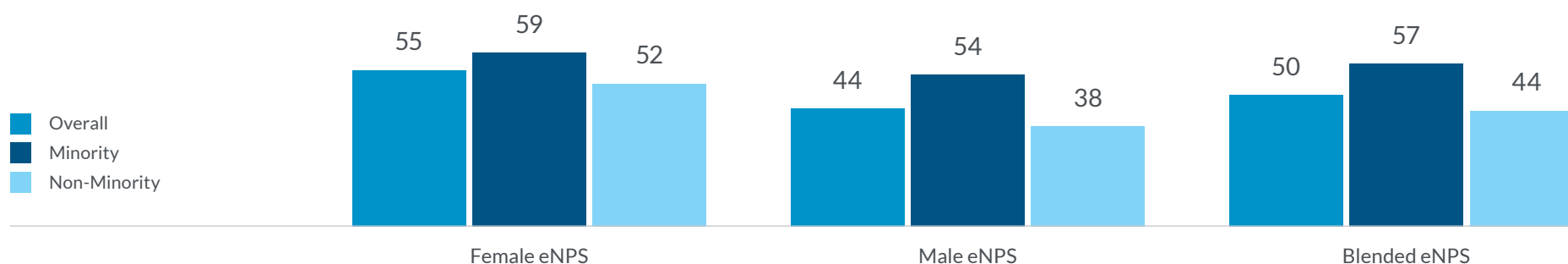
Metric	Disclosure
PROG DE&I program	<p>We believe in being an inclusive workplace for all of our employees and are committed to having a diverse workforce that is representative of our customers, and the communities in which we operate our businesses. A variety of perspectives enriches our culture, leads to innovative solutions for our business and enables us to better meet the needs of our diverse customer base. Our aim is to develop an inclusive culture and leaders, while also recruiting, developing, promoting, and retaining a diverse workforce, including a diverse group of management-level employees that reflect the communities we serve.</p> <p>Our Talent Acquisition Team works directly with our diversity, equity and inclusion (“DE&I”) program manager to identify ways to further improve our efforts to recruit a diverse group of employees.</p> <p>Recruiting and hiring ethnically and gender-diverse employees is only the first step in the DE&I lifecycle. Our DE&I-related goals also include developing, promoting and retaining those employees, and ensuring that they feel a sense of belonging with the Company and their coworkers. One of the ways we strive to achieve those goals is by providing executive, monetary and other support to our Employee Business Resource Groups (“BRGs”), all of which encourage and welcome participation from all employees in all positions and locations. Our BRGs work to ensure their members have a voice in the Company’s on-going conversations about DE&I matters. Currently, our BRGs include:</p> <ul style="list-style-type: none"> ■ The Black Inclusion Group, or “BIG”, whose mission is to enrich the experience of our African American employees by providing professional and leadership development, networking, mentoring and social opportunities, while also promoting understanding of their concerns and views among all of our employees. BIG is focused on inclusion, engagement, learning and advancement initiatives intended to promote retention of African American employees. ■ Women In Leadership or “WIL”, an organization created to inspire female employees to develop their leadership abilities, prepare for and take advantage of career growth opportunities, and increase their knowledge of the Company for organizational and personal success, is focused on fostering the recruitment, development, advancement and retention of female employees, and helping all employees gain an appreciation of issues and topics of importance to our female employees. ■ iAdelante!, which provides a platform for highlighting and celebrating the richness of the Hispanic and LatinX communities’ heritages by promoting cultural and issues awareness among all of our employees. This organization also facilitates professional and leadership development, networking, mentoring and social opportunities for Hispanic and LatinX employees, with the aim of fostering recruitment, development, advancement and retention of those employees. ■ PROGPeople Respecting Individuality, Diversity and Equality, or “PRIDE”, seeks to foster a culture of understanding, diversity, inclusion and equality with our LGBTQ+ employees and allies, and encourage individuality, respect, professional development, and awareness of the challenges faced by, and issues that are important to, the LGBTQ+ community.

