



# Rent-A-Center®

## 2021 Sustainability Report

Rent-A-Center, Inc.

May 9, 2022





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# Introduction

This report marks Rent-A-Center, Inc.'s first steps in developing and implementing an ESG strategy. It is meant to provide a data-driven snapshot of our current performance on the ESG issues that we believe are most relevant to the business and implementing a continuous improvement approach to achieve our key goals.

Rent-A-Center has entered an exciting new phase of the business with the 2021 acquisition of Acima, and as we capitalize on opportunities to innovate and expand our products and services in order to achieve our mission of improving the quality of life for customers and coworkers alike, we will continue to adapt and refine our ESG strategy in a way that best manages the evolving risks and opportunities across all areas of the business.



## Letter from the CEO



2021 was a dramatic year as the effects of the COVID-19 pandemic continued to have significant and far-reaching implications on the lives of people around the world, impacting health, the ability to earn income, and the opportunity to enjoy quality time. Rent-A-Center addressed these challenges by making the safety and well-being of all stakeholders a core priority, including customers, co-workers, and the communities we operate in. We strived to ensure that our retail locations and virtual lease-to-own services were ready to provide customers with access to products that helped them adapt to shifting environments for work, school, and personal activities. We also continued to invest and innovate with offerings that enhanced accessibility to products, such as e-commerce or our new offerings through the Acima Business Segment. For co-workers we provided a safe and flexible working environment by adhering to our Healthy Associates Policies.

Helping people achieve a better quality of life has always been central to Rent-A-Center's mission. Our business was founded to provide people who are underserved by the mainstream financial system with access to durable goods that enable them to experience the quality of life they aspire to. In 2021, we further increased that commitment with the acquisition of Acima Holdings, a leading, virtual, lease-to-own company, allowing us to reach even more people through a network of over 38,000 third-party merchant partners. Our growth strategy is focused on becoming a leading platform of solutions that empower the financially underserved with access to products and services that have been previously less available to them.

*(continues next page)*



## Letter from the CEO

Our commitment to making a positive impact goes beyond our customers. It applies to co-workers, the communities we operate in, shareholders, and society broadly. We have a well-established program for providing co-workers with opportunities to build skills and career paths, and for promoting an equitable work environment. Through our omni-channel, lease-to-own model, we endeavor to contribute to economic growth in the communities we serve and generate an appropriate return for shareholders. As an organization, we have a strong tradition of giving back, including hunger relief, family and youth empowerment, and disaster relief.

Looking forward into 2022 and beyond, we believe that Rent-A-Center can make an increasingly positive impact on stakeholders. While the COVID-19 pandemic appears to be subsiding, there is ongoing uncertainty as we all transition from the extreme disruption of 2020 and 2021 back toward more traditional economic and social norms. Many lower-income households are now adjusting to a post-stimulus environment at the same time they are experiencing the highest rates of inflation in decades. People who have grown accustomed to working remotely over the past two years are contemplating what a return to a formal work environment will mean for them and their families. Others have undergone a change in priorities regarding work-life balance or personal relationships. Many of these transitions are accompanied by periods of financial uncertainty. Our platform of accessible, flexible solutions can play a role in helping people achieve the quality of life they desire without relying on the limitations of traditional financing or credit.

More broadly, the experience of the past two years has accelerated the growing movement to reassess and redefine shared values on key issues that impact people around the world, such as societal obligations and the environment. Given the essential role of commerce, sustainable business practices are a critical element of implementing a system of shared values. Rent-A-Center acknowledges the importance of operating in the interest of all stakeholders and is committed to business practices that minimize harm and maximize positive impacts on people and the planet. Importantly, we have invested in an environmental, social, and governance strategy to identify and prioritize the sustainability issues we believe are most important to our business and stakeholders. As part of our formalized sustainability journey, we have produced our inaugural sustainability report, the 2021 Rent-A-Center, Inc. Sustainability Report. The report details some of our recent successes and challenges, along with our priorities moving forward and our process for identifying them. As you read, please know that this is only the first step for us, and we are committed to better understanding these issues and continuing to improve as we seek to fulfill our mission of improving the well-being of our coworkers, customers, and the communities we serve.

**Mitchell E. Fadel**  
Director & CEO





# Who is Rent-A-Center?



Rent-A-Center's goal is to improve the quality of life for our customers and coworkers.

We achieve this by living our values every day:

**Have a winning spirit.**

We work hard and are self-motivated to exceed expectations.

**Act with a servant's heart.**

We have a passion for making good things happen.

**Treat others how we want to be treated.**

We treat one another with respect, humility, and consideration.

In addition to the Rent-A-Center name that customers have been inviting into homes across the country for almost 50 years, we operate 122 stores in Mexico and 5 subsidiary brands across the US.

Our store-based business, including **Home Choice**, **Get it Now!**, and **ColorTyme Rent-To-Own**, provides flexible ownership options for the best name brands in furniture, appliances, electronics, and computers, and **RimTyme Wheel and Tires** offers that same flexibility for upgrading the quality, safety, and style of your vehicle.

With our 2021 acquisition of **Acima**, we have expanded our ability to provide our customers with the opportunity to improve their quality of life with a proprietary technology that enables them to shop through our mobile app, online, or in stores at thousands of retailers across the nation. And applying for a lease agreement is quick and simple, with flexible purchase options that enable customers to attain ownership whenever they're ready, or terminate their lease at any time without penalty.



# Where is Rent-A-Center?



**2,203** locations

**52** US states + territories

**122** stores in Mexico

**1,466** cities

**816** metro areas

## TOP 10 METRO AREAS\*

1. New York-Newark-Jersey City, NY-NJ-PA Metro
2. Dallas-Fort Worth-Arlington, TX Metro
3. Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro
4. San Juan-Carolina-Caguas, PR Metro
5. Houston-The Woodlands-Sugar Land, TX Metro
6. Boston-Cambridge-Newton, MA-NH Metro
7. Atlanta-Sandy Springs-Roswell, GA Metro
8. Miami-Fort Lauderdale-West Palm Beach, FL Metro
9. Chicago-Naperville-Elgin, IL-IN-WI Metro
10. Detroit-Warren-Dearborn, MI Metro

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\* Number of stores per metro area served.

# Products & Services



## Products

Our rent-to-own products enable customers to achieve the quality of life they aspire to enjoy at home, school, and work.

- Furniture
- Appliances
- Computers
- Electronics
- Smartphones
- Tires

Our previously rented products are an affordable and environmentally friendly option for ownership, and, unlike thrift stores or online marketplaces, all of our rental products undergo a formal inspection for quality and a thorough cleaning and sanitizing process.

All of our furniture, appliances, computers, smartphones, and electronics are from top brands, such as Ashley Furniture, Whirlpool, Samsung, Maytag, LG, and HP, and they're all backed by our Worry-Free Guarantee. This guarantee consists of numerous features, one of which allows our customers to pick up where they left off in the lease after previously needing to return a product.

## Services

We pride ourselves in offering our customers flexible options that provide access to top-quality furniture, appliances, computers, electronics, and smartphones and allow our customers to achieve the quality of life they aspire to. We provide household and other durable goods to underserved cash and credit constrained customers and offer an affordable and flexible way to furnish a home and obtain access to other essential items without incurring a long-term debt obligation or accessing credit. Our rent-to-own services provide a pathway to access and ownership that many of our customers would not otherwise have, because we serve unbanked or underbanked consumers and those with less than perfect credit.

- **Flexible Payment Options** Customers can choose from weekly, bi-weekly, semi-monthly, and monthly payment options.
- **Own It In 4-6 Months** The 4-6 Months Early Purchase option in our Rent-A-Center segment means flexibility, affordability, and getting customers the items they need when they need them, with affordable, bite-sized payments.
- **Free Same-Day Delivery** Deliver and set up our customer's items for free, often on the same day they submit their order within our Rent-A-Center segment.
- **No Commitment** Our customers make decisions that best fit their situation. If our arrangement does not meet their needs, they can return their products and we'll stop payments at no penalty.
- **Product Repairs Included** Normal wear and tear doesn't need to take a toll on our customers' wallets. We offer free product service and repairs for the life of your agreement in our Rent-A-Center segment.
- **The No Credit Option** Rent-to-own is not a loan or credit. It's a flexible lease agreement that helps our customers get the things they want for their homes without using credit or increasing debt.



# Coworkers at-a-Glance



**14,051** coworkers  
**12,663** in US  
**1,388** in Mexico

Our team is our greatest asset. In addition to the professional growth and development opportunities detailed later in this report, Rent-A-Center strives to support coworker health and overall well-being outside of work, as well. We offer the following benefits to provide our coworkers with the security and peace of mind they need to achieve the quality of life they desire for themselves and their families.

