



PROG
Holdings, Inc.

2023 Environmental, Social and Governance Review



**SASB
STANDARDS**

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**SUSTAINABLE
DEVELOPMENT
GOALS**

PROG Holdings 2023 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, 2023, through December 31, 2023, unless otherwise noted.

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;
- 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; and
- 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 fintech holding company headquartered in Salt Lake City, UT, that provides transparent and competitive payment options and inclusive consumer financial products. The Company owns Progressive Leasing, a leading provider of e-commerce, app-based, and in-store point-of-sale lease-to-own solutions, Vive Financial, an omnichannel provider of second-look revolving credit products, Four Technologies, a provider of Buy Now, Pay Later payment options through its platform Four, and Build, a provider of personal credit building products.



[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 cancellable 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 16 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 merchants. Vive offers customized programs, with services that include revolving loans through private label and Vive-branded credit cards. Its current network of over 7,500 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.



[Build](#) is a financial technology company that provides consumers with the opportunity to improve their financial health through credit building products alongside educational financial tools and information.

Consolidated Activity Metrics for the Company

Metric	2023	2022	2021
Revenue (\$MM)	\$2,408	\$2,598	\$2,678
Gross Merchandise Volume, or “GMV”* (\$MM)	\$2,041	\$2,215	\$2,352
Employees	1,606	1,692	2,023
Active customer count, by business segment:	(1) 893,000	(1) 943,000	(1) 1,044,000
(1) Progressive Leasing	(2) 86,000	(2) 92,000	(2) 88,000
(2) Vive Financial	(3) 113,000	(3) 39,000	(3) 18,000
(3) Other			
SASB: FN-CF-000.A			
Number of	We did not offer pre-paid debit cards in 2023.		
(1) credit cards			
(2) pre-paid debit card accounts			
SASB: FN-CF-000.B			

*Progressive 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.



Respecting and Valuing Our Customers

1 NO
POVERTY




We provide our customers with transparent, flexible and affordable payment options that allow them to have many of the same purchasing opportunities as consumers with higher credit scores. We are extremely proud of the work we do to improve the lives of our customers. We respect and value them 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 or our own apps or websites. 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’s, Vive’s 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. Our customers benefit from Progressive Leasing’s flexible payment alternatives and other features, including 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.

Customer Welfare

Metric	Disclosure
<p>Supporting customers to enable ownership of leased merchandise</p>	<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 2022, the large majority of those transactions resulted in customers achieving ownership of the leased merchandise. In addition, approximately 74% of customers who paid-off their leases that were funded in 2022 did so using an early purchase option.</p>
<p>Supporting customers facing economic challenges</p>	<p>To assist customers who experience financial difficulties due to 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>

Customer Welfare

Metric	Disclosure
<p>Resolving customer concerns in a timely manner</p>	<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 2023, the number of customer complaints expressed as a percentage of total active leases averaged 0.40%. 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 style="display: flex; justify-content: space-around; align-items: center; text-align: center;"> <div style="width: 30%;"> <p style="font-size: 2em; color: #0070C0;">53%</p> <p>In 2023: of Progressive Leasing customer complaints were resolved on the same day they were received</p> </div> <div style="width: 30%;"> <p style="font-size: 2em; color: #0070C0;">91%</p> <p>were resolved in less than 10 days</p> </div> <div style="width: 30%;"> <p style="font-size: 2em; color: #0070C0;">99%</p> <p>were resolved in less than thirty days</p> </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 Enterprise Risk Management Committee, and also to the Audit Committee of the Company’s Board.</p>
<p>Monitoring customer satisfaction</p>	<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 2023, 92% of Progressive Leasing customers surveyed indicated that our customer service agents were friendly, and 89% indicated that our customer service agents were knowledgeable about the matter raised by the customer. In addition, with almost 18,000 reviews having been completed, our Google rating at the end of 2023 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 style="text-align: center;"> <p>Google rating at the end of 2023</p>  </div>
<p>Providing customers with significant payment and transaction flexibility</p>	<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
<p>Number of account holders whose information is used for secondary purposes</p> <p>SASB: FN-CF-220a.1</p>	<p>Our privacy policies describe the purposes for collection of personal information, who may have access to such personal information, the manner in which we use personal information; and to whom we may disclose the personal information. As described more fully in the privacy policies, we process personal information to provide and improve our services, to provide users with a personalized user experience on our website, to contact users about our services, to provide customer service, to provide users with personalized advertising and marketing communications, and to detect, prevent, mitigate and investigate fraudulent or illegal activity. When we share personal information with service providers, we require those service providers to maintain reasonable safeguards to protect the availability, confidentiality, and integrity of the personal information.</p>
<p>Total amount of monetary losses as a result of legal proceedings associated with customer privacy</p> <p>SASB: FN-CF-220a.2</p>	<p>Information about material legal proceedings can be found in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on February 21, 2024.</p>
<p>Protecting our customers' information</p>	<p>See "Description of approach to identifying and addressing data security risks SASB: FN-CF-230a.3" under the "Data Security" heading below.</p>