Diversity, Equity and Inclusion

Metric	Disclosure
PROG DE&I program	<p>In addition to providing support to our BRGs, our efforts to promote DE&I include:</p> <ul style="list-style-type: none"> ■ Hosting internal and guest speakers to discuss topics relevant to DE&I; ■ Conducting training to educate our employees about various DE&I themes, racial justice, disability inclusion and LGBTQ+ allyship, among other themes; ■ Improving and formalizing mentorship programs targeted towards our female, minority and LGBTQ+ employees, which we expect to implement during 2022; and ■ Implementing a talent review process that is designed to utilize a multi-factor approach to understanding the talents of our employees and the potential they have to be future leaders of the Company.

2021 Employee NPS Scores by Demographic

The People Team routinely monitors the employee engagement survey results provided for all of our employees. In addition, as part of our efforts to monitor whether we are making progress with our initiatives to ensure that all of our female and diverse employees feel a sense of inclusion and belonging at the Company, and with their co-workers, and overall job satisfaction, the Team also monitor the NPS scores, broken down by gender and race/ethnicity. We believe those scores are one tool that we can use to identify areas to enhance our efforts to not only recruit, but to develop and retain, female and diverse employees. The 2021 data reveals that overall, our female and minority employees are more likely to recommend the Company as a great place to work. That data for 2021 is described in the table below.



Workforce Diversity Metrics

Our workforce diversity data captures gender and racial and ethnic group representation for the Company. Our reporting follows the same methodology as EEO-1 disclosure. As of December 31, 2021 that data was as follows:

	Male	Female
Executive/Sr Managers	80.9%	19.1%
First/Mid Managers	64.5%	35.5%
All Other Employees	46.7%	53.3%
Total	49.7%	50.3%

	Hispanic or Latino	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races
Executive/Sr Mgmt	—	97.9%	2.1%	—	—	—	—
First/Mid Managers	15.4%	68.3%	6.2%	*	5.4%	—	3.9%
All Other Employees	27.4%	53.8%	9.2%	1.2%	4.5%	1.0%	2.9%
Total	25.3%	56.7%	8.7%	1.1%	4.5%	*	3.0%

*Less than 1%



Investing in Our Communities

Our Board of Directors and management team believe that investing time and money to improve the communities where our employees and customers live and work is simply the right thing to do. We are committed to giving back to, and making a positive impact in, our communities, a commitment that we carry out through our PROG Holdings Foundation, the PROG Holdings Employee Matching Gift Program and the PROG Holdings Paid Service Program, as well as community engagement activities.

Our Foundation and Matching Gift Programs

Our Foundation is committed to improving lives by making donations to non-profit organizations that utilize educational, developmental and technological tools to empower socio-economic improvement and mobility for the underserved. For example, through our Foundation, we have made gifts of approximately \$100,000 each to Big Brothers Big Sisters, Junior Achievement and Latinos in Action, as well as many other donations. The recipients, nature and amount of the Foundation's donations are determined by a committee of Company employees.

During 2022, we expect to compliment the Foundation initiatives described above by launching the PROG Development Center. Initially, we expect the Center to provide virtual technology, and other educational and personal development opportunities, and thus, socio-economic mobility, to high school students from economically challenged areas in Utah. We plan to open a physical center in the second half of 2022 or early 2023.

The Foundation-funded Center expects to utilize more than thirty private and public partnerships to provide content and programming, as well as development and support

opportunities, to the youth who participate in the Center. For the Center's inaugural year, we expect most of those participants to come from three high schools located in the greater Salt Lake City area, which have relatively high populations of students from economically challenged environments.

We anticipate that our employees will support the Center's efforts by volunteering virtually and in-person, and serving as mentors for the students who participate in the Center's offerings. We are excited about the Center providing a safe, welcoming location where participating youth can experience a sense of belonging, innovation and growth are encouraged and supported, and participants are propelled into sustaining careers in technology and other areas of business.

