



TCFD
Report
April 2026



About This Report

This is the report under the Task Force on Climate-related Financial Disclosures' ("TCFD") recommendations for Synchrony Financial ("Synchrony," the "Company," "we," "us," and "our"). This report covers the period from January 1, 2025, to December 31, 2025, and all data in this report is as of December 31, 2025, except as otherwise noted.

The disclosures in this TCFD Report are voluntary disclosures. It should not be assumed that information included in this TCFD Report is material under the definition of materiality established under the U.S. federal securities laws, or that references to "material" or similar terms are necessarily intended to refer to, or to be construed as, material information for purposes of the U.S. federal securities laws.

This TCFD Report includes certain non-financial data and information which is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

This TCFD Report contains forward-looking statements that are provided under the "safe harbor" protection of the Private Securities Litigation Reform Act of 1995, including statements regarding our climate-related impacts, programs, and other business plans, initiatives and objectives. Forward-looking statements include all statements that do not relate solely to historical or current facts and involve a number of known and unknown risks, uncertainties and other important factors that may cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, without limitation, those described in our recent filings with the U.S. Securities and Exchange Commission, including, without limitation, in Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. If a circumstance occurs after the date of this TCFD Report that causes any of our forward-looking statements to be inaccurate, whether as a result of new information, future developments or otherwise, we undertake no obligation to announce publicly the change to our expectations or to make any revision to our forward-looking statements to reflect any change in assumptions, beliefs or expectations, or any change in events, conditions or circumstances upon which any forward-looking statement is based, unless required by law.



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Introduction

Synchrony is a premier consumer financial services company delivering one of the industry's most complete digitally-enabled product suites. Our experience, expertise and scale encompass a broad spectrum of industries including digital, health and wellness, retail, telecommunications, home, auto, outdoor, pet and more. We have an established and diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers, which we refer to as our "partners." We connect our partners and consumers through our dynamic financial ecosystem and provide them with a diverse set of financing solutions and innovative digital capabilities to address their specific needs and deliver seamless, omnichannel experiences. We utilize a broad set of distribution channels, including mobile apps and websites, as well as online marketplaces and business management solutions like point-of-sale platforms. Our offerings include private label, dual, co-brand and general purpose credit cards, as well as short- and long-term installment loans and consumer banking products.

At Synchrony, we are driven by our vision to expand credit access responsibly to allow consumers to build healthier financial lives and support our partners' businesses through our growing ecosystem of financial products and experiences. To deliver on our vision, we have a responsibility to understand our climate-related risks and opportunities. The publication of our inaugural report under the TCFD recommendations in 2022 marked a milestone in our journey. We continue to believe that implementation of the TCFD recommendations over the coming years will support our focus on and integration of applicable climate-related considerations in our business and risk management processes. Synchrony assesses for potential impacts or risks as our business evolves with the aim of identifying whether there are any climate-related risks and potential opportunities that require attention.

Our responses to the TCFD recommendations in this report are organized into sections that align with the TCFD framework: Governance; Strategy; Risk Management; and Metrics and Targets. Our report reflects input from subject matter experts from multiple functions and outreach into several areas of our business.

Governance

Disclose the organization's governance around climate-related risks and opportunities

Board Oversight

We believe active engagement on the governance, corporate responsibility and sustainability topics most relevant to Synchrony, as a consumer financial services company, and to our stakeholders is the right thing to do and can reduce risk and support long-term value creation for our customers, partners, employees, shareholders, suppliers and communities.

Our full Board of Directors (the "Board") receives periodic updates on such topics, including climate-related matters, as well as reports from its committees throughout the year. We have conducted past assessments at regular intervals to help us identify the most relevant of such topics for Synchrony as a consumer financial services company, which include fair lending; responsible marketing; financial inclusion and access; information security and data privacy; human capital management; and community investment. These assessments incorporate both internal and external inputs. Among other resources, we considered our strategic priorities and plans; our enterprise risk assessments; feedback from a cross-functional group of our senior leaders; statements from our regulators; policy statements and direct feedback from our stockholders; and topic guidelines for our industry sector under non-financial disclosure frameworks.