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 create a better today and unlock the possibilities of tomorrow through financial empowerment 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
<p>Responsible product offering</p>	<p>In connection with launching 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 implemented a review process designed 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, and; ✓ 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, our process requires that a cross-functional team 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 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 any new customer facing disclosures, or any changes to existing customer facing disclosures, including periodically reviewing customer facing policies. We also conduct compliance reviews of all promotional materials to ensure we continue to market responsibly to our customers.</p> <p>We do not knowingly facilitate any advertising that is exploitative, discriminatory, hateful, deceptive, or abusive. We do not allow third parties to use our data to be used to make impactful decisions about individuals, such as eligibility for credit, insurance, housing, employment, or education. Our data is used exclusively to match people to ads that may interest them.</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 Progressive Leasing, Vive, or Four 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, our sales employees do not have the ability to influence decisioning for our customers, or to reverse decisions for individual applicants. We believe this approach supports the maintenance of customer welfare as the centermost focus in the delivery of our solutions.</p>

Responsible Selling Practices

Metric	Disclosure																								
<p>Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660</p> <p>SASB: FN-CF-270a.2</p>	<p>Our review and evaluation processes, and the decisions we reach regarding whether to approve an applicant for an LTO transaction with Progressive Leasing, are 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.”</p>																								
<p>(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</p> <p>SASB: FN-CF-270a.3</p>	<p>Our Progressive Leasing, Vive and Build businesses do not sell or otherwise offer add-on or pre-paid products. Our Four business offers customers the opportunity to utilize a feature that provides them with the ability to use Four’s buy now, pay later offering at various national retailers, including premium retailers, and receive enhanced customer service in exchange for a small monthly fee. Importantly, Four’s customers must proactively opt-in to the use of this offering and they may cancel it at any time. 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 border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Provision for lease merchandise write-offs</td> <td>6.7%</td> <td>7.7%</td> <td>4.8%</td> </tr> </tbody> </table> <p>Vive</p> <table border="1"> <thead> <tr> <th>Percent of accounts past due</th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>30-59 days</td> <td>6.6%</td> <td>6.0%</td> <td>6.0%</td> </tr> <tr> <td>60-89 days</td> <td>3.9%</td> <td>3.4%</td> <td>3.0%</td> </tr> <tr> <td>90+ days</td> <td>5.8%</td> <td>5.1%</td> <td>4.1%</td> </tr> </tbody> </table>		2023	2022	2021	Provision for lease merchandise write-offs	6.7%	7.7%	4.8%	Percent of accounts past due	2023	2022	2021	30-59 days	6.6%	6.0%	6.0%	60-89 days	3.9%	3.4%	3.0%	90+ days	5.8%	5.1%	4.1%
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Recruiting, Developing, Promoting and Retaining Our Employees

4 QUALITY
EDUCATION



8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



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 2023. 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 safe and well. Our Board of Directors ensures our commitment to these efforts through ongoing oversight of Human Capital practices and ethics issues via an update from our Chief People Officer at least twice a year. These efforts are described in more detail in the information provided below.