- Medical, dental, vision, and prescription coverage options for individuals and families
- Basic Life and Accidental Death and Dismemberment Insurance
- Health Savings Accounts (\$250 individual/\$500 family annual contribution from Rent-A-Center), Flexible Spending Accounts, Teledoc remote healthcare options
- 50% company 401 (k) match of up to 6% of employee earnings
- Paid vacation, personal time, holidays, bereavement leave, and jury duty
- Work from home policy for Corporate employees

**Daily Pay** allows access to earned pay without the wait.

**Coworker Purchase** offers the opportunity to purchase merchandise from our third-party partners at significant discounts.

**Coworker Discounts** provides gym membership, cellular, travel, and corporate discounts.

**Employee Assistance Program** is available 24/7 and includes:

- Advice on everyday life issues (e.g., parenting, childcare)
- Budgeting and financial assistance
- Legal help for family matters
- Up to three face-to-face, sessions with a professional counselor





# Board of Directors

**Jeffrey Brown**

Chairman of the Board, Rent-A-Center; CEO of Brown Equity Partners

**Mitchell Fadel**

Director & CEO, Rent-A-Center

**Christopher Hetrick**

Director of Research, Engaged Capital

**Harold Lewis**

CEO, Renovate America, Inc. (retired)

**Glenn Marino**

Executive Vice President, CEO - Payment Solutions and Chief Commercial Officer of Synchrony Financial, Inc. (retired)

**Carol McFate**

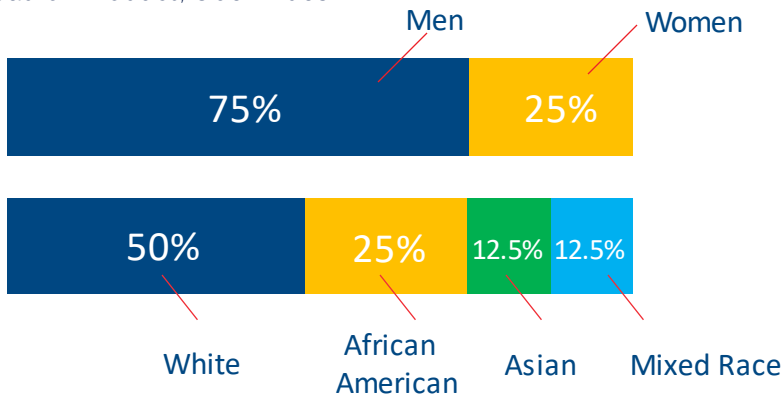
Chief Investment Officer, Xerox Corporation (retired)

**B.C. Silver**

Chief Marketing Officer, Root Inc.

**Jen You**

Head of Product, Uber Rides



We believe that strong corporate governance, transparency, and accountability are key to creating a culture of respect and excellence that allows our coworkers to thrive as well as the innovation and ambition that delivers value to our shareholders. We are proud of the independence and diversity of our Board, which consists of an independent Chairman and Directors, all of whom serve on one or more of the following committees.

**Audit and Risk Committee** assists the Board in fulfilling its oversight responsibilities by reviewing risks related to accounting, financial reporting, legal and regulatory compliance, and other enterprise-wide risks.

**Compensation Committee** discharges the Board's responsibilities with respect to all forms of compensation of our Chief Executive Officer, Chief Financial Officer, and each of our Executive Vice Presidents, including assessing the risks associated with our executive compensation policies and practices and employee benefits. The committee also administers our equity incentive plans.

**Nominating and Corporate Governance Committee** manages risks associated with corporate governance and potential conflicts of interest and assists the Board by identifying future members, overseeing and reviewing governance recommendations, and coordinating succession plans for executive and management positions.

**ESG Oversight**

Our Board recognizes that environmental, social, and governance ('ESG') issues are of increasing importance to our employees, customers, and investors, and that being a responsible corporate citizen helps create value and a positive impact for all stakeholders. Our Board is committed to integrating and maintaining responsible ESG initiatives into our operations and strategic business objectives. This report marks a first step toward regularly communicating those commitments and our approach to achieving them.

**Board Diversity**

In 2019, RAC recognized a need to increase the gender and racial diversity of our board. We are proud of the progress we have made in adding new voices and perspectives and will continue to make this a priority.

# Policies & Codes of Conduct

Rent-A-Center's long-term success depends on our commitment to acting with integrity and our reputation for doing so. It is essential that each member of the Rent-A-Center team lives this commitment every day, from our retail stores to our board room.

Our Code of Conduct provides the guidance for every coworker in any role to lead by example. Our Open-Door Policy is designed to ensure that our lines of communication stay open as we hold each other accountable. And our Anti-Discrimination, Harassment, and Retaliation Policy outlines specific guiding principles designed to ensure that everyone at Rent-A-Center is treated fairly, with dignity, and with equal opportunity to thrive.



[CODE OF CONDUCT](#)

[OPEN-DOOR POLICY](#)

[ANTI-DISCRIMINATION, HARASSMENT, AND RETALIATION](#)

# Financial Performance

- 2021 Consolidated Revenues +17.3% on a pro forma basis compared to 2020
- Business generates strong free cash flow
- Strong balance sheet with leverage as of 12/31/21 of 2.3x following the Acima transaction and a target leverage of 1.5x
- In 2021 returned \$462 million to shareholders through dividends and share repurchases

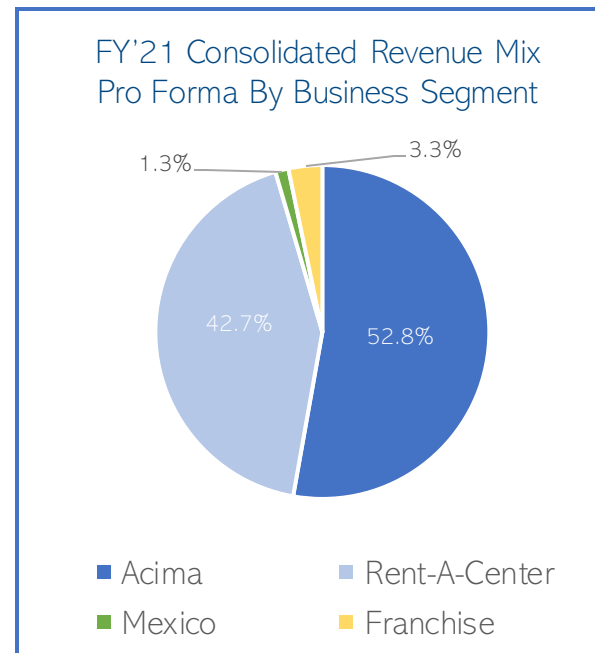
Note: Pro forma results and metrics represent estimated financial results and metrics as if the acquisition of Acima had been completed on January 1, 2020. The pro forma results and metrics may not necessarily reflect the actual results of operations or metrics that would have been achieved had the acquisition been completed on January 1, 2020, nor are they necessarily indicative of future results of operations or metrics.

<sup>1</sup> Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation

<sup>2</sup> Acima acquisition completed in February 2021

## Financial Highlights

	FY'21 <sup>2</sup>	FY'20
Total Revenue (\$M)	\$4,583	\$2,814
Gross Profit (\$M)	\$2,221	\$1,672
Operating Income (\$M)	\$556	\$274
Net Income (\$M)	\$372	\$197
Non-GAAP Diluted EPS <sup>1</sup>	\$5.57	\$3.53
Annual Dividend Per Share	\$1.27	\$1.18



~2,400  
Owned & Franchised Retail  
Rent-A-Center Outlets



~1.3M  
Total RTO Customers  
Served in FY'21



~38,000  
3<sup>rd</sup> Party Retail Stores  
Enrolled in Acima

# ESG at RAC

## Managing Risks and Opportunities

“

In today's increasingly complex business environment balancing risk and return requires a holistic approach. Understanding and managing sustainability issues and opportunities is a critical element of this process.

**Maureen Short**

EVP-Chief Financial Officer



# Our Approach to ESG

As part of developing Rent-A-Center's inaugural sustainability report and ESG strategy, we hired third-party advisors to conduct a materiality assessment. This allowed us to identify the environmental, social, and governance issues that have the greatest potential to impact the business. Through this process, we identified Rent-A-Center's 16 priority ESG issues. We intend to prioritize our investments and efforts toward those issues and will seek to implement our strategy to deliver positive impacts to people and the planet while also serving our business.







# Materiality Assessment & Action Plan

As a first step in integrating ESG considerations into the business and improving our performance on ESG issues over time, we engaged ESG experts KKS Advisors to conduct a standards-driven materiality assessment. This process included an analysis of reporting frameworks, ratings providers, market trends, industry benchmarking, and expert insights and applied those results and insights to our unique and evolving business model in order to capture our current and future risks and opportunities.