Our Matching Gift Program matches employee donations to most non-profit organizations, with a maximum annual match of \$1,000 per employee. We believe our Matching Gift Program helps ensure that a meaningful portion of our charitable giving is responsive to the local needs of the communities where our employees live and work, as determined by our employees, and thus, helps foster a sense of belonging between the Company and our employees.

We have recently hired a full-time employee who will be dedicated to increasing the activities, giving and reach of our Foundation and Matching Gift Program.

Our Goal:

Contribute 1% of our annual, consolidated, pre-tax profits to improve our communities through donations made by our Foundation and Matching Gift Program.

Our Paid Service and Community Engagement Programs

Our management team believes that simply making charitable donations to organizations that work to improve our communities, while important, is not adequate by itself to achieve our social responsibility goals. In addition to making donations, we believe it is crucial that our managers and employees, at every level of the Company, become personally engaged in the work of improving our communities by volunteering their time. As such, through our Paid Service Program, all of our employees are provided with up to eight hours of paid time to perform services for eligible non-profit organizations. In addition to enabling those individual opportunities for volunteering, the Company sponsors community engagement and improvement events, which during 2021, included:



Supplying child development centers with constructed development equipment for underserved children through Habitat for Humanity



Preparing more than 1,500 educational kits for distribution by a non-profit organization dedicated to promoting financial literacy



Sponsoring a blood drive through the American Red Cross

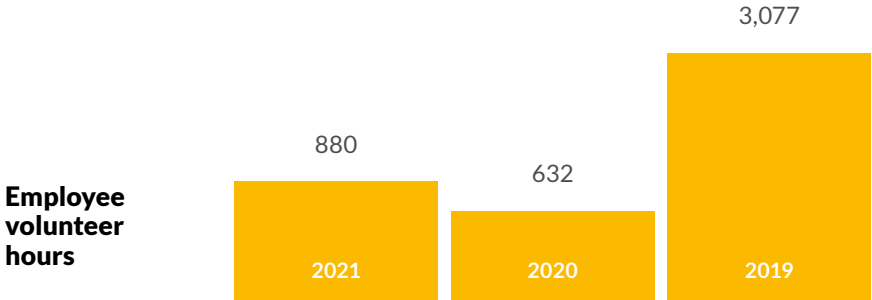
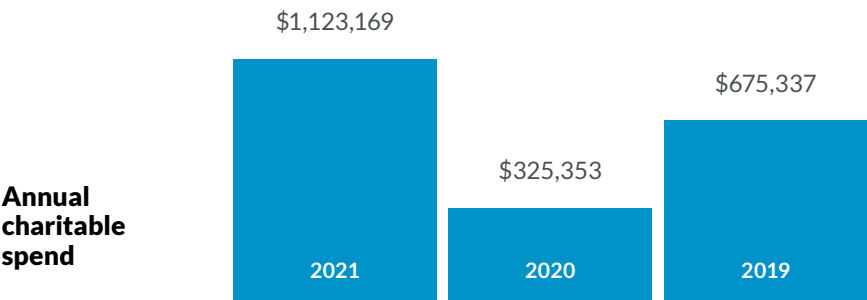


Sponsoring a learning center for Junior Achievement in Utah County



Sponsoring Utah Pride and Phoenix Pride

During 2021, our management team and employees volunteered more than 800 hours to these and other events and organizations that are making a positive difference in our communities. After the COVID-19 pandemic subsides, we hope to exceed those volunteerism hours, as we work to transform the lives of the underserved in the communities where we and our customers live and work. The table below summarizes the amount of our donations to charitable organizations through our Foundation and Matching Gift Program, as well as the number of hours our employees have volunteered to improve our communities, for the years 2019 through 2021.





Understanding and Improving Our Environmental Impacts



Given the limited number of facilities used in our operations, and the nature of our business, we have a much less significant impact on the environment than many other industries. In addition, because all of our facilities are leased, we have restrictions on our ability to modify them and their systems, to improve their environmental impacts, or for any other reason. Nonetheless, we are committed to doing our part to further reduce our energy, water and paper use, as well as our greenhouse gas (“GHG”) emissions, and our overall impact on the environment. During 2021, we took a number of steps to help us understand our current environmental footprint, and to begin evaluating ways to further reduce our energy consumption, direct and indirect GHG emissions, and paper and water use.