Human Capital Management

Metric	Disclosure								
Talent recruitment	<p>In 2023 we established new talent acquisition processes through our Human Capital Management (HCM) system that we are implementing in 2024, including a process that allows us to analyze job posting and other data to ensure that the applicant pipeline for our job openings is reaching a meaningful and diverse population of qualified professionals. This enhancement will enable us to confirm that our job postings and materials are free from unconscious bias and are optimized for attracting the best talent in the job marketplace.</p> <p>Internal Internship Program</p> <p>In its fifth year, our Company's internal internship program continues to be a cornerstone of our commitment to workforce development and skill diversification. Designed to bridge the gap between operational experience and professional aspirations, the program facilitates cross-functional internships that broaden our operations employees' horizons and enhance their competencies. By doing so, we not only reinforce the relevance of their work in relation to their academic and career goals but also lay the groundwork for new professional pathways. Our strategic investment in human capital through this program reflects our dedication to creating an agile and learned organization. It underscores our belief in the transformative power of education and its ripple effect on organizational performance and sustainability. A summary of the number of employees we have hired during the 2021 through 2023 time period is shown in the table below.</p> <table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Annual hiring</td> <td>414</td> <td>656</td> <td>999</td> </tr> </tbody> </table>		2023	2022	2021	Annual hiring	414	656	999
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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 and implement improvements, including coaching our managers where additional development may be needed. 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 2022 indicated that employees desired to receive more information about the activities, initiatives, and strategies in the Company that might impact their areas of responsibility and job duties. In response to that feedback from our employees, we implemented an initiative to enhance communication to our employees about such matters, and made it a formal goal to improve our engagement score in this area. The following initiatives and outcomes occurred as a result:

- Our engagement score from employees on being well informed improved from 74 in 2022 to 84 in 2023;
- We provided enhanced tools and resources to managers to empower their effectiveness in communicating with their employees through a monthly manager tool kit and manager meetings led by our CEO and executive team to share relevant and timely Company updates and skill building;
- Launched an annual PROG Week for managers and leaders in our headquarters office to connect managers across the Company, share Company strategy, and provide skill development to further improve their abilities to manage and lead their teams.

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 for the 2021 through 2023 time periods were:

	2023	2022	2021
Engagement Survey Participation	75%	79%	80%

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 satisfaction, including:

- 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;
- Community service projects, designed to bring employees and management together for a common cause and expanded mentorship for employees;
- 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
Human capital management and employee experience	To further improve our human capital management (HCM), we launched a state-of-the-art HCM system in 2024, after completing the configuration and design of that system in 2023. This advanced platform is tailored to our unique HCM needs and is expected to bring about a seamless integration of our human resources and HCM processes. The system is engineered to enhance the overall employee experience, offering pathways to professional growth, increased visibility into career paths, streamlined access to essential employee information, enhanced employee communications, and reductions in the amount of paperwork and other administrative tasks employees are required to complete. We anticipate that this new system will not only increase productivity but also improve employee development and satisfaction.

Human Capital Management

Metric	Disclosure
Training and development	<p>We are dedicated to providing training, development opportunities, and tools for our employees that not only enable professional growth, but also provide them with the experiences and learning to enable them to succeed in their careers and in life. We have continued to make significant investments in training programs for new and continued growth. Additionally, in 2023, and in the pursuit of fostering a culture of continuous learning and growth, we introduced a robust mentorship program. The program aims to create meaningful connections between seasoned professionals and less experienced employees within the organization. This program has been well-received and is yielding exceptional results. The Employee Net Promoter Score (eNPS) is a powerful indicator of employee satisfaction and engagement. We are proud to report that our Mentorship Program has garnered an outstanding eNPS score of 98%, showcasing the positive impact it has had on our workforce.</p> <p>In addition, we continue to offer our internally-developed tool that provides information on career opportunities available within the Company, including information about the competencies required to be successful in each of those positions, and the tools and training that are available to develop those competencies. To ensure clarity in expectations and provide a structured path for professional development and progression, in 2023 we continued our focus on educating our employees about role-specific competencies. By defining clear expectations for each role and establishing transparent development pathways, we empower our employees to navigate their career journeys with confidence. This strategic approach enhances individual performance and contributes to the efficiency and effectiveness of our teams. We remain committed to refining and expanding these competencies to adapt to the dynamic needs of our Company.</p> <p>Additional Company-sponsored experiences that help prepare employees for their next internal career promotion or other internal assignment 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. We have also partnered with NYU Tandon School of Engineering to offer a free (after reimbursement) Cyber Fellows program for those seeking an advanced degrees in Cybersecurity. In total we have spent more than \$640,000 over the past three years on our tuition reimbursement program; and■ Offering employee leaders at every level training on how to effectively coach and communicate with employees in order to unlock their potential, improve individual employee and team performance, and improve measurable results.