Our Board delegates primary responsibility for direct oversight of Synchrony's governance, corporate responsibility and sustainability strategy and performance to our Nominating and Corporate Governance Committee (the "NCGC"). The NCGC receives updates from management on these matters throughout the year, including discussions on climate-related matters. At the same time, all Board committees engage in matters that impact our governance, corporate responsibility and sustainability strategy, risk assessment and mitigation, and performance through the various activities that are overseen at the board level.

Climate-related risk is an area of consideration across certain components of our Enterprise Risk Governance Framework, which is reviewed and approved at least annually by the Risk Committee of our Board. Our Risk Committee oversees ongoing risk oversight and assessment efforts to identify and understand where climate-related risk might be relevant within our Enterprise Risk Assessment ("ERA") process as described under the "Risk Management" section.

Management's Role

Synchrony's executive leadership team directly engages in our governance, corporate responsibility and sustainability strategy and initiatives. We maintain a cross-functional working group comprised of senior executives and other employees who monitor our efforts to identify, evaluate and better understand our climate-related risks and opportunities. This working group includes representatives from Crisis Management, Facilities, Procurement and Real Estate, as well as the Environmental, Health and Safety (EHS) team directly responsible for improving the energy efficiency of our operations, reducing our consumption of natural resources and waste generation, and reducing our greenhouse gas (GHG) emissions.

Our EHS and Operational Resilience teams are led by our Chief Human Resources Officer and Chief Technology and Operating Officer, respectively, who play key roles in assessing and monitoring external pressures on our operations including climate-related implications. This reporting structure is designed to enable effective governance and oversight of our operational resilience strategies, and response capabilities that have been developed, implemented and maintained to help safeguard our employees, customers and products and services.

Our Chief Risk and Legal Officer (CRLO) manages our independent risk management team and, as the chair of our Enterprise Risk Management Committee (ERMC), is responsible for establishing and implementing standards for the identification, management, measurement, monitoring and reporting of risk, including any relevant governance, corporate responsibility and sustainability risks, on an enterprise-wide basis. Our ERMC is a management committee, which reports to the Risk Committee of our Board and provides oversight and ensures the effectiveness of risk management governance and activities across our business and functions.

Our Chief Audit Executive, who functionally reports to the chair of the Audit Committee of our Board, and the Internal Audit function creates an Annual Internal Audit Plan, which identifies areas of our business that will be audited in the coming year. Coverage of our Enterprise Risk Governance Framework, which is described under Risk Management below, is a consideration in the formulation of the Annual Internal Audit Plan.



Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is financially material

To date, climate-related risks have not been determined through our enterprise risk management processes to be financially material to our operations, because Synchrony is a financial services company primarily focused on consumer lending with geographically dispersed partners, consumers and employees. Additionally, we operate an online-only deposits platform without physical branches. We continue to monitor closely both internal and external developments to identify potential impacts of climate-related risks and opportunities.

Synchrony continues to believe that every company has a role to play in the transition to a more sustainable economy. For our part, we seek to:

- improve the environmental sustainability of our operations through initiatives to improve energy efficiency, reduce consumption, conserve resources and lower emissions and waste;
- identify and mitigate climate-related risks that may impact our business; and
- identify and investigate climate-related opportunities that align with our strategic investments and are in line with our risk appetite.

To support the development of our climate strategy, we have made investments in our climate-related data collection and calculation, risk management and reporting. For example, we leveraged third party support in our assessments of our climate risk management and governance—including the evaluation of our risk identification, reporting and governance activities. These assessments built upon our previous work to understand relevant climate considerations across risk categories specified in our Enterprise Risk Governance Framework.