After identifying our 16 priority ESG issues, we then worked with the KKS team to identify key metrics for reporting on our performance and conducted an in-depth assessment and gap analysis of available ESG data. The data assessment enabled us to create the ESG disclosure table on pages 31-39. The gap analysis has provided us with valuable insights on the systems, processes, knowledge, and tools needed to fully operationalize ESG across Rent-A-Center's operations, and we are taking the first steps toward doing so, beginning with disclosure of existing data, collection of additional data, and committing to the strategic priorities that will enable us to optimize our ESG efforts over time.

## Rent-A-Center's Priority ESG Issues



Climate Change  
Energy Management



Access & Affordability  
Selling Practices, Account Management, & Product Labeling  
Labor Practices and Employee Health and Safety  
Employee Development  
Diversity, Equity & Inclusion  
Customer Privacy  
Data Security



Business Ethics & Integrity  
Board & Executive Leadership Characteristics  
Executive Pay  
Ownership & Control  
Tax Transparency & Accounting



Product Design & Lifecycle Management  
Supply Chain Management

*These two issues mark opportunities for business model innovation that creates value through sustainability.*



# Priority ESG Issues Targeted for 2022 and Beyond

## Climate & Environment



Rent-A-Center recognizes that there are significant risks posed by climate change as well as opportunities to minimize our contribution through operational efficiencies and innovation. In order to understand how to best manage climate risks and maximize our impacts, we will conduct a greenhouse gas inventory as well as a climate risk assessment, so that we can begin to plan in line with applicable regulatory requirements for disclosure.

## Data Management & Tools



After conducting an in-depth assessment of existing ESG data collection and management, we are prioritizing actions to develop the tools, processes, and systems required to operationalize ESG performance with an aim of eventually disclosing our ESG performance in accordance with the Sustainability Accounting Standards Bureau (SASB) and the Taskforce for Climate-Related Financial Disclosures (TCFD.)

## Best Practices for Account Management



As this report will make clear, Rent-A-Center is proud to offer our coworkers robust training and development opportunities that start on day one and serve to support career growth and advancement throughout an individual's tenure. We recognize a need to enhance this culture with formalized, dedicated training programs and modules specifically for account management, and we will be developing and designing these in 2022, along with the accountability structures to help ensure that best practices are used consistently, and that coworkers continue to build on these skills.

## Governance For Sustainability



In order to help ensure that our commitment to improving ESG performance and disclosure is prioritized across all levels of the organization, the Rent-A-Center board and senior leadership will participate in ESG training to gain a shared understanding of how ESG issues impact the business and how Rent-A-Center can most effectively manage risks and capitalize on opportunities. We will further solidify this by developing an approach to set ESG performance targets to board and senior leadership responsibilities and training on the most relevant ESG issues across roles, from energy conservation to account management.

# Diversity, Equity, & Inclusion

Our DEI program is focused on fostering inclusion, supporting career advancement for our minority team members, and providing platforms for our coworkers to share their experiences and cultural history. We are committed to ensuring that our coworkers feel heard and valued. To do that, we are designing and implementing programs and initiatives that center their values, needs, and priorities.

While we have made significant headway in the last five years of our DEI journey, we know we have further to go. As part of our next steps, we are beginning to focus on Organization and Talent Review (OTR) to identify and elevate diverse representation across all levels of the company. The HR organization will continually partner with the executive team to identify, support, and elevate the work of diverse coworkers throughout the company. We believe we have the right resources and plan in place to take our DEI efforts to the next level.



# Supporting & Engaging Our People in an Inclusive Culture



## Townhalls

In 2020, we hosted townhall meetings to provide a space for coworkers to discuss their thoughts and reactions to the death of George Floyd. From these conversations, it became clear that we needed to be more intentional about our support for marginalized groups at Rent-A-Center.

To best understand the needs of coworkers from marginalized backgrounds, we distributed surveys to collect input on the areas on which we should focus our efforts. As a result, we began adding Employee Resource Groups and created a Diversity, Equity, and Inclusion team to support, expand, and formalize DEI efforts that were already occurring at Rent-A-Center.

We will continue this important work and center the input and priorities of our coworkers as we strive to ensure that Rent-A-Center is a place where everyone is valued and can thrive.



## Employee Resource Groups

Rent-A-Center's Employee Resource Groups (ERGs) are designed to support coworkers with a shared heritage, gender, or background. The African American ERG and Corazon Latino ERG have each hosted events that provide a forum to discuss and educate senior leadership about the issues faced by these groups and highlight opportunities for group members to advance and excel at RAC.

**Corazon Latino** brings together Latinx identifying coworkers to support each other as they navigate their roles at Rent-A-Center and work toward leadership opportunities.

**African American Resource Group** unites African Americans at Rent-A-Center and provides an empowering space from which to seek leadership opportunities and receive guidance within the company.



## Training and Development

Rent-A-Center values the unique perspectives, contributions, and needs of our diverse team. As part of our efforts to create a welcoming and inclusive environment for all coworkers, we offered the following training and development opportunities in 2021, and we will be expanding these efforts in 2022 and beyond.

**Unconscious Bias Training** A multi-modal course to establish a shared understanding of how unconscious bias can impact the workplace.

### **District Manager Academy - Diversity 101 Training**

A live, three-day training including group discussions, role-play, and application-based activities. At the end of which, each manager had a 30/60/90-day plan for their team.

**Women's Leadership Conference** Created in 2017 to engage and inspire women at Rent-A-Center to identify and overcome the challenges they face in advancing to higher levels of leadership.



Rent-A-Center is committed to growing and developing our field coworkers to succeed in their current roles as well as the ones they aspire to. To this end, our investment in people starts on day one, across every role, and it continues throughout each Rent-A-Center journey, which we hope will be a long and fulfilling one.

The DRIVE program kicks off with a multi-modal approach, including eLearning, videos, activities, and compliance training for new coworkers to help them become established in their roles and involved in their teams during their first week. The program covers core skills, principles, values, and fundamental working knowledge about our business. Throughout their first three months, the DRIVE program moves forward as all new coworkers continue to build skills, confidence, and camaraderie with online training programs in Sales and Account Management and on-the-job application to ensure they can effectively contribute to the success of their teams as well as the experience of our customers.

As each individual begins to chart a unique course for their Rent-A-Center journey, they work with their leadership to identify opportunities to participate in 12-week virtual programs that allow them to advance their role. These career-pathing programs are supplemented with an annual leadership conference and Regional Directors' meetings to scope targets and strategies for growth, development, and performance throughout the year.

In addition, coworkers across roles can access a variety of learning materials on demand. These are easily accessible on the company intranet and enable coworkers to refresh, update, and maintain their core skills and knowledge base, including videos, job aids, role play scripts, and other resources. These microlearning performance support resources are accessible at a moment's notice, so coworkers can use them when they need them on the job. Additional formal training exists in our Learning Management System, ADP MyLearning, to support company initiatives and roll out new processes, technology, and change management. All eLearning modules and videos include performance and progress checkpoints.

Our ongoing formal and informal education, learning, and development culture provides an ideal ESG and sustainability training platform. As Rent-A-Center advances along our sustainability journey, we will provide the training and skills building that empower our coworkers to lead the way on the sustainability issues most relevant to each role.

# Training & Development

“

I owe so much to the investment of people and programs that helped mold me professionally and personally. A successful career depends on so many things, however continuous learning and development is one of the most important.

**Tiffany Watson**

Senior Vice President, Enterprise Business Operations





“

If excellent customer service is the goal, then improve the employee experience first, as a great customer experience starts with a great employee experience.

**Tran Taylor**

Executive Vice President, Chief Human Resources Officer,  
Chief Diversity Officer

# Voice of the Coworker Voice of the Customer



The right person in the right position at the right pay.

The past two years have been challenging for workers across industries, and we know frontline workers and those keeping the doors open for essential businesses were hit especially hard by the stresses and strains of the pandemic. In 2021, we launched a pilot program to **elevate, retain, and grow** both our coworkers and our business, while building a culture of stability and purpose, particularly for those who serve our customers directly in our stores.

In order to reduce burnout, build cohesion, and support our store teams, we implemented the following program elements in all our stores:

1. Empower managers with **leadership development and training** through **RAC University** to maximize growth, foster collaboration and cohesion at the store level, and support and grow their teams.
2. **Eliminate the need for overtime** through increased efficiencies and time management solutions.
3. Enable **role specialization** at the retail level, so coworkers have **clarity and ownership** around their positions and expectations.
4. Increased the hourly rate for the role of in-store customer-service representative to an average of \$16 to acknowledge the value of specialization within that role and opportunities for **excellence and advancement at RAC**.

The program was a success that exceeded expectations. Store performance improved, turnover significantly decreased, and both coworker and customer satisfaction increased. We are currently in the process of analyzing results and refining the program in preparation for a wider rollout in 2022 – 2023.