Human Capital Management

Metric	Disclosure																
Training and development	<p>To further improve our employee learning and development programs, we have centralized our team that focuses on those programs to better align the entire organization under a single employee development strategy. We believe this strategy will result in a more efficient process that enables us to better serve all employees with opportunities that align with both organizational and personal goals. This centralized team will be focused on providing learning experiences that take into account an employee's current position and level of job knowledge and career development and providing the employee with the additional learnings and development needed to position the employee to achieve his or her career goals.</p> <p>Over the reporting period, we have invested significantly in providing a diverse array of training opportunities for both our internal employees as well as our global workforce partners, resulting in 158,000 hours of employee and global workforce training and development. This extensive offering of training opportunities encompasses a wide range of skill-building activities, including workshops, webinars, e-learning modules, and hands-on experiences. Whether it be technical skills, soft skills, or industry-specific knowledge, we believe in providing our workforce with the tools and resources they need to thrive in their roles and contribute meaningfully to the organization's success. For example, during 2023, our global workforce was trained on our compliance and information security policies, in addition to all customer service agent trainings.</p> <p>In addition, supervisors and the Company's executive officers routinely receive reports describing the percentage of their employees who have completed required compliance courses, and identifying any employees who have failed to do so. Any employees who fail to complete required compliance courses in a timely manner may face disciplinary action, and are required to complete the training that they previously failed to complete by the specified deadline.</p> <p>A summary of the number of training hours our employees, and our global workforce, completed during 2021 through 2023, 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 border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Total training hours*</td> <td>158,000</td> <td>122,000</td> <td>150,000</td> </tr> <tr> <td>Tuition reimbursement dollars*</td> <td>\$134,590</td> <td>\$202,449</td> <td>\$305,442</td> </tr> <tr> <td>Internal promotions**</td> <td>138</td> <td>259</td> <td>246</td> </tr> </tbody> </table>		2023	2022	2021	Total training hours*	158,000	122,000	150,000	Tuition reimbursement dollars*	\$134,590	\$202,449	\$305,442	Internal promotions**	138	259	246
	2023	2022	2021														
Total training hours*	158,000	122,000	150,000														
Tuition reimbursement dollars*	\$134,590	\$202,449	\$305,442														
Internal promotions**	138	259	246														

*We believe the decline in total training hours and tuition reimbursements from 2021 to 2022 was due in part to the significant reduction in the size of our workforce, which declined more than 16% between the end of 2021 and the end of 2022.

**Reflects promotions received by employees who applied for posted positions.

Human Capital Management

Metric	Disclosure
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Talent retention

The voluntary and involuntary turnover rates in 2023 for all employees other than those who work in our Operations area, which is comprised primarily of our hourly customer service agents, were 9% and 3%, respectively. The voluntary and involuntary employee turnover rates for employees working in our Operations area for 2023 were 32% and 7%, respectively. We strive for voluntary turnover below the industry standard and have a goal of less than 50% in our Operations area. We met that goal in 2023, and continue to have less turnover than the industry average and less than our 2022 rate. 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 2022. We implemented a number of initiatives to improve that turnover rate in 2023, 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.

The data in the table below shows our average employee tenure over the past three years.