We utilize enterprise-wide processes to develop strategic plans and strategic investments that are informed by our risk processes and are in line with our risk appetite. Historically, our consideration of potential climate-related risks has been undertaken at a regular interval, primarily through our ERA. Looking ahead, we will continue to examine opportunities for incorporating potential impacts of climate-related risks and opportunities within our processes to inform our business, strategic and/or financial planning. For instance, we have evaluated the potential use of climate-related risk event scenarios within our capital planning and stress testing process.

Climate-related risks that may implicate our business include:

- Operational risks arising from:
 - acute physical risks, such as reduced revenue from business disruptions or restoring damaged facilities;
 - chronic physical risks, such as increased costs associated with greater need for heating or cooling due to changing temperatures;
 - technology transition risks, such as increased costs related to data center resiliency; or
 - regulatory transition risks, such as increased costs of utilities due to any new fuel and energy taxes and regulations applicable to our utility providers; and
- Transition risks arising from changes in regulator, investor, consumer and other stakeholder expectations or preferences.

The climate-related opportunities we seek include reducing operating costs by improving the energy efficiency of our facilities and reducing our consumption of resources such as water, paper and plastics. We also pursue opportunities to innovate our products and product strategies to address consumer preferences with respect to climate change. Examples include providing holders of the Sam's Club Mastercard issued by Synchrony Bank 5% back in Sam's Cash on electric vehicle (EV) charges at eligible charging stations in the United States, and enabling use of our Synchrony Car Care™ credit card at EV charging stations in the United States.

Risk Management

Disclose how the organization identifies, assesses and manages climate-related risks

Responsibility for risk management flows to individuals and entities throughout Synchrony, including our Board, various board and management committees, and senior management. Our corporate culture and values, in conjunction with the risk management accountability incorporated into the integrated Enterprise Risk Governance Framework, which includes governance structure and three distinct Lines of Defense, facilitates the evolution of an effective risk presence across Synchrony.

Three Lines of Defense



The “First Line of Defense” is comprised of the business areas whose day-to-day activities involve decision-making and associated risk-taking for the Company. As the business owner, the first line is responsible for identifying, assessing, managing and controlling that risk, as well as for mitigating our overall risk exposure. The first line formulates strategy and is tasked with operating within the Company’s risk appetite and risk governance framework.



The “Second Line of Defense,” also known as the independent risk management organization, provides oversight of first line risk-taking and management. The second line assists in determining risk capacity, risk appetite and the strategies, policies and structure for managing risks. The second line owns the risk governance framework.



The “Third Line of Defense” is comprised of Internal Audit. The third line provides independent and objective assurance to senior management and to the Board of Directors and Audit Committee that the first and second line risk management and internal control systems and its governance processes are well-designed and working as intended.

Synchrony utilizes several risk management programs to assess and manage our climate-related risks.

Enterprise Risk Management (ERM) Program

Our enterprise risk management philosophy is to ensure that all relevant risks are appropriately identified, measured, monitored and controlled. Our approach in executing this philosophy focuses on leveraging risk expertise to drive enterprise risk management using a strong Enterprise Risk Governance Framework structure, comprehensive ERA and Risk Aggregation & Reporting (RAR) processes and an effective risk appetite framework.

A key component of our ERM program is the ERA process, which is designed to identify, assess and quantify enterprise-level risks across our primary risk categories. The ERA measures each risk via assessment of the inherent risk, enterprise control environment and residual risk. The ERA process also includes a structure that supports the identification of climate risk considerations for risks across the ERA inventory. Additionally, we continue to incorporate governance, corporate responsibility and sustainability considerations into our reputational risk inherent impact assessment as part of the ERA. Synchrony performs the ERA quarterly and the process forms the basis of our material risk inventory, which is a key input in our strategic planning and capital planning processes.