# A year when we answered the call to support each other in the face of incredible challenges...

As the COVID-19 pandemic presented us all with challenges we'd never imagined and pushed our frontline workers, communities, and families to new limits, the Rent-A-Center team adapted quickly and admirably to support each other and our customers.

Rent-A-Center has created a space that families can depend on regardless of financial circumstances, and those families could continue to count on us as an essential business during the darkest days of the pandemic. Whether they needed new laptops for work from home and remote learning or refrigerators and freezers to help reduce trips to the grocery store, Rent-A-Center's products and services were undoubtedly essential to our customers, allowing most of our stores to remain open during lockdowns to assist customers during the crisis. Nearly  $\frac{3}{4}$  remained fully operational, while nearly a  $\frac{1}{4}$  were partially operational, and only a handful were closed to the public. None of this would have been possible without the dedication and determination of our team, and Rent-A-Center stood with them to ensure their health, safety, and well-being and to reward and recognize them for going above and beyond.

Starting in 2020 and through 2021, we implemented various **Healthy Associates Policies** to limit store capacity and implement clear social distancing requirements, and we added virtual payment and account management services plus free, contactless delivery to minimize the need for in-store transactions. Eligible workers moved to a hybrid work-from-home model, and face masks, gloves, and cleaning supplies were made available at all facilities. We offered on-site testing at the corporate office during testing shortages, and we participated in contact tracing. Despite the best efforts of our team and our customers, some coworkers did receive positive test results, and we were prepared for this seemingly unavoidable outcome across the retail industry. We provided an additional two weeks of paid time off to any associate who became COVID-19 symptomatic.

## Adapting quickly to support coworkers



- ✓ Provided additional two-weeks of PTO
- ✓ Offered on-site testing
- ✓ Conducted Contact Tracing
- ✓ Reduce operational capacity to 75% operational and closed 25% of showrooms

# and we supported our customers, too.



“

When I had COVID, they did everything possible to help with my Benefits Plus, and I appreciated it so much! They're great guys in St. Robert, MO!

Nichole

Rent-A-Center Customer

It's a privilege to be part of the journey families take to build the homes and the lives they've dreamed of, and as the realities of home life expanded to include work and school, not to mention more meals, more laundry, more tv, and more screen time to stay connected in a pandemic world. Rent-A-Center was proud to provide for our customers when they needed us most, as a truly essential business.

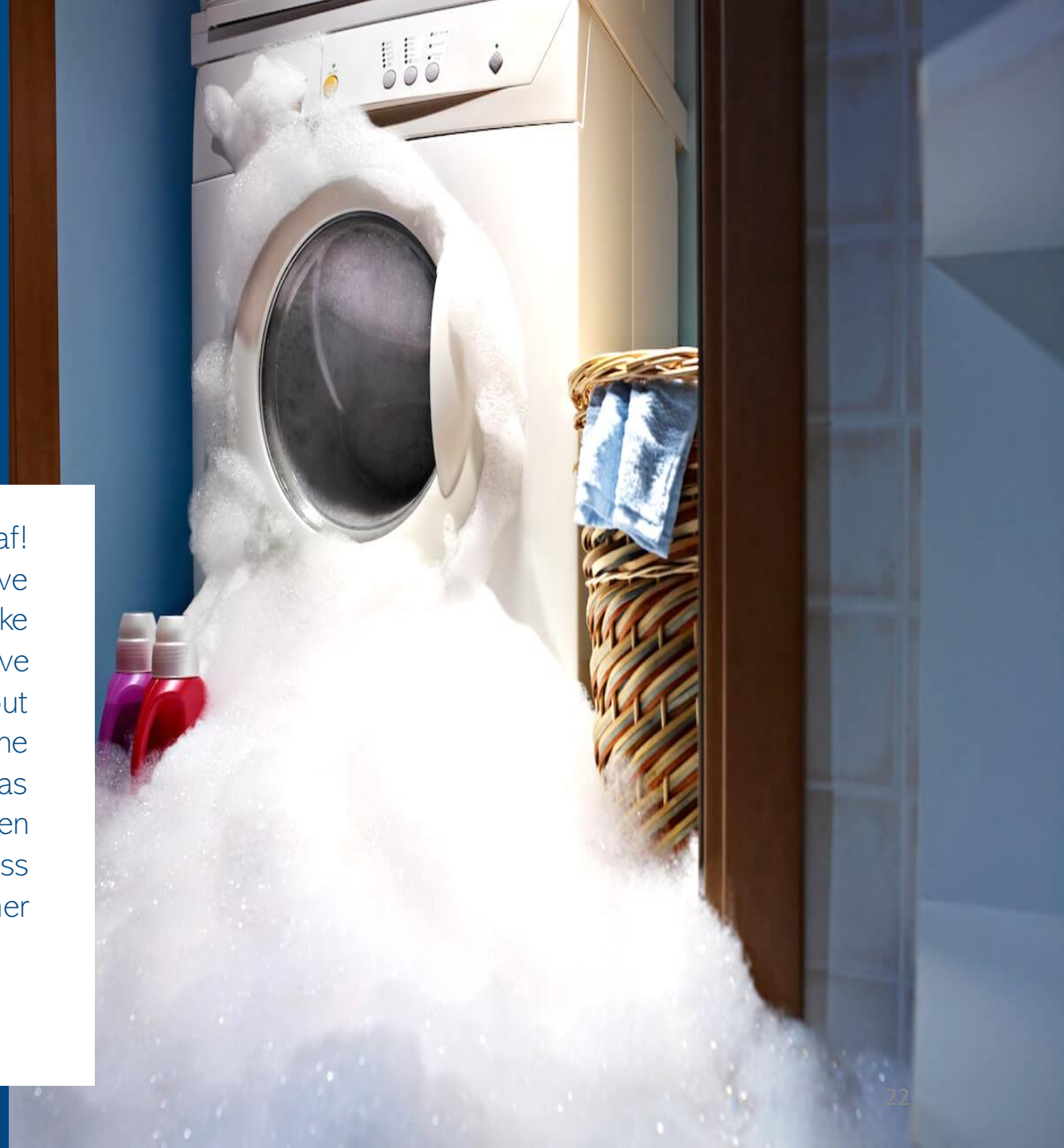
We introduced new programs, benefits, and services to help protect our customers' health as well as their finances during a crisis that tested us physically, mentally, and economically. The Benefits Plus Program allowed our customers to pause payments, penalty-free in the event of sickness, injury, or involuntary unemployment. Our customers could rest-assured that, while they focused on the safety and well-being of their families, their Rent-A-Center products would remain in their homes. In addition, the Benefits Plus Program provided customers with access to 24/7 telemedicine, discounts on local carry-out meals, and discounts for online shopping. The [Benefits Plus program saw over 700k customers participating](#) in our Rent-A-Center segment and virtual lease to own segment in 2021.

We also enhanced our digital payments and touchless transaction options for customers to obtain access to the items they needed safely and securely. We added PayPal, Venmo, and curbside payment options, and upgraded online services and the Rent-A-Center mobile app enabled customers to manage their accounts from the safety and comfort of their homes.

# Life happens, and we're here to help.

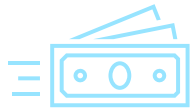
My mom always said a half loaf of bread is better than no loaf! Any time a company like yours will work with people who have fallen on hard times or have bad credit yet will treat them like human beings to help them obtain nice products, I will always give a high respectable score! Rent-A-Center has been nothing but outstanding with working with me to furnish my apartment and the young lady in the Staunton, Virginia store on Statler Blvd. was exceptional with her customer service! She was very well spoken and kind and even had jokes too. I will continue to do business with RAC because of their commitment to friendly customer service, ease of shopping, and kind respect.

**Michael**, loyal Rent-A-Center customer in Virginia



# Payment adjustments made easy.

We offer payment flexibility and modifications to accommodate the diverse and changing circumstances of our customers' lives.



Payment Modification  
Options



Involuntary  
Unemployment Waiver



Accident and Sickness  
Payment Waiver



Paid-out Product Service Protection



Payment Freeze Assurance

Our **Worry-Free Guarantee** puts the customer first in everything we do – from sales to service to account management. This ensures that we provide household and other durable goods to underserved, cash and credit-constrained customers and offer an affordable and flexible way to furnish a home with essential products without incurring a long-term debt obligation or accessing credit.







# RAC Cares

“

This support changes lives, allowing individuals, families and seniors to receive the nutritious meals they need to lead healthy lives and thrive at work, at school and at home. Thank you, Rent-A-Center, Inc. for your commitment to hunger-relief in our community.

Trisha Cunningham  
CEO, North Texas Food Bank

Whether we're providing the tools that will power local homes and businesses, volunteering our time, or giving back financially, we are always focused on supporting our community.