Actions Taken in 2021 to Further our Environmental Efforts

- ✔ Calculating Scope 1 and Scope 2 GHG emissions
- ✔ Evaluating the GHG emissions reduction we could achieve by allowing many of our employees the flexibility to continue working from home after the COVID-19 pandemic subsides, which we intend to do. Our third-party environmental consultant estimates this would result in reducing carbon dioxide equivalent (CO2e) emissions from employee commuting by approximately 3,502 metric tons per year²
- ✔ Developing thoughtful and realistic reduction targets with respect to our energy consumption, GHG emissions, and paper and water use, which we expect to finalize by year-end 2022
- ✔ Continuing discussions with our landlords about steps they can take, or we can take with them, to make our facilities more energy and water efficient



Other steps we have previously taken to improve our impact on the environment include:

Locating our headquarters in a building that is LEED Silver Certified, which uses daylight harvesting lighting control systems;



Providing recycling containers at our facilities, through which we recycle aluminum, paper and plastic;



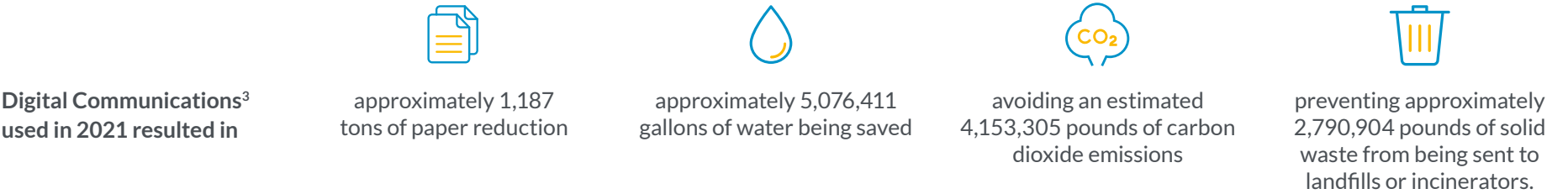
Installing speed governors on most of our trucks used for moving merchandise, to save fuel, reduce emissions and promote safe driving; and



Enforcing our restrictions on excessive idling by promptly alerting any fleet driver who has been idling for longer than the maximum time we permit.

²In calculating those estimates our consultant considered the distances of our employees’ residences from the facilities where they work and assumed their vehicles were gasoline-powered with an average fuel economy/gas mileage of 24.1 miles per gallon, and 48.4 work weeks per year.

A focus on digital, as opposed to paper, communications is not new to us. A significant portion of our communications to customers, including most of our transaction-related communications, and many types of communications to our employees, have been digital for many years. However, we continued our efforts to transition away from paper-based communications in recent years. For example, we have reduced our paper-based marketing, retailer and transactional related communications by approximately 61% since 2019. In addition, starting in 2021, most of our employees began receiving required 401(k) retirement plan notices digitally.



The factors we considered in pursuing our digital communications initiatives included the environmental benefits from using substantially less paper, cost savings, operational efficiencies, and improving our customer and employee experiences.

³The modeling performed to assess the environmental benefits of digital communications conservatively assumed that a single sheet of paper and an envelope would have been sent for all transactional, retail and marketing correspondence. Results are based on calculations performed by our third-party environmental consultant, Cameron-Cole.

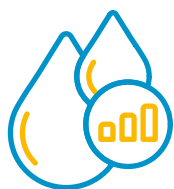
A summary of certain aspects of our environmental footprint and impacts that we identified and, with the assistance of our third-party environmental consulting firm, Cameron-Cole, quantified for 2021 is described in the table below.