We organize our risk management around our primary risk categories: strategic risk, credit risk, market risk, liquidity risk, operational risk, compliance risk, legal risk and reputational risk. Climate risk and concentration risk are considered when relevant across all risks monitored by Synchrony via the ERA and RAR processes. Operational Risk is the most commonly impacted risk category related to climate risk.



Operational Risk includes the risk of loss arising from external events such as extreme weather and other natural disasters. We monitor and perform periodic assessments following major weather events and other natural disasters to identify potential consumer impacts, including credit losses and reserve impacts.

Risks to operational resilience and transition risks arising from public policy changes and evolving stakeholder expectations on governance, corporate responsibility and sustainability topics are addressed in our Enterprise Risk Governance Framework through the activities in the ERA/RAR and noted as risk factors in our public disclosures.

In addition to the ERA, we consider climate-related risk in our Universal Risk Assessment (URA). The URA is performed whenever Synchrony introduces new, expanded or modified products, services or digital strategies through our New Product Introduction process.

Looking ahead, where needed, we expect to continue assessing climate-related physical and transition risks and identify opportunities to improve our understanding of potential impacts of climate change on our business, operations and stakeholders. We continue to evaluate the potential use and benefits of climate-related risk event scenarios to inform our capital planning and stress testing process. Our risk management programs will continue to consider and aim to monitor emerging regulations, changes to laws and evolving stakeholder expectations, alongside factors such as operational disruptions and impacts on our employees and communities.

Operational Resilience and Business Continuity

Our Operational Resilience Framework employs sound practices to identify, assess, prioritize and manage risk exposures that could disrupt the continuous delivery of products and services to our partners and cardholders. This includes threats posed by climate-related events that may increase in frequency or severity due to climate change. The Operational Resilience Framework analyzes potential risks existing in our hubs' geographic areas, including considerations for climate-related risks in flood-prone areas, areas affected by tornadoes, hurricanes and cyclones, and areas where extreme weather may impact the power grid. Our Operational Resilience team partners with process owners across our business to develop and enhance resilience capabilities for our people, physical hubs, processes, and technology. A recent enhancement to the Operational Resilience Framework has been the establishment of a Critical Supplier Process, which seeks to identify Synchrony's most critical suppliers supporting our core operations and to perform a disruption risk analysis process to identify, assess, and socialize any supplier disruption risks that may exceed our acceptable thresholds. This analysis evaluates effectiveness of controls and capabilities to mitigate supplier disruption risk, including those that may be climate-induced.

Additionally, our risk appetite statement includes Board-level reporting on risk indicators for the resiliency of our suppliers, processes and technology arising from the impacts from various hazards, including climate-related events.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities

We continue to build on the progress we have made to date in our efforts to improve our energy efficiency and reduce our consumption and waste. We believe the integration of business and risk proportionate sustainability strategies supports greater operational resiliency and may be a catalyst for potential future growth.

Synchrony leases over 1.1 million square feet of office space globally. With most of our Scope 2 greenhouse gas (GHG) emissions coming from the electricity used to power our physical hubs, the fuels used to heat them and the water consumed on-site, we focus on improving the energy efficiency of those facilities as the most effective way to reduce our direct GHG footprint.

Synchrony's physical hubs consist of 16 leased facilities and no owned facilities. Our efforts to improve the energy efficiency of our physical hubs include energy-efficient buildings, LED technology and other energy-efficient lighting, office occupancy sensors, recycling programs and green spaces. Two of our hubs are in LEED (Leadership in Energy and Environmental Design) or Energy Star certified buildings. LEED certification provides a helpful framework for assessing success of ongoing greening efforts across our hubs. In addition, two of our international hubs are EDGE (Excellence in Design for Greater Efficiencies) certified buildings, and our Hyderabad hub is in a URS (United Registrar of Systems) certified building.