Our mission is to improve the quality of life for our customers and coworkers, and our charitable giving efforts are aligned with that same desire to help families thrive. We put our values into action by supporting causes that give families peace of mind and offer children opportunities that will help them reach their potential. We divide our efforts among three pillars.

Hunger Relief

Family & Youth Empowerment

Disaster Relief

**MORE THAN \$**  
**\$2.7MM**  
**DONATED**

Note: \$2.7MM cumulative to date

# Hunger Relief



**\$50,000** company match  
**\$1.5 million** raised for North  
Texas Food Bank

Note: \$50,000 annually; \$1.5MM cumulative to date

One in seven people in the U.S. lacks reliable access to nutritious food, and this can serve as a barrier to other opportunities. Since 2002, Rent-A-Center has supported hunger-relief organizations to help put an end to this national crisis and improve the well-being and access to opportunity for people in communities across the country. Throughout the year, Rent-A-Center participates in various local and national hunger-relief campaigns in support of the communities we serve.

Through the work of our store coworkers, our [Fill the Fridge](#) campaign raises money for local food banks across the U.S. and Puerto Rico, and Rent-A-Center matches up to \$50,000 in donations annually for this effort. Our partnerships with the North Texas Food Bank and Frisco Family Services help fight hunger in the North Texas community. In addition to much-needed financial support, we also give back with our time. Our coworkers have volunteered at Dallas-area food banks during our annual campaign to fight hunger.

We believe everyone should have access to nutritious food and be afforded multiple opportunities to improve their well-being and meet their potential, and our support of programs that strive to fight hunger and food insecurity is an important part of the work we do toward that end.

# Family & Youth Empowerment



## Education

We established the **Make A Difference Scholarship** through Scholarship America in 2005 to help our customers, their children, and our coworkers' children earn a college degree with financial support from Rent-A-Center. We understand and value the impact of education on a person's life, which is why we are dedicated to enriching the lives of our nation's youth and providing them with opportunities to receive an education without financial burden.

To date, **Rent-A-Center has awarded** more than \$1 million in scholarships to college students. Through this scholarship program, we provided 40 scholarships of \$2,500 each in 2021 to inspired young people across the U.S. and Puerto Rico.

Going forward, Rent-A-Center is committed to awarding \$100,000 in scholarships each year.



## Mentoring

Since 2011, Rent-A-Center coworkers have come together each year through the [Junior Achievement's JA in a Day](#) program to get kids at J.T. Saldivar Elementary School in Dallas excited about learning. Junior Achievement (JA) inspires and prepares children to be productive citizens who will positively influence their community.

During **JA in a Day**, volunteers work side-by-side with teachers to deliver fun, interactive, pre-planned activities designed to teach students how every job helps a community thrive. Coworkers bring their real-world experience into the classroom and become role models for the students who look forward to seeing their Rent-A-Center "teachers" every year. Our coworkers have built a true legacy supporting J.T. Saldivar Elementary over the years, and value this special opportunity to watch the kids grow and thrive.



## Family Services

We are proud to partner with several local and national nonprofits to help families thrive.

**Boys and Girls Club** - Our latest campaign, Spring for Kids, donated \$165,287 to Clubs across the U.S. and Puerto Rico. In 2021 Rent-A-Center matched donations made in our stores up to \$100,000 to support this cause.

**Kids Across America** - Our RAC Franchising coworkers have a longstanding partnership with [Kids Across America](#). Each year, kids come together at a camp in Branson, Mo., to connect with mentors and peers. Beginning in 2020, Rent-A-Center matched donations to KAA up to \$25,000.

**Children's Center of Collin County** - Our annual Give-A-Gift campaign benefits the [Children's Advocacy Center of Collin County](#) (CACCC) during the holidays. We encourage coworkers at our Field Support Center to bring in gifts, so every child can experience the magic of the season. Each year, the CACCC serves nearly 1,000 children in need through its Holiday Shop.

# Disaster Relief

Disaster can strike any community, any person, at any time. Rent-A-Center is proud to partner with the American Red Cross to provide emergency assistance to families who have lost their belongings, sense of security, and well-being in a disaster. The American Red Cross helps transform despair into hope for survivors of devastating disasters, and we are honored to support them in their mission that aligns so well with our own.

For more than 130 years, the American Red Cross has served millions in communities across the U.S. by ensuring they receive the care and comfort they need in a crisis. Since 2017, Rent-A-Center has donated a total of \$110,000 to the American Red Cross, and in 2021 we committed to donating \$100,000 annually to help them deliver their life-saving mission nationwide. In addition to monetary donations, our employees routinely roll up their sleeves to donate life-saving blood at both American Red Cross and Carter Blood Care blood drives.



**We are committed to:**  
**donating**  
**\$100,000**  
**annually**  
**-and-**  
**participating in blood drives**



Caring for our  
community means  
caring for our planet.

“

A Wendell Berry quote I like is, '*The Earth is what we all have in common.*' This holds true when referring to our planet, our continent, our region and our community. Regardless of scale, a shared concern about our environmental impact, from local to global, can benefit us now and for generations to come.

**Jason Watson** Manager, Strategic Initiatives





# Protecting our planet from inside our stores



**1,638** tons of cardboard  
& retail waste  
diverted from landfills to recycling facilities

**4.68** tons of waste from  
corporate HQ  
diverted from landfills to recycling facilities

**28%** reduction in paper use  
with the addition of DocuSign

Note: Above metrics represent savings during initial year of programs between 2019 and 2020

## COWORKERS LEADING THE WAY ON SUSTAINABILITY

### Paperless Program

In 2016, Mariela Ruedo & Amalia Espinoza, members of the Mexico Tax & Finance departments, identified an opportunity to implement a paperless program through document digitization. After a successful kickoff in 2017, 158 pounds of paper were avoided in the first year. By 2020, that number increased to 220 pounds.

### Product Reuse and Repurpose

Rent-A-Center reuses parts from non-functional products to repair and refurbish other products, and more than 200 products are repurposed each month through these efforts. We see an important opportunity to scale this up in the future and are exploring programs and initiatives to continue diverting waste from landfills through the reuse and repurposing of our products.

### Plastic Take-back Program

Rent-A-Center's corporate office in Mexico participates in an innovative program that enables coworkers to exchange empty plastic containers for office cleaning supplies. Each month, an average of 66 pounds of plastic are swapped for nearly \$400 worth of cleaning products. To date, more than 18,400 PET bottles have been collected through the program.

# Energy Efficiency & Greenhouse Gas Emissions



**21%** reduction in fuel use

**18%** fewer tires purchased

Note: Above metrics represent savings during initial year of programs between 2019 and 2020

## Energy Efficiency

One of our greatest opportunities for impact is lowering our contribution to greenhouse gas emissions. Rent-A-Center is proudly empowering coworkers to discover and suggest areas of opportunity to lower emissions and encourage our customers to participate in our efforts. Areas of opportunity to decrease our energy usage within our retail locations and our field support center include our LED program, internal reporting on excessive energy usage per location, and implementing motion censored lights and low-flow fixtures in restrooms and coffee stations.

## Fleet Optimization

A key opportunity to lower our greenhouse gas emissions lies in our vehicle fleet. In 2020, we analyzed the fleet's environmental impact with an aim of maximizing efficiency and reducing negative impacts. By optimizing processes and performance across the fleet, we were able to reduce our vehicle count by more than 700 units, yielding a 21% reduction in fuel use and 18% fewer tires purchased.

As part of our ongoing efforts to maximize efficiency, opportunity, and positive impact, Rent-A-Center will conduct our first-ever greenhouse gas inventory and integrate this analysis into our ESG data management work.



# ESG Performance

## 2021 Metrics

In the following table, we disclose data about our performance on the ESG issues that we believe are most important to our business. For this inaugural report, we are disclosing available accounting metrics in accordance with the Sustainability Accounting Standards Board's (SASB) guidance for Multiline and Retail, e-Commerce, and Software and IT, as we believe these best reflect our current business activities. We have also included select metrics recommended by the Global Reporting Initiative (GRI) to provide a more comprehensive assessment, as well as additional metrics that reflect industry best practices for comprehensive disclosure. All codes in blue indicate SASB metrics, while codes in black indicate supplemental GRI metrics. Metrics without a code are additional, industry best practices that we have elected to disclose but are not yet aligned with a standard reporting framework. Unless otherwise stated, all metrics are for calendar year 2021 and pertain to the Rent-A-Center segment of the business. Acima was acquired in February of 2021, and we are in the process of integrating data collection and management practices for that segment of the business. Our aim is to continuously refine and expand our data collection, monitoring, and disclosure practices for significant ESG issues.