GHG Emissions

	2021
Scope 1 emissions (MTCO ₂ e)	958.29
Scope 1 emissions intensity (MTCO ₂ e/\$M revenue)	0.36
Scope 1 emissions intensity (MTCO ₂ e/building square foot)	0.004
Scope 2 emissions (MTCO ₂ e)	1,356.77
Scope 2 emissions intensity (MTCO ₂ e/\$M revenue)	0.51
Scope 2 emissions intensity (MTCO ₂ e/building square foot)	0.005
Scope 3 emissions (MTCO ₂ e)*	977.13

*Scope 3 emissions refers only to GHG emissions from business travel, based on personal and rental car mileage.



Water Usage at Draper Headquarters

Source	2021
Pressurized irrigation outdoor (gallons)	1,817,000
Potable water (gallons)	148,000
Total (gallons)	1,965,000

Implementing Governance Best-Practices



ESG Oversight

Metric	Disclosure
Board oversight of ESG	Although our Board oversees ESG initiatives and matters at an enterprise-wide level, our Nominating & Corporate Governance Committee is charged with monitoring investor preferences and priorities with respect to ESG matters, and communicating with the Board and management about them. In addition, the Board's Compensation Committee monitors the status of the Company's human capital management programs, including diversity, equity and inclusion matters. As the demands of our ESG-related disclosures increase, our Audit Committee also will play an increasingly important role by working with our Vice President of Audit Services regarding the policies, processes and procedures relating to our ESG disclosures.
Managerial oversight of ESG	The Company has an ESG steering committee, which is comprised of managers from various departments and functional areas, including the compliance, human resources, legal and sales functions. The committee's responsibilities include providing recommendations regarding and overseeing the implementation of the Company's ESG and sustainability goals, strategies and priorities and its stand-alone ESG report and other ESG disclosures to investors and other stakeholders. The ESG steering committee's responsibilities also include providing updates to the Company's CEO and CFO regarding such matters and obtaining feedback from those executive officers.

Business Ethics

We are committed to engaging in ethical business practices and providing quality products that are transparent, easy-to-use and compliant with all laws and our policies. Servicing our customers and achieving results the right way — not only in a manner that complies with all laws and regulations, but also ethically — is critically important to us successfully growing our business and ensuring its sustainability.

Metric	Disclosure
Business ethics	<p>The Company has implemented a risk-based compliance program utilizing requirements, guidance and best practices from a variety of sources, including the Federal Trade Commission and the U.S. Sentencing Guidelines Evaluation of Effective Compliance Programs, published by the U.S. Department of Justice, as well as various industry best-practices.</p> <p>Our Code of Conduct is at the heart of our ethics and compliance programs and outlines our key business practices and ethical principles, including policies and procedures which provide guidance on making the right decisions in our day-to-day activities that all employees, officers, and directors must understand and follow. We are committed to maintaining a culture that promotes the detection and resolution of instances of misconduct, which we try to prevent. The Company also adopted a Code of Ethics for Chief and Senior Financial Officers and Employees.</p> <p>Employees are trained annually on the Code of Conduct, including on ways to report violations of the Code of Conduct or any violation of laws, regulations, other Company policies or procedures or behavior that otherwise appears to be unethical.</p> <p>Our strong culture of compliance is demonstrated by a substantial investment in people, processes, and technology. For example, the Company increased the size of the compliance department for Progressive Leasing by 33% between the beginning of 2020 and the end of 2021. The compliance department for Progressive Leasing is a stand-alone department and is led by its Chief Compliance Officer, whom we hired in 2021. That department also manages the compliance function for Four. Vive also has a stand-alone compliance function that is led by its Director of Compliance, who reports directly to Vive's President. In addition, the tone at the top from our Board, executive management, and business unit leaders is supportive of compliance efforts. Our management-level Compliance Committee oversees the Company's compliance risk program and guides the business in the navigation of the legal and regulatory environment, other compliance-related obligations and ethics applicable to our business. The Nominating & Corporate Governance Committee oversees the development and maintenance of an appropriate ethics and compliance program, including our Code of Conduct, and periodically reviews the effectiveness of the Company's program at the Board level. The Audit Committee regularly receives reports from Progressive Leasing's Chief Compliance Officer and from Vive's Director of Compliance, and monitors and has oversight of the programs and initiatives of the compliance departments.</p>