	2023	2022	2021
Average Employee Tenure (years)	3.24	3.60	3.03

Human Capital Management

Metric	Disclosure
Benefits and compensation	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 data-bbox="548 396 701 423">Core benefits</p> <p data-bbox="1167 396 1944 483">Disability, Life and Accidental Death and Dismemberment insurance, including certain threshold levels of coverage, that require no contribution from the employee;</p> <p data-bbox="1167 496 1955 610">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 is also provided without cost to the employee;</p> <p data-bbox="1167 623 1948 737">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>
	<p data-bbox="548 764 945 792">Company-sponsored health benefits</p> <p data-bbox="1167 764 1898 818">Multiple options for medical insurance coverage for all eligible employees, including hourly employees;</p>
	<p data-bbox="548 846 756 873">Voluntary benefits</p> <p data-bbox="1167 846 1944 927">Access to Vision Insurance, Health Savings and Flexible Spending accounts, Supplemental Life and AD&D Insurance, Critical Illness, Accident, and Hospital Indemnity plans, Legal Insurance, Identity Theft, and Pet Insurance plans;</p> <p data-bbox="1167 943 1940 1057">An attractive employee stock purchase program with above-market discounts for eligible employees, for which 268 employees were enrolled at the end of 2023, which we believe aligns those employees' interests with those of our shareholders;</p> <p data-bbox="1167 1073 1936 1154">A 401(k) plan that matches employees' contributions after 90 days of service with a 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; and</p>
	<p data-bbox="548 1182 816 1209">Family planning benefits</p> <p data-bbox="1167 1182 1948 1295">Paid Parental Leave is provided for full-time employees who have a parental event (birth or adoption). In combination with disability payment, birth parents receive twelve weeks of paid time off for their own recovery as well as bonding. All other parents receive four weeks of paid time off.</p>
<p data-bbox="527 1317 1961 1430">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, 2023 was \$19.40, with approximately 93% 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, 2023 was approximately \$52,491 including base wages, average overtime wages, bonuses and benefits, such as paid time off.</p>	
<p data-bbox="527 1446 1961 1474">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	<p>We believe in providing employees with a safe and healthy workplace, a commitment that is reflected in our Human Rights Policy.</p> <p>The table below summarizes incidents for the past three years.</p> <table><thead><tr><th></th><th>2023</th><th>2022</th><th>2021</th></tr></thead><tbody><tr><td>Total recordable incidents</td><td>12</td><td>6</td><td>5</td></tr><tr><td>Total cases w/ days away</td><td>6</td><td>1</td><td>1</td></tr></tbody></table>		2023	2022	2021	Total recordable incidents	12	6	5	Total cases w/ days away	6	1	1
	2023	2022	2021										
Total recordable incidents	12	6	5										
Total cases w/ days away	6	1	1										
	<p>Employee Emergency Response</p> <p>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 catastrophes 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.</p>												

Diversity, Equity and Inclusion

Metric	Disclosure
<p>PROG DE&I program</p>	<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 inclusive leaders and an inclusive culture, while also recruiting, mentoring, promoting, and retaining a diverse workforce, including a diverse group of management-level employees who reflect the communities we serve.</p> <p>Our Vice President of People, Diversity, Equity, and Inclusion (DE&I) works directly with our Talent Acquisition Team 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 Resource Groups (“ERGs”), all of which encourage and welcome participation from all employees in all positions and locations. Our ERGs work to ensure their members have a voice in the Company’s on-going conversations about DE&I matters. Currently, our ERGs include:</p> <ul style="list-style-type: none"> ■ The Black Inclusion Group, or “BIG”, has a mission 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 foster recruitment, development, advancement, and retention of African American employees. ■ Women In Leadership, or “WIL”, is 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. It 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. ■ Veterans and Allies Leading the Organization Responsibly, or “VALOR”, has developed a mission that embraces the proud military community of employee veterans and brings together their unique backgrounds of military service to harness their strengths to better serve the Company and its customers and communities. ■ Pacific Islanders & Asians Celebrating Equality, or “PACE”, seeks to promote cultural awareness and appreciation for the Asian American and Pacific Islander (“AAPI”) heritage, foster a welcoming community, and provide personal and leadership development opportunities. PACE focuses on advancing the careers and well-being of AAPI employees while advocating for equity. We strive to create a culture of respect and understanding across the organization, celebrating the unique perspectives and experiences of our members. ■ Adelante! provides a platform for highlighting and celebrating the richness of the Hispanic and Latino communities’ heritages to promote 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 Latino 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 ERGs, 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; ■ Continuing to improve and formalize mentorship programs targeted towards our female, minority and LGBTQ+ employees; ■ 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 possess to be future leaders of the Company; and ■ Providing our ERGs with the opportunity to request target donations from the PROG Foundation to non-profit organizations that support DE&I, the missions of the ERGs, and the communities in which we serve our customers.