## Rent-A-Center 2021 ESG Disclosure Table

Topic	Accounting Metric	Unit of Measurement	Code	Response	Acima data is included
<b>Environment</b>					
<b>Energy Management</b>					
Energy Management in Retail & Distribution	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	CG-MR-130a.1; CG-EC-130a.1; TC-SI-130a.1	(1) 356,274 GJ (2) 100% grid electricity (3) 0% renewable energy  <i>*The data above is specific to 1,828 US and Puerto Rico based Corporate Rent-A-Center, Get It Now, and Home Choice retail stores that we have control over contracts with energy providers. The data does not include corporate offices at this time.</i>	○
<b>Water Management</b>					
Hardware Infrastructure Energy and Water Management	(1) Total water withdrawn; (2) total water consumed; (3) percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m³), Percentage (%)	TC-SI-130a.2; CG-EC-130a.2	(1) 317 cubic meters (2) n/a to our business (3) data not currently tracked  <i>*The data above is specific to 1,059 US and Puerto Rico based Corporate Rent-A-Center, Get It Now, and Home Choice retail stores that we have control over contracts with energy providers. The data does not include corporate offices at this time.</i>	○
	Discussion of the integration of environmental considerations into strategic planning for data center needs	n/a	TC-SI-130a.3; CG-EC-130a.3	We are evaluating options to migrate data from the CyrusOne Data Center to the cloud (primarily AWS). This will enable us to increase our uptime and reduce environmental impact as AWS is 3.6 times more energy efficient than a median US Data Center, and is on a path to be powered 100% by renewable energy by 2025.	○
<b>Production Process</b>					
Product Packaging & Distribution	Total greenhouse gas (GHG) footprint of product shipments	Metric tons (t) CO <sub>2</sub> -e	CG-EC-410a.1	We are currently assessing data collection and management processes for this metric. Please see page 15 of the Rent-A-Center Inc. 2021 Sustainability report for more information on 2022 Sustainability Priorities.	○
	Discussion of strategies to reduce the environmental impact of product delivery	n/a	CG-EC-410a.2	We are evaluating options for further reducing the environmental impact of product delivery. Please see page 30 of the Rent-A-Center Inc. 2021 Sustainability report for more information on Fleet Optimization..	○
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Reporting currency	CG-MR-410a.1	We are currently assessing data collection and management processes for this metric.	○
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	n/a	CG-MR-410a.2	We are currently assessing data collection and management processes for this metric.	○
	Discussion of strategies to reduce the environmental impact of packaging	n/a	CG-MR-410a.3	We are evaluating options for reducing the environmental impact of product packaging. Please see page 29 of the Rent-A-Center Inc. 2021 Sustainability report for more information about our efforts to reduce waste within our operations.	○



## Rent-A-Center 2021 ESG Disclosure Table

Topic	Accounting Metric	Unit of Measurement	Code	Response	Acima data is included
<b>Social</b>					
<b>Labor Practices and Employee Health and Safety</b>					
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, region	reporting currency, percentage (%)	CG-MR-310a.1	(1) The average hourly rate for 2021 as of 12/31 was \$16.68 (2) 0% of our coworkers are paid at minimum wage. All of our hourly-paid coworkers located in a RAC location earn more than the minimum wage.  <i>*The data above is specific to US and Puerto Rico based Corporate Rent-A-Center, Get It Now, and Home Choice retail store employees.</i>	●
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Reporting currency	CG-MR-310a.3	Any material legal and/or regulatory issues are disclosed in our annual 10-K and quarterly 10-Qs in accordance with regulatory requirements. <a href="#">Reports linked here.</a>	○
Health and Safety	A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks	n/a	GRI 403-2	We currently identify work-related hazards and assess risks through a monthly store safety inspection. This information is currently tracked at the store and district levels. We are evaluating a plan to migrate inspection documents to a shared drive accessible to all levels of management for greater accountability. These changes will allow daily review of new accident and injury claims for immediate needs and quarterly and yearly trend analysis and review.	○
	For all employees (1) The number and rate of high-consequence work-related injuries (excluding fatalities); (2) The number and rate of recordable work-related injuries; (3) The main types of work-related injury	n/a	GRI 403-9	1308 Total Incidents. Using 1,000,000 hours worked (GRI 403-9 2.1.4). 1. The number and rate of "high-consequence" work-related injuries (excluding fatalities)? 556 with a Rate = 0.000556 2. The number and rate of "recordable" work-related injuries? 644 with a Rate = 0.000644 3. Main types of work-related injury? Material Handling (cause) - sprains/strains (nature)	●
<b>Employee Development</b>					
Training & Education	Programs for upgrading employee skills and transition assistance programs in place	n/a	GRI 404-2	We provide onsite and virtual training sessions to allow all members to refresh, update, and maintain their core skills and knowledge base as well as acquire new skills to advance their careers. These training sessions are supplemented with a yearly leadership conference to update and optimize current tools to meet our targets and metrics. More information can be found on pages 18-19 of the Rent-A-Center Inc. 2021 Sustainability Report.  <i>*This data is specific to US, Puerto Rico, and portions are relevant to Mexico.</i>	○
	Type and scope of programs implemented and assistance provided to upgrade employee skills	n/a	GRI 404-2	Our DRIVE training program suite is a blended approach including bookwork and eLearning courses differentiated by line of business aligning with the coworker lifecycle. Coworkers across roles can also access a variety of learning materials on demand via the company intranet including videos, job aids, role play scripts, and other resources. These microlearning modules are accessible at a moment's notice, so coworkers can use them as they are needed on the job. Additional formal training is provided through our Learning Management System and ADP MyLearning to support company initiatives and roll out new processes, technology, and change management. All eLearning modules and videos include performance and progress checkpoints. More information can be found on pages 18-19 of our 2021 Sustainability Report.	○

## Rent-A-Center 2021 ESG Disclosure Table

Topic	Accounting Metric	Unit of Measurement	Code	Response	Acima data is included																																																																		
Diversity Equity and Inclusion																																																																							
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	percentage (%)	CG-MR-330a.1; CG-EC-330a.3; TC-SI-330a.3; GRI 405-1	<table><thead><tr><th></th><th colspan="2">Gender Representation</th><th colspan="8">Racial/Ethnic Group Representation</th></tr><tr><th></th><th>Female</th><th>Male</th><th>American Indian/ Alaska Native</th><th>Asian</th><th>African American/ Black</th><th>Hispanic/ Latino</th><th>Hawaiian/ Pacific Islander</th><th>Multi-racial</th><th>White</th><th>Not Specified</th></tr></thead><tbody><tr><td>Executive</td><td>29%</td><td>71%</td><td>0.0%</td><td>0.0%</td><td>14.3%</td><td>14.3%</td><td>0.0%</td><td>0.0%</td><td>71.4%</td><td>0.0%</td></tr><tr><td>Management</td><td>42%</td><td>58%</td><td>0.2%</td><td>6.9%</td><td>6.9%</td><td>13.8%</td><td>0.3%</td><td>6.2%</td><td>46.5%</td><td>19.3%</td></tr><tr><td>Technical</td><td>19%</td><td>81%</td><td>1.3%</td><td>26.5%</td><td>3.3%</td><td>2.0%</td><td>0.0%</td><td>5.3%</td><td>41.1%</td><td>20.5%</td></tr><tr><td>All other Employees</td><td>31%</td><td>69%</td><td>0.8%</td><td>0.7%</td><td>23.4%</td><td>20.6%</td><td>0.7%</td><td>8.6%</td><td>43.2%</td><td>2.1%</td></tr></tbody></table> <p>*The data above is representative of Q1 2022 and includes all employees in the enterprise for US and Puerto Rico.</p>		Gender Representation		Racial/Ethnic Group Representation									Female	Male	American Indian/ Alaska Native	Asian	African American/ Black	Hispanic/ Latino	Hawaiian/ Pacific Islander	Multi-racial	White	Not Specified	Executive	29%	71%	0.0%	0.0%	14.3%	14.3%	0.0%	0.0%	71.4%	0.0%	Management	42%	58%	0.2%	6.9%	6.9%	13.8%	0.3%	6.2%	46.5%	19.3%	Technical	19%	81%	1.3%	26.5%	3.3%	2.0%	0.0%	5.3%	41.1%	20.5%	All other Employees	31%	69%	0.8%	0.7%	23.4%	20.6%	0.7%	8.6%	43.2%	2.1%	<div></div>
		Gender Representation		Racial/Ethnic Group Representation																																																																			
	Female	Male	American Indian/ Alaska Native	Asian	African American/ Black	Hispanic/ Latino	Hawaiian/ Pacific Islander	Multi-racial	White	Not Specified																																																													
Executive	29%	71%	0.0%	0.0%	14.3%	14.3%	0.0%	0.0%	71.4%	0.0%																																																													
Management	42%	58%	0.2%	6.9%	6.9%	13.8%	0.3%	6.2%	46.5%	19.3%																																																													
Technical	19%	81%	1.3%	26.5%	3.3%	2.0%	0.0%	5.3%	41.1%	20.5%																																																													
All other Employees	31%	69%	0.8%	0.7%	23.4%	20.6%	0.7%	8.6%	43.2%	2.1%																																																													
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	number, reporting currency	CG-MR-330a.2	Any material legal and/or regulatory issues are disclosed in our annual 10-K and quarterly 10-Qs in accordance with regulatory requirements. <a href="#">Reports linked here.</a>	<div></div>																																																																		
Employee Recruitment, Inclusion & Performance	Employee engagement as a percentage	Percentage (%)	CG-EC-330a.1; TC-SI-330a.2	Rent A Center measures coworker engagement on a semi-annual basis through an enterprise wide engagement survey we call Voice of The Coworker. The survey asks a myriad of questions focusing on Professional Development, Coworker Recognition, Management Satisfaction and Work-Life Balance. Additionally, we ask a single question graded on a Net Promoter Scale of "How Likely are you to recommend Rent A Center to a friend or family member"? The promoters would be considered "engaged", the detractors, "disengaged" and the passives would be in the middle. The scores from our latest survey completed in August 2021 are below: • Engaged – 43.6% • Disengaged – 31.7% • Passives – 24.7%	<div></div>																																																																		
	(1) Voluntary and (2) involuntary turnover rate for all employees	Rate	CG-EC-330a.2; CG-MR-310a.2	Total Turnover: 82% (1) Voluntary: 62% (2) Involuntary: 20%  *The data above is specific to US and Puerto Rico based Corporate Rent-A-Center, Get It Now, and Home Choice retail store employees.	<div></div>																																																																		
	Percentage of technical employees who are H-1B visa holders	Percentage (%)	CG-EC-330a.4 GRI 405-1	10%	<div></div>																																																																		
	Percentage of employees that are (1) foreign nationals and (2) located offshore	Percentage (%)	TC-SI-330a.1	Approximately 2% of employees hired in 2021 were foreign nationals. We aim to broaden the geographic scope of this response in future disclosures.	<div></div>																																																																		