Most of our buildings run at minimum operating levels of heating, ventilation and air conditioning on the weekends. Our larger hubs have optimized heating and cooling systems with temperature controls to ensure heating and air conditioning is timed correctly and appropriate for the outside air temperature. We employ infrared thermography on electrical equipment designed to identify potential problems before they cause equipment failure or fire hazards, supporting our efforts to keep our people safe and to reduce unplanned downtime from equipment failures. In recent years, we have reduced the number of appliances, upgraded our lighting controls to include daylight harvesting and bi-level dimming, and installed innovative water dispensing systems.

Our data center provider is focused on renewable energy sources and has expressed a commitment to implementing technologies and strategies to achieve a more sustainable future. In its most recent sustainability report, our provider reported that more than 75% of the electrical power consumed by its facilities in 2024 was covered by zero-carbon renewable sources. The energy used by our data center provider to cool our dedicated data center spaces contributes to our Scope 3 GHG emissions. Cooling can represent a significant percentage of a data center's total power load, which makes sustainability improvements in cooling particularly impactful. Among other features, our dedicated data center spaces utilize a cold aisle/hot aisle strategy for raised floor cooling to manage airflow in a manner that conserves energy and lowers cooling costs.

Our dedicated data center spaces also utilize water-free cooling technology, and in recent years our provider's Arizona and Texas data centers have received an "Environment + Energy Leader Award" for becoming net positive water data centers, which is particularly notable because the Arizona campus is located in an extremely high water-stress region.

Our digital channels make it easy for our cardholders to receive statements and make payments electronically. We continue to encourage adoption of this option through regular communications with our cardholders. In 2025, nearly 65% of our customers received paperless statements, as compared to over 32% in 2018. This equates to approximately 238 million fewer paper statements being printed and mailed in 2025 and approximately \$157 million less in statement postage and production costs (at 2025 rates) than if our paperless statement rate remained at the 2018 average level. In addition, in 2025, more than 70% of all payments made by our consumer customers came through Synchrony's digital channels, and approximately 60% of our consumer revolving applications processed through a digital channel. With our continued focus on promoting digital card activation, more than 75% of activations were done digitally in 2025.

The credit cards we issue utilize plastic. We are working with our suppliers and partners to find opportunities to transition to recycled, recyclable and/or biodegradable credit cards. In 2024, we launched our first credit card program to issue 100% recycled plastic credit cards. Looking ahead, all new credit cards we issue after January 1, 2028, on the Mastercard payment network must meet sustainability requirements set by that network. We are also actively developing innovations to enable consumers to transition to digital-only “cards.”

We have implemented several programs and technical features, including reducing the number of printers in our facilities and installing print drivers to facilitate sustainable printing practices, including default settings to print double-sided and suppress cover pages. We continue to partner with our printing services suppliers to identify more opportunities to reduce our environmental impact.

When organizations consider the benefits of paper shredding, they often think of security and protection of sensitive information. But, paper shredding also offers meaningful environmental benefits. Our shredding vendor utilizes systems that allow shredded material to be recycled and reused in useful consumer goods such as paper, tissues, paper towels and paper plates.

2025 Synchrony Paper Shredding Environmental Impact Summary*	Totals
Estimated Volume (LBS) Recycled	437,206
Trees Saved	3,975
Gallons of Water Saved	1,531,373
Cubic Yards of Landfill Saved	656
<i>*Source: Third-party supplier</i>	

With our hybrid way of working, we have fewer employees commuting than before, significantly reducing the GHG generated by vehicle emissions. For employees who opt to work at our U.S. hubs, we offer access to a total of 58 electric vehicle charging stations to support this lower-emission commuting option. In early 2024, we added 12 charging stations and 25 electric vehicles to our employee transportation fleet in India, representing approximately 15% of our fleet. The addition of these EVs has begun to yield cost savings and offers us an opportunity to evaluate a lower-emission fleet. In the Philippines, we offer an employee ride app to enhance our colleagues’ transportation to and from our hubs. The app offers online booking, 24-hour transportation support and real-time support and assistance. As a result, we eliminated a continuous employee shuttle loop, which helps us avoid unnecessary trips, reduces emissions, and improves cost efficiency.

