

upboundTM

2023 Sustainability Report
Published April 2024

Contents

<u>Introduction</u>	2
<u>Letter from the CEO</u>	3-4
<u>Upbound at a Glance</u>	5-9
<u>Our Approach to Sustainability</u>	10-14
Priority Topics	11
2023 Accomplishments	13
2024 Commitments	14
<u>Environmental Impact</u>	15-19
Greenhouse Gas Inventory	16-17
Fuel & Climate Initiatives	18-19
<u>Social Responsibility</u>	20-34
Our Customers	21-23
Our Coworkers	24-27
Diversity, Equity, & Inclusion	28-31
Community Impact	32-34
<u>Governance</u>	35-42
Board & Corporate Governance	36-38
Compliance Training	39-40
Operations & Data Management	41-42
<u>Sustainability Performance Metrics & Disclosures</u>	43-53
<u>Appendix</u>	54-61

Introduction

At Upbound Group, we are committed to sustainability responsibilities in ways that align with our overall business strategy. Our 2023 Sustainability Report highlights our ongoing efforts to develop and implement our sustainability strategy, while also providing a data-driven overview of our current performance on topics that we believe are most relevant to our business. Throughout this report, we aim to provide updates on our progress toward achieving our short-term sustainability objectives, while also establishing a framework for monitoring risks and opportunities in the long term.

In 2023, we announced our corporate rebrand and strategy to unify our business segments in pursuit of our mission, to elevate financial opportunities for all. Throughout the course of this report, you will read about how this transition has also provided us with the opportunity to refine our sustainability strategy, to effectively manage the evolving risk and opportunities across all business segments, and leverage synergies.

Letter from the CEO

Upbound's brands elevate financial opportunities for our customers by offering them the flexibility of lease-to-own solutions for quality products that they might not otherwise be able to attain through the mainstream financial system. Our differentiated value proposition enables them to experience the quality of life they aspire to.

The loyalty we've grown and nurtured with customers is foundational to our success and also enabled us to celebrate two remarkable milestones in 2023: the 50th anniversary of our Rent-A-Center brand in the marketplace, as well as the debut of our new parent company name and enterprise structure. The name "Upbound" is emblematic of the impact our solutions make in our customers' lives, and the mission and core values of this new overarching identity also align with and support our crucial commitment to sustainable business practices.

At Upbound, we believe sustainability is a way for us to maintain responsible relationships and operational procedures that create an impactful future for our stakeholders. In this regard, we've made a significant effort to identify, assess and implement improvements to our sustainability strategy and ensure consistent growth and progress — particularly throughout this past year.

In 2023, we achieved positive outcomes as a result of our company's efforts, including our sustainability commitments for 2023. In fact, we met each of the commitments we set. Most notably, given that climate is an important topic in today's society and business markets, we conducted a greenhouse gas inventory in addition to the one conducted in 2022 to identify potential targets for improving our fleet and energy consumption. Additionally, we responded to key action items following our 2022 Climate Risk Assessment to minimize physical risks in top metro areas.



Mitch Fadel

Director & Chief Executive Officer

Letter from the CEO

Last year, we enhanced our training programs and followed up on action items identified in the execution of our Account Management Assessment in 2022. To ensure we're continuing to improve our understanding of key sustainability issues, all members of our Board of Directors completed their annual training on the latest sustainability topics for the second consecutive year.

Each of these undertakings in support of our goals and strategy around sustainability were achieved in alignment with our overall business objectives, with the aim of effectively growing our business and being exceptional for our customers.

Sustainability will be prioritized even more in 2024, in line with our ambition to keep improving our sustainability performance and providing value for all. We are proud to share that this year we will evaluate different categories and inventory types to conduct our first-ever Scope 3 Inventory to better understand the emissions throughout our value chain. We'll also be conducting a refresh of our materiality assessment in order to re-evaluate our priorities based on current sustainability standards and trends.

We're committed to sustainability and have prioritized integrating our sustainability objectives and establishing accountability for attaining them. We invite our stakeholders to support and participate in our overall business efforts in 2024 through feedback, collaboration and advocacy.

Mitchell E. Fadel
Director & CEO

A portrait photograph of Mitch Fadel, a middle-aged man with short grey hair, wearing a dark blue suit jacket over a light blue button-down shirt. He is smiling slightly and looking towards the camera. The background is a soft, out-of-focus indoor setting.

Mitch Fadel
Director & Chief Executive Officer

Who is Upbound?

Our Mission



At **Upbound**, we exist to elevate financial opportunity for all

Our Values

Customer Centricity

Ask and listen | Led by customer insight

Winning Together

Create value for customers, coworkers, partners and communities

Empowerment

Upward movement | Promote financial confidence

Respect

Others above ourselves | Communicate with integrity

Simplicity

Easy to use | Easy to understand

Impact

Change lives | Make a difference | Ask and listen

Upbound is our enterprise brand, encompassing our diverse business segments, and empowering us to serve an expanded customer base in more ways.

Retail Store-based Business

Our omni-channel store-based brand, **Rent-A-Center**, has been connecting with customers and operating across the country for over 50 years, as well as operating stores in both Puerto Rico and Mexico. Additionally, we operate four subsidiary brands, including **Home Choice**, **Get It Now!**, **Rent-A-Center Mexico** and **Rent-A-Center Franchising**. Through these brands, we provide flexible solutions for accessing the best name brands in furniture, appliances, electronics, computers and other durable goods.