Business Ethics

Metric	Disclosure
Reporting ethics violations	We are committed to an environment where open, honest communications are the expectation, not the exception. The Company and senior management encourage a culture where employees speak-up and escalate issues that have the potential to cause, or have already caused, harm to the Company's stakeholders. Employees have multiple avenues for reporting such concerns, including to their supervisor, their Human Resources representative, the Law Department, their compliance department, or through the use of the Company's ethics hotline, which allows employees and others to anonymously report concerns 24 hours a day, seven days a week. We maintain a Non-Retaliation Policy that strictly prohibits any form of retaliation against any employee who, in good faith, reports a possible violation of laws, regulations or Company policies.
Ethics-related risk assessments	The Company employs an integrated approach to ethics and compliance related risks across its three business units — Progressive Leasing, Vive Financial and Four Technologies — to ensure roles and responsibilities are understood and cohesive with respect to identifying, classifying, mitigating and remediating risks related to compliance and ethics. The Company conducts an enterprise wide ethics-related risk assessment annually, and designs and implements measures intended to mitigate those risks.
Political involvement	We are committed to conducting business with integrity and provide ethical guidance to our employees on political involvement and lobbying in our Code of Conduct , pg. 25.
Supply chain management	We believe that ethical conduct by our directors, officers, managers and employees is not only the right thing to do, but is also essential to the sustainability of our business. Our commitment to such ethical conduct by all those individuals is demonstrated by our Code of Conduct and other written policies, and also by the substantial resources and time we have dedicated to our compliance and ethics training programs. Our vendors are also an important element of our success, and we expect them to be strongly committed to ethical business practices and corporate social responsibility. By pursuing high ethical standards together with the Company, our vendors will help us create a best-in-class experience for our customers, employees, and other stakeholders. Our Vendor Code of Conduct is to make sure our vendors (including their employees, agents, contractors, and other representatives acting on our behalf) understand our expectations regarding the ethical conduct of business and is in addition to, but not in conflict with, the agreements they enter with us.
Human rights	<p>We are committed to our belief in fostering and promoting fundamental human rights. We demonstrate that commitment in a number of ways, including:</p> <ul style="list-style-type: none"> ■ Respecting, valuing and having empathy for our customers, and providing them with a platform for improving their lives by offering them simple, affordable and flexible payment options that enable them to obtain the merchandise they need and want; ■ Bettering the lives of our employees by providing them with personal and professional growth and development opportunities, competitive benefits and compensation, opportunities for advancement within the Company, and striving to foster a workplace culture that recognizes, appreciates and promotes diversity, equity and inclusion, and a sense of belonging between our employees and the Company; and ■ Improving the communities where our customers and employees live and work by investing our money and time in them, with a focus on education, development and empowerment opportunities for the underserved. <p>As further evidence of our commitment to human rights, we have adopted a Human Rights Policy.</p>

Data Security

Metric	Disclosure
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected <i>SASB: FN-CF-230a.1</i>	Information about material legal proceedings can be found in our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the SEC on February 23, 2022.
Card-related fraud losses from (1) card-not present and (2) card-present and other fraud <i>SASB: FN-CF-230a.2</i>	For our Progressive Leasing business unit, the amount of fraud related losses associated with its lease-to-own product offerings was immaterial to our financial statements in 2021, as was the amount of card-related fraud losses for our Vive segment, which we believe was due to our robust fraud prevention initiatives and processes. Nonetheless, each potential fraud incident is thoroughly investigated and addressed.