In 2025, Synchrony recycled over 10,000 pieces of electronic equipment totaling over 74,000 pounds (up from approximately 73,000 pounds in 2024). Our data center provider also maintains on-site e-waste recycling services at our dedicated data centers.



We actively pursue initiatives aimed at improving our employees' occupational safety and health whether they work from home, from a Synchrony hub or a combination of both. Since the pandemic, we have transformed from an operation with 30 physical office facilities to an enterprise with 15 physical hubs and thousands of home offices. In response, we adopted a new risk management strategy focused on supporting employee health and well-being wherever they work. Our OSHA recordable rates in 2025, 2024 and 2023 were all less than 0.1 per 100 employees, reflecting our targeted efforts to improve the ergonomics for our sizable work-from-home employees.

To support our efforts to improve the sustainability of our operations, we have begun a journey to measure and report climate-related metrics from our operations. We engage a third party to support our calculations of GHG emissions and water usage, as well as the collection of underlying data. We anticipate these calculations will serve as a foundation for a comprehensive assessment of our GHG emissions in the future. We use the metrics to guide the evolution of our sustainability efforts and the development of any future climate-related commitments. Recognizing the importance of defining the right metrics and targets, we will continue to evaluate the metrics we use to assess our climate-related risks and opportunities.

Environmental, Health and Safety Key Metrics

Metric	Unit	2025 ¹	2024 ¹	2023 ¹
Greenhouse Gas Emissions—Total ²	MT CO ₂ e	32,401	29,137	34,501
Greenhouse Gas—Scope 1 Emissions	MT CO ₂ e	179	168	126
Greenhouse Gas—Scope 2 (Market Based) Emissions	MT CO ₂ e	14,346	13,781	17,606
Greenhouse Gas—Scope 3 Emissions ³	MT CO ₂ e	17,876	15,188	16,769
Total Energy ⁴	GJ	119,155	117,392	139,446
Total Water Usage ⁵	Gallons	18,050,830	19,775,113	28,898,006
OSHA Recordable Rate ⁶	Per 100 Employees	<0.1	<0.1	<0.1

1. In 2022, we engaged Schneider Electric to support our calculation of GHG emissions, energy and water usage metrics, including support for collection of underlying data, for all years presented. The sites housing our data servers are owned and operated by a third-party data center provider. The information technology equipment used to house Synchrony data is owned by Synchrony. As such, the emissions attributable to the electricity consumed by our data servers housed in third-party data centers are disclosed under Scope 2 emissions. The emissions attributable to cooling the third-party data centers are disclosed under Scope 3 emissions.

2. 'Greenhouse Gas Emissions—Total' is the sum of Scope 1, Scope 2 and Scope 3 emissions. U.S.-based Scope 1 and Scope 2 emissions are calculated using current emissions factors from utilities, U.S. Residual Mix, U.S. EPA MRR and U.S. EPA eGrid. Scope 1 and Scope 2 emissions for our locations in India and the Philippines are calculated using current emissions factors from the International Energy Agency.

3. Greenhouse Gas—Scope 3 emissions from cooling the third-party data centers are calculated using the same emission factors as are used to calculate the electric power used by our data servers (see footnote 2). Greenhouse Gas—Scope 3 emissions associated with our leased car fleet and business air travel are calculated using vendor supplied emission data. All Scope 3 figures disclosed are based on available data and methodologies and may not represent 100% coverage of these categories.

4. Total energy is based on facilities where metered and/or measured data is available and represents electricity usage for over 93% of total square footage in each year presented and gas service for 100% of total square footage in each year presented. Where metered and/or measured data is not available, estimates are used based on actual data or per square foot energy usage intensities.

5. Total water usage is based only on facilities where metered and/or measured data is available and represents water usage for over 86% of total square footage in each year presented.

6. OSHA Recordable Rate is based on U.S. data only.



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