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, 2023 that data was as follows:

	Male	Female
Executive/Sr Managers	81.6%	18.4%
First/Mid Managers	64.1%	35.9%
All Other Employees	43.5%	56.5%
Total	47.7%	52.3%

	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	2.6%	81.6%	2.6%	—	10.6%	—	2.6%
First/Mid Managers	12.5%	71.1%	6.3%	1.2%	4.7%	*	3.9%
All Other Employees	31.4%	49.5%	9.5%	1.1%	4.7%	*	2.8%
Total	27.7%	53.7%	8.8%	1.1%	4.9%	*	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 the PROG Holdings Foundation (including through its PROG Development Center), the PROG Holdings Employee Matching Gift Program, the PROG Holdings Paid Service Program, our Dollars for Doing program, as well as community engagement activities.

The Foundation, Development Center, and Matching Gift Programs

The Foundation is dedicated to enhancing lives by contributing to non-profit organizations that leverage educational, developmental, and technological resources to impact socio-economic advancement and mobility for underserved populations. In 2023, the Foundation demonstrated this commitment by making over \$250,000 in total contributions to organizations such as Big Brothers Big Sisters, Boys and Girls Clubs, Latinos in Action, PRIDE, and numerous other deserving causes.

To complement the Foundation initiatives described above, the Foundation also provides financial and other resources to our PROG Development Center, which brings together technology, education, community and community-based organizations, and government partnerships to provide youth in economically challenged areas of Utah the opportunities for socio-economic mobility. The Foundation-funded Development Center provides a welcoming space for young adults in those areas to access in-person and hybrid programming, initiatives, and other offerings designed to develop the skills and resources necessary to help positively shape their futures. The programming offered through the Development Center is created collaboratively with community leaders, local organizations and businesses, local school district representatives, and current and former high school students, and includes technology and job readiness offerings for young adults primarily between the ages of 16 and 24. In 2023 the PROG Development Center touched the lives of hundreds of individuals.

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.

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. Employees may also volunteer their time toward any eligible non-profit organization and, using our Dollars for Doing program, the Company will donate up to \$1,000 per employee each year to that organization, based on the number of hours the employee has volunteered for the organization. In addition to enabling those individual opportunities for volunteering, the Company sponsors and participates in community engagement and improvement events, which during 2023, included:



Working with local school districts and foundations to increase the number of mentorships available to youths in our communities;



Working with the Boys and Girls Club to provide gifts to families who required assistance during the holidays;



Hosting an event where our leadership teams constructed prosthetic arms and solar lights to be donated to underserved countries;

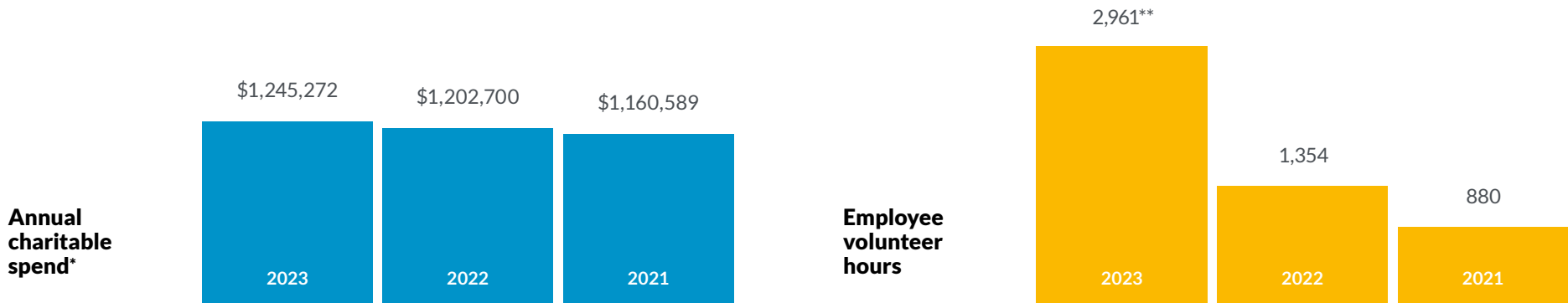


Partnering with other organizations in our communities to collect and distribute school supplies and to create Education Success Kits for local school districts; and



Sponsoring and volunteering at Utah Pride and Phoenix Pride.

During 2023, our management team and employees volunteered more than 2,961 hours to these and other events and organizations that are making a positive difference in our communities. The table below summarizes the amount of cash donations made to charitable organizations by PROG Holdings and the Foundation, as well as the number of hours our employees have volunteered to improve our communities, for the years 2021 through 2023.