Data Security

Metric	Disclosure
<p>Description of approach to identifying and addressing data security risks</p> <p><i>SASB: FN-CF-230a.3</i></p>	<p>Senior management has developed a program designed to detect, identify, classify and mitigate cybersecurity and other data security threats, as part of our efforts to protect and maintain the confidentiality and security of customer, employee and vendor information, and non-public information about our Company. That program is based in-part on, and its maturity is measured using, the U.S. Department of Commerce's National Institute of Standards and Technology (NIST) Cybersecurity Framework. Our program classifies potential threats by risk levels and we typically prioritize our threat mitigation efforts based on those risk classifications, while focusing on maintaining the resiliency of our systems. In recent years, we have increased our investments in our ability to detect, identify, and mitigate cybersecurity and other data privacy risks within our environment. In the event we identify a potential privacy or data security issue, we have defined procedures for responding to such issues, including procedures that address when and how to engage with Company management, our Board of Directors, other stakeholders and law enforcement, when responding to such issues. We have a dedicated team of employees overseeing our cybersecurity and data privacy initiatives, led by our Chief Information Security Officer, for Progressive Leasing, our Vice President of Information Technology for Vive, and our Chief Technology Officer at Four, in consultation with internal and external attorneys and other professional advisors. We also have an Enterprise Information Security Committee comprised of a cross-functional group of senior executives and other employees that meets on a regular basis to provide oversight with respect to our cybersecurity and data privacy risk detection, classification and mitigation efforts. Some of the other steps we have taken to detect, identify and attempt to mitigate data security and privacy risks include:</p> <ul style="list-style-type: none"> ■ Adopting and periodically reviewing and updating information security and privacy policies; ■ Conducting targeted audits and penetration tests throughout the year, using both internal and external resources; ■ Complying with the Payment Card Industry Data Security Standard; ■ Engaging an industry-leading, nationally-known third party to independently evaluate our information security maturity on a regular basis; ■ Adopting a vendor risk management program, which includes receiving the results of cybersecurity and data privacy audits conducted on those vendors, classifying vendor, service provider or business partner risk based on several factors and evaluating and monitoring related risk mitigation efforts; ■ Providing security and privacy training and awareness to all of our employees; ■ Maintaining cyber liability insurance; and ■ Implementing additional and enhanced security and other risk-mitigation measures specifically designed to accommodate and respond to a significant portion of our workforce moving to work-from-home environments due to the COVID-19 pandemic.

Corporate Governance

Board Composition*

57

Average age

6.4

Average tenure
(years)

33%

Percentage women

3

Number of women

6

Number of men

44%

Percentage racially/
ethnically diverse

(including African American, Asian
and Latino Board members)

4

Number of racially/
ethnically diverse
individuals

78%

Percentage independent

7

Number of
independent directors

2

Number of
non-independent directors

*As of April 2022.

Best Practices	Disclosure
Overboarding limits	Yes
Stock ownership guidelines for executive officers and directors	Yes
Robust orientation and continuing education for directors	The Company conducts a comprehensive on-boarding and training session for all newly appointed directors. The Company also encourages directors to participate in continuing education events and pays the cost of directors doing so.
Mandatory retirement age	75 years old
Shareholder engagement program	Yes
Board oversight of ESG	Yes
Board Independence	Disclosure
Separate CEO and Chair role	Yes
Independent Lead Director	No, however our corporate governance guidelines require that an independent lead director be appointed in the event the Board Chair is not independent. Therefore, we are not utilizing an independent lead director at this time.
Standing Board committee membership independence	100%

Board Accountability	Disclosure
Annual election of all directors	Yes
Majority voting (plurality for contested elections)	Yes
Director resignation policy	Yes
Annual Board and committee self-evaluation	Yes
Annual evaluation of CEO by independent directors	Yes
Cash and equity clawback policy	Yes
Shareholder Rights	Disclosure
Shareholder right to call a special meeting	Yes
Shareholder right to act by written consent	Yes
No poison pill	Yes
One-share, one-vote	Yes
Majority voting director elections	Yes
Vote standard for bylaws and charter	Majority vote of all shares having voting power is required to amend or repeal bylaws or adopt new bylaws.



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