## Rent-A-Center 2021 ESG Disclosure Table

Topic	Accounting Metric	Unit of Measurement	Code	Response	Acima data is included
Discrimination & Harassment Management	Formalized group-wide policy on workplace discrimination and harassment in place	n/a		Rent-A-Center has implemented multiple formalized policies to ensure that workplace discrimination and harassment are not tolerated. These policies include the Equal Employment Opportunity Policy; Anti-Discrimination, Harassment, and Retaliation Policy; and Open Door Reporting Policy. More information can be found on page 10 of the Rent-A-Center Inc. 2021 Sustainability Report.	●
	Remediation procedure in place for identified cases of discrimination and/or harassment	n/a		Under the Open Door Reporting Policy, if it is determined that discrimination, harassment, or retaliation of any kind has occurred, or if a manager knowingly allows the policy to be violated without reporting it, corrective action, commensurate with the circumstances, will be taken, up to and including termination. The Company will also take appropriate action to deter future discrimination, harassment, or retaliation concerns.	●
	Total number of incidents of discrimination during the reporting period		GRI 406-1	Any material legal and/or regulatory issues are disclosed in our annual 10-K and quarterly 10-Qs in accordance with regulatory requirements. <a href="#">Reports linked here.</a>	○
Data Privacy					
Customer Privacy	Number of users whose information is used for secondary purposes	number	TC-SI-220a.2; CG-EC-220a.1	We do not process personal data for secondary purposes.	●
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	number, reporting currency	FN-CF-220a.2; TC-SI-220a.3	Any material legal and/or regulatory issues are disclosed in our annual 10-K and quarterly 10-Qs in accordance with regulatory requirements. <a href="#">Reports linked here.</a>	○
Data Privacy and Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	n/a	TC-SI-220a.1; CG-EC-220a.2	Both Rent-A-Center Inc. and Acima disclose information related to behavioral advertising and user privacy in our Privacy Policies, including the use of cookies, tracking technologies and third party analytics services. The policies include instructions for users who wish to opt out of certain tracking activities. The information collected is used to enable targeted advertising and the processing of rental orders and payments. It also provides demographic information that is used to improve customer offerings. The Rent-A-Center Inc. and Acima policies include additional disclosures required by the California Consumer Privacy Act and will be updated to accommodate future state law requirements as such requirements become effective. The Rent-A-Center Inc. and Acima websites also provide more specific disclosures regarding the use of cookies and enable users to adjust their cookie preferences.	●
	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	number	TC-SI-220a.4	Data is pending following the in-progress enhancement of the data management system.	●
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	n/a	TC-SI-220a.5	Our core products and services are regulated by the United States and Mexico. However, our core product and services do not include content that is subject to monitoring.	○

## Rent-A-Center 2021 ESG Disclosure Table

Topic	Accounting Metric	Unit of Measurement	Code	Response	Acima data is included
<b>Data Security</b>					
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Reporting currency	TC-SI-520a.1	Any material legal and/or regulatory issues are disclosed in our annual 10-K and quarterly 10-Qs in accordance with regulatory requirements. <a href="#">Reports linked here.</a>	<input type="radio"/>
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Number, Days	TC-SI-550a.1	This does not apply to Rent-A-Center's business, as we do not provide cloud-based services.	<input type="radio"/>
	Description of business continuity risks related to disruptions of operations	n/a	TC-SI-550a.2	This does not apply to Rent-A-Center's business, as we do not provide cloud-based services.	<input type="radio"/>
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standard	n/a	CG-MR-230a.2; CG-EC-230a.2	Rent-A-Center deploys a multi-layered strategy for identifying, detecting, and containment of security events. This includes using state-of-the-art controls deployed within the network and cloud perimeter, endpoints, and at all data communication channels, such as email. Rent-A-Center measures its security effectiveness in our internal evaluation of our ability to absorb security attacks while maintaining reliable revenue streams by measuring cyber resilience in relation to technology-dependent critical business functions. In addition, Rent-A-Center partners with several external assessors to evaluate security capability and maturity under the standard National Institute of Standards and Technology (NIST) framework.	<input type="radio"/>
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Number, Percentage (%)	CG-MR-230a.2; FN-CF-230a.1; CG-EC-230a.2 GRI 418-1	(1) 0 (2) 0 (3) 0	<input type="radio"/>
<b>Governance</b>					
<b>Business Ethics and Integrity</b>					
Ethical Standards	Description of the company's initiatives to ensure business ethics compliance across its operations (i.e., implementation of the internal Code of Business Conduct and Ethics)	n/a		To ensure that all RAC members and affiliates are aware of our standard practices in regards to Business Ethics Compliance, we have integrated this information throughout our Code of Conduct and Ethics. More information can be found on page 10 of the Rent-A-Center Inc. 2021 Sustainability Report.	<input checked="" type="radio"/>
	Formalized, group-wide Code of Business Conduct and Ethics in place	n/a		Rent-A-Center has a formalized Code of Conduct and Ethics in place. <a href="#">Report linked here.</a>	<input checked="" type="radio"/>
	Percentage of employees trained on Code of Business Conduct and Ethics	percentage (%)		All coworkers in our corporate and field offices must complete the Code of Conduct training.	<input type="radio"/>



## Rent-A-Center 2021 ESG Disclosure Table

Topic	Accounting Metric	Unit of Measurement	Code	Response	Acima data is included
Ethics Advice and Reporting	A description of internal and external mechanisms for: (1) Seeking advice about ethical and lawful behaviour and organizational integrity; and (2) Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity	n/a	GRI 102-17	Our Code of Conduct and Ethics is a living document within Rent-A-Center that is subject to changes but is used to advise all parties of their expectations while working with Rent-A-Center. We have a supplemental Open Door Policy to maintain accountability structures. The Open Door Policy mandates that all matters reported in good faith regarding unethical behavior will be kept confidential to the extent practicable.	●
Board and Executive Leadership Characteristics					
Governance Body Composition	Description of the organizations' governance structure, including committees of the highest governance body	n/a	GRI 102-22	Refer to our 2021 Proxy on pages 17-21. <a href="#">Proxy linked here.</a>	○
	Composition of the highest governance body and its committees by (1) competencies relating to economic, environmental and social topics; (2) executive or non-executive; (3) independence; (4) tenure on the governance body; (5) number of each individual's other significant positions and commitments, and the nature of the commitments; (6) gender; (7) membership of under-represented social groups; (8) stakeholder representation	multiple	GRI 102-22, GRI 405-1a	Refer to our 2021 Proxy on pages 32-33. <a href="#">Proxy linked here.</a>	○