*Annual charitable spend amount represents contributions made to charitable organizations by both PROG Holdings and the Foundation, as well as the Foundation's operating costs, which are funded by PROG Holdings, which were approximately \$623,000, \$300,000, and \$37,000 in 2023, 2022, and 2021 respectively.

**The number of hours reported for 2022 and 2023 includes hours volunteered by our employees for non-profit organizations at events that were not sponsored or coordinated by the Company and that were not part of our paid service program.



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 energy, water and paper use, as well as our greenhouse gas (“GHG”) emissions, and our overall impact on the environment, as detailed in our [Environmental Policy](#). During 2023, we took a number of steps to help us understand our current environmental footprint, and to further reduce our energy consumption, direct and indirect GHG emissions, and paper and water use.

Actions Taken in 2023 to Further our Environmental Efforts

- ✔ Engaging a third-party environmental consultant to assist us with further understanding our environmental footprint and developing a plan to reduce our unfavorable environmental impacts, including with respect to the matters described below;
- ✔ Calculating Scope 1 and Scope 2 GHG emissions;
- ✔ Reducing our total water usage by 50% by partnering with the landlord of our headquarters building to replace traditional landscaping with Greenscaping and Xeriscaping;
- ✔ Continuing to allow most of our employees to work from home, which our third-party environmental consultant estimates results in reducing carbon dioxide equivalent emissions from employees commuting by approximately 4,275 metric tons per year.



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; reducing the amount of office and call center space we utilize by approximately 32%;



Providing recycling containers at our facilities, through which we recycle aluminum, paper and plastic; eliminating mailing hard copies of lease agreements to almost all of our customers, resulting in a reduction of approximately 16 million pages of paper annually;

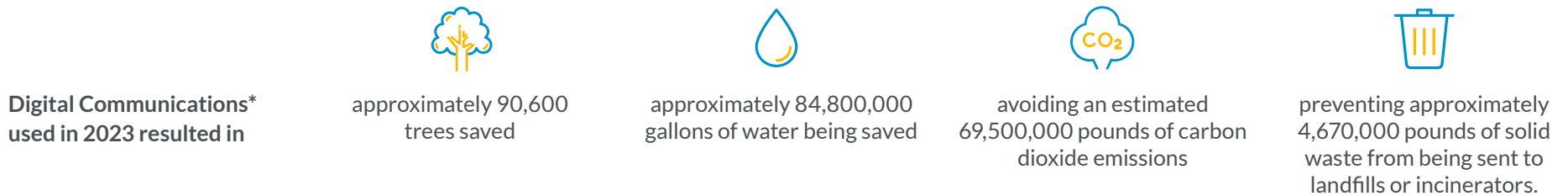


Installing speed governors on all of our trucks used for moving merchandise, to save fuel, reduce emissions and promote safe driving; and



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

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 significantly since 2019. In addition, starting in 2021, most of our employees began receiving required 401(k) retirement plan notices digitally and, starting in 2022, we stopped mailing hard copies of lease-to-own agreements to almost all of our customers, except where we do not have a working e-mail address for them.



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.

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, ADEC ESG Solutions, quantified for 2023 is described in the tables below.



Energy Use

	2023	2022
Percentage of total electricity use from grid	100%	100%
Percentage renewable	0%	0%

*The 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, ADEC ESG Solutions.

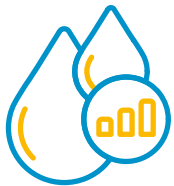


We have reduced both our Scope 1 and Scope 2 emissions for two consecutive years.

GHG Emissions

	2023	2022	2021
Scope 1 emissions (MTCO ₂ e)	886.99	900.31	958.29
Scope 1 emissions intensity (MTCO ₂ e/\$M revenue)	0.37	0.35	0.36
Scope 1 emissions intensity (MTCO ₂ e/building square foot)	0.005	0.004	0.004
Scope 2 emissions (MTCO ₂ e)	786.23	1,190.06	1,356.77
Scope 2 emissions intensity (MTCO ₂ e/\$M revenue)	0.33	0.46	0.51
Scope 2 emissions intensity (MTCO ₂ e/building square foot)	0.004	0.005	0.005
Scope 3 emissions (MTCO ₂ e)*	2,164.79	1,545.55	977.13

*Scope 3 emissions for 2021 refer only to GHG emissions from business travel, based on personal and rental car mileage. In 2022 and 2023, the Scope 3 emissions figure includes business travel from air travel and employee commuting emissions.



Water Usage at Draper Headquarters

Source	2023	2022	2021
Pressurized irrigation outdoor (gallons)*	1,198,000	2,634,100	1,817,000
Potable water (gallons)	227,000	196,000	148,000
Total (gallons)	1,425,000	2,830,100	1,965,000

*The amount of water used for irrigation at the office park where our headquarters building is located is determined by the property's owner and property management firm. The use reported on this table is the number of gallons allocated to our headquarters building by that firm. We intend to continue discussion with the owner and management firm regarding ways to possibly reduce the amount of water used at the office park.

Implementing Governance Best-Practices



ESG Oversight

Metric	Disclosure
Board oversight of ESG	<p>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.</p> <p>Our Board of Directors considers ESG matters on a regular basis. Specifically, the Nominating and Corporate Governance Committee of our Board of Directors receives updates on the Company's ESG-related risks, ratings, initiatives and programs at least once each year. In addition, to the extent that various ESG matters relate to the duties of the Audit and Compensation committees of our Board of Directors, those committees also receive periodic updates from management about such ESG matters. Finally, our full Board of Directors receives an update on ESG matters at least once each year.</p>
Managerial oversight of ESG	<p>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, evaluating strategies to reduce energy and water consumption, and providing feedback regarding the Company's ESG 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. For 2023, a portion of all executives' incentive based compensation was tied to the achievement of specified ESG-related goals.</p>

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. This includes policies related to harassment, anti-corruption, insider trading, and political activities. 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. The compliance department for Progressive Leasing is led by its Chief Legal and Compliance Officer, who has been with the Company since 2017. That department also manages the compliance function for Four. Vive also has a stand-alone compliance function that is led by its Senior 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; the Board's commitment to compliance is further evidenced by aligning a portion of executive compensation to completion of compliance and ESG goals. Our management-level Enterprise Risk Management 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. Oversight of business ethics, including anti-bribery and anti-corruption is managed by our compliance department, led by our Chief Legal and Compliance Officer, and ultimately by the Audit Committee of the Board of Directors.</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 People 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 operating units — Progressive Leasing, Vive Financial, Four Technologies, and Build — 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. 26. The Company has a Political Action Committee that is committed to partnering with lawmakers whose values are aligned with the Company's and focus on initiatives that support our industry and enable financial empowerment for our customers.
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, including our Human Rights Policy, 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.

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>	See information in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on February 21, 2024 for a disclosure regarding a cyber incident experienced by Progressive Leasing in September 2023.
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 2023, 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 data-bbox="142 277 436 362">Description of approach to identifying and addressing data security risks</p> <p data-bbox="142 375 352 402"><i>SASB: FN-CF-230a.3</i></p>	<p data-bbox="527 277 1965 711">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 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, 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. Going forward, our Chief Information Security Officer will continue to provide updates to our Board regarding this important topic. Some of the other steps we have taken to detect, identify and attempt to mitigate data security and privacy risks include:</p> <ul data-bbox="527 740 1923 1101" style="list-style-type: none"><li data-bbox="527 740 1514 768">■ Adopting and periodically reviewing and updating information security and privacy policies;<li data-bbox="527 781 1749 808">■ Conducting targeted audits and penetration tests throughout the year, using both internal and external resources;<li data-bbox="527 821 1272 849">■ Complying with the Payment Card Industry Data Security Standard;<li data-bbox="527 862 1808 919">■ Engaging an industry-leading, nationally-known third party to independently evaluate our information security maturity on a regular basis;<li data-bbox="527 932 1923 1021">■ 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;<li data-bbox="527 1034 1415 1062">■ Providing security and privacy training and awareness to all of our employees; and<li data-bbox="527 1075 947 1102">■ Maintaining cyber liability insurance.

Corporate Governance

Board Composition*

59

Average age

8.14

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 December 31, 2023.

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%

*The mandatory age is subject to being waived by a majority vote of the Board of Directors.

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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