## Rent-A-Center 2021 ESG Disclosure Table

Topic	Accounting Metric	Unit of Measurement	Code	Response	Acima data is included
Nominations	Description of nomination and selection processes for the highest governance body and its committees	n/a	GRI 102-24	Refer to our 2021 Proxy on pages 25-26. <a href="#">Proxy linked here.</a>	<input type="radio"/>
	Description of criteria used for nominating and selecting highest governance body members, including whether and how: (1) stakeholders (including shareholders) are involved; (2) diversity is considered; (3) independence is considered; (4) expertise and experience relating to economic, environmental, and social topics are considered	n/a	GRI 102-24	Refer to our 2021 Proxy on pages 25-28. <a href="#">Proxy linked here.</a>	<input type="radio"/>
Conflicts of Interest	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	n/a	GRI 102-25	Refer to our 2021 Proxy on pages 18-21. <a href="#">Proxy linked here.</a>	<input type="radio"/>
	Description of whether conflicts of interest are disclosed to stakeholders, including, as a minimum: (1) Cross-board membership; (2) Cross-shareholding with suppliers and other stakeholders; (3) Existence of controlling shareholder; (4) Related party disclosures.	n/a	GRI 102-25	Refer to our 2021 Proxy on pages 18-21. <a href="#">Proxy linked here.</a>	<input type="radio"/>

## Rent-A-Center 2021 ESG Disclosure Table

Topic	Accounting Metric	Unit of Measurement	Code	Response	Acima data is included
<b>Pay</b>					
Pay Terms	Remuneration policies for the highest governance body and senior executives for the following types of remuneration: (1) Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares (2) Sign-on bonuses or recruitment incentive payments, (3) Termination payments, (4) Clawbacks, (5) Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees	multiple	GRI 102-35	Refer to our 2021 Proxy on pages 35-46. <a href="#">Proxy linked here.</a>	<input type="radio"/>
Pay Figures	Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	number, ratio	GRI 102-38	The estimated 2020 CEO Pay Ratio is approximately 279:1. Refer to our 2021 Proxy on page 53 to understand how this number was calculated. <a href="#">Proxy linked here.</a>	<input type="radio"/>
<b>Ownership and Control</b>					
Ownership Structure	Description of ownership management	n/a		Refer to our 2021 Proxy on page 78. <a href="#">Proxy linked here.</a>	<input type="radio"/>
	Assessment of potential of elements of concern in ownership structure (e.g., controlling shareholders, differential voting rights), takeover defenses preventing shareholders to accept external bids	n/a		Refer to our 2021 Proxy on page 77. <a href="#">Proxy linked here.</a>	<input type="radio"/>

# Appendix



## About this report

Rent-A-Center, Inc.'s 2021 Sustainability Report provides an overview of our company's ESG commitments as well as progress against certain ESG priorities, and goals.

In this report, the use of the term "materiality" and other similar terms refers to topics that reflect our priority ESG issues. We are not using such terms as they are used under the securities or other laws of the United States or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting.

## ESG Frameworks

### Sustainability Accounting Standards Board (SASB)

The Sustainability Accounting Standards Board (SASB) is an independent, private sector, standards-setting organization dedicated to enhancing the efficiency of capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. For this inaugural report, we disclosed all recommended accounting metrics in accordance with the Sustainability Accounting Standards Board's (SASB) guidance for Multiline and Retail, e-Commerce, and Software and IT industries, as we believe these best reflect our current business activities.

### Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) serves the same purpose as SASB but provides a broader approach that is not sector specific. We have disclosed select GRI metrics to provide a more comprehensive assessment of our performance on significant ESG issues not captured by SASB metrics.

## Forward-looking statements

The Company's ESG aspirational commitments and goals are a type of forward-looking disclosure in this report. As such, this report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements regarding our goals, plans and projections with respect to our operations, financial position, and business strategy. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "predict," "continue," "maintain," "should," "anticipate," "believe," "aim," or "confident," or the negative thereof or variations thereon or similar terminology. Such forward-looking statements are based on particular assumptions that our management has made in light of its experience and its perception of expected future developments and other factors that it believes are appropriate under the circumstances and are subject to various risks and uncertainties. Factors that could cause or contribute to material and adverse differences between actual and anticipated results can be found in our most recent Form 10-K, subsequent Form 10-Qs and subsequent Form 8-Ks filed with the U.S. Securities and Exchange Commission.



# Appendix



## Non-GAAP Financial Disclosures

This communication contains certain financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles (GAAP), including Non-GAAP diluted earnings per share (net earnings, as adjusted for special items (as defined below), net of taxes, divided by the number of shares of our common stock on a fully diluted basis). "Special items" refers to certain gains and charges we view as extraordinary, unusual or non-recurring in nature and which we believe do not reflect our core business activities. For the periods presented herein, these special items are described in the quantitative reconciliation tables included in the appendix of this communication. Because of the inherent uncertainty related to the special items, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measures or reconciliation to any forecasted GAAP measure without unreasonable effort.

These non-GAAP measures are additional tools intended to assist our management in comparing our performance on a more consistent basis for purposes of business decision-making by removing the impact of certain items management believes do not directly reflect our core operations. These measures are intended to assist management in evaluating operating performance and liquidity, comparing performance and liquidity across periods, planning and forecasting future business operations, helping determine levels of operating and capital investments and identifying and assessing additional trends potentially impacting our company that may not be shown solely by comparisons of GAAP measures.

We believe these non-GAAP financial measures also provide supplemental information that is useful to investors, analysts and other external users of our consolidated financial statements in understanding our financial results and evaluating our performance and liquidity from period to period. However, non-GAAP financial measures have inherent limitations and are not substitutes for or superior to, and they should be read together with, our consolidated financial statements prepared in accordance with GAAP. Further, because non-GAAP financial measures are not standardized, it may not be possible to compare such measures to the non-GAAP financial measures presented by other companies, even if they have the same or similar names.

# Reconciliation of New Earnings Per Share to Non-GAAP Diluted Earnings Per Share



	Twelve Months Ended December 31, 2021					
<i>(in thousands)</i>	Gross Profit	Operating Profit	Earnings Before Income Taxes	Tax Expense	Net Earnings	Diluted Earnings per Share
<b>GAAP Results</b>	<b>\$2,235,012</b>	<b>\$280,539</b>	<b>\$194,304</b>	<b>\$59,364</b>	<b>\$134,940</b>	<b>\$2.02</b>
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Acima equity consideration vesting	-	127,060	127,060	-	127,060	1.90
Acima acquired assets depreciation and amortization <sup>1</sup>	(14,265)	100,694	100,694	24,241	76,453	1.14
Acima transaction costs	-	17,680	17,680	4,256	13,424	0.20
Legal settlement reserves	-	17,500	17,500	4,213	13,287	0.20
Acima integration costs	-	10,305	10,305	2,481	7,824	0.12
Hurricane impacts	-	1,424	1,424	343	1,081	0.02
Store closure costs	-	531	531	128	403	0.01
COVID-19 testing	-	293	293	71	222	-
State tax audit assessment reserves	-	161	161	39	122	-
Debt refinancing charges	-	-	15,582	3,751	11,831	0.18
Discrete income tax items	-	-	-	14,316	(14,316)	(0.22)
<b>Non-GAAP Adjusted Results</b>	<b>\$2,220,747</b>	<b>\$556,187</b>	<b>\$485,534</b>	<b>\$113,203</b>	<b>\$372,331</b>	<b>\$5.57</b>

# Reconciliation of New Earnings Per Share to Non-GAAP Diluted Earnings Per Share



Twelve Months Ended December 31, 2020

(in thousands)

## GAAP Results

Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)

	Gross Profit	Operating Profit	Earnings Before Income Taxes	Tax Expense	Net Earnings	Diluted Earnings per Share
	<b>\$1,672,152</b>	<b>\$237,336</b>	<b>\$222,779</b>	<b>\$14,664</b>	<b>\$208,115</b>	<b>\$3.73</b>
California Refranchise Store Sales	-	16,600	16,600	4,430	12,170	0.22
Legal settlement reserves	-	7,900	7,900	2,108	5,792	0.10
Acima transaction costs	-	6,400	6,400	1,708	4,692	0.08
Legal settlement	-	(2,800)	(2,800)	(747)	(2,053)	(0.04)
Store closure costs	-	2,089	2,089	557	1,532	0.03
Asset disposals	-	1,804	1,804	481	1,323	0.02
Cost savings initiatives	-	1,583	1,583	422	1,161	0.02
State tax audit assessment reserves	-	1,225	1,225	327	898	0.02
COVID-19 impact	-	1,153	1,153	308	845	0.02
Nationwide protest impacts	-	942	942	251	691	0.01
Insurance reimbursed proceeds	-	(341)	(341)	(91)	(250)	-
Discrete income tax items	-	-	-	37,986	(37,986)	(0.68)
<b>Non-GAAP Adjusted Results</b>	<b>\$1,672,152</b>	<b>\$273,891</b>	<b>\$259,334</b>	<b>\$62,404</b>	<b>\$196,930</b>	<b>\$3.53</b>