Virtual Lease-to-Own Business

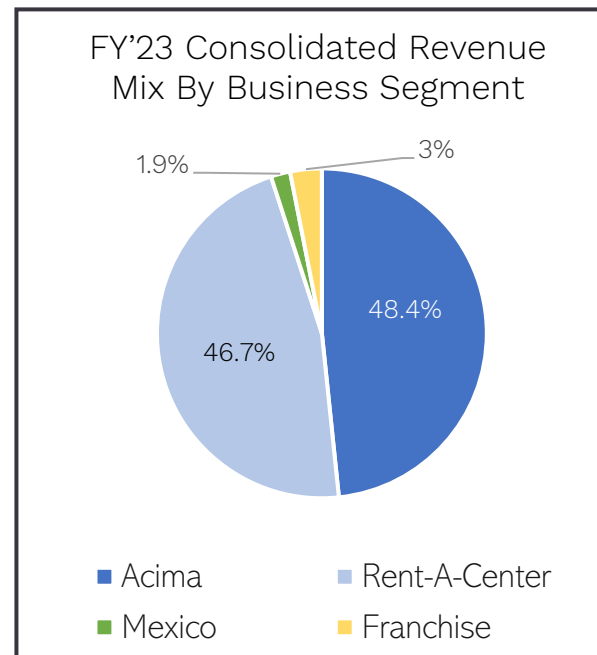

In 2021, we further expanded into the virtual lease-to-own industry with the acquisition of **Acima Holdings**. This enabled us to provide our customers with the opportunity to improve their quality of life through a proprietary technology that offers the options to shop through our mobile app, online or in stores at thousands of retailers across the nation. Today, we act as a convenient flexible lease-to-own option where consumers can apply for a lease agreement through any of our merchant partner locations.

Financial Performance


- 2023 Consolidated Revenues of \$4 billion
- Adjusted EBITDA¹ of \$456 million, Adjusted EBITDA margin¹ of 11.4% in 2023
- 2023 cash from operations of \$200 million and Free Cash Flow¹ of \$147 million
- Strong balance sheet with over \$500 million of liquidity and a net leverage ratio of 2.7x as of FY 2023
- In 2023, returned \$133 million to shareholders through dividends and share repurchases

Financial Highlights

(\$M, except per share amounts)	FY'23	FY'22
Total Revenue	\$3,992.4	\$4,245.4
Operating Profit	\$162.9	\$148.5
Adjusted EBIDTA ¹	\$455.7	\$453.4
Non-GAAP Diluted EPS ¹	\$3.55	\$3.70
Annual Dividend Per Share Declared	\$1.39	\$1.36

~2,400
Owned and Franchised
Retail Locations



~35,000
Active Third-party Retail
Stores Enrolled in Acima



~2.4M
Customers Initiated
Agreements in FY'23

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

Products & Services



Products

Our Rent-A-Center lease-to-own products enable customers to achieve the quality of life they aspire to enjoy at home, school and work. We provide products from top brands, such as Ashley Furniture, Whirlpool, Samsung, LG, HP and Acer, 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 a lease after previously needing to return a product.

Our Acima virtual lease-to-own solution enables customers to shop at retail stores across the United States and lease essential items such as:

- Furniture
- Electronics
- Mattresses
- Appliances
- Tires
- Computers

Services

We pride ourselves in offering our customers flexible options that provide access to top-quality furniture, appliances, computers, electronics and smartphones. These service offerings are made available at our brick-and-mortar Rent-A-Center stores, Acima Marketplace, online websites, phone apps, and more. These channels allow customers to lease the products that they want with no long-term commitments and receive their items within their chosen timeframe.

Rent-to-Own Service Offerings

- **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.
- **Own It In 4-6 Months.** The 4-6 Months Early Purchase option within the Rent-A-Center segment offers flexibility, affordability and accessibility which means helping customers get the items they need when they need them.
- **Free Same-Day Delivery.** We deliver and set up our customers' items for free, often on the same day they submit their order within our Rent-A-Center segment.
- **No Long-Term 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 their agreement.

Virtual Lease-to-Own Service Offerings

- **The No Credit Option.** Get the things they want without using credit or increasing their debt.
- **No Long-Term Commitment.** Our customers make decisions that best fit their situation. If our arrangement does not meet their needs, they can terminate the lease without penalty.
- **Easy Payment Options.** Make flexible payments that are conveniently scheduled in alignment with their payday.
- **Thousands of Choices.** Choose from over 35,000 retail locations to shop for the items of their choice and lease them from Acima.
- **Application Ease.** Get approved for up to \$6,000 with our fast and easy-to-complete application.

Where are Rent-A-Center¹ Stores?



2,410 locations

50 US states

131 stores in Mexico

1,704 cities

821 areas

Data as of December 31, 2023

TOP 10 METRO AREAS*

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

* Based on number of stores per metro area served.

¹For purposes of this slide, Rent-A-Center represents Rent-A-Center United States, Get-It-Now!, Home Choice, RAC Mexico and all Franchise locations.

Where are Acima¹ Merchant Locations?



~35,000 Active Merchant
Partner Locations

46 US states²

~5,000 cities

~740 areas

Data as of December 31, 2023

TOP 10 METRO AREAS*

1. New York-Newark-Jersey City, NY-NJ-PA
2. Houston-The Woodlands-Sugar Land, TX
3. Dallas-Fort Worth-Arlington, TX
4. Los Angeles-Long Beach-Anaheim, CA
5. Miami-Fort Lauderdale-West Palm Beach, FL
6. Riverside-San Bernardino-Ontario, CA
7. Atlanta-Sandy Springs-Roswell, GA
8. Phoenix-Mesa-Scottsdale, AZ
9. Orlando-Kissimmee-Sanford, FL
10. Chicago-Naperville-Elgin, IL-IN-WI

* Number of active merchant partner locations per metro area served.

¹Acima Segment includes Acima and Acceptance Now.

²Acima does not have locations in MN, NJ, WI, or WY.

Our Approach to Sustainability

“ We believe the key to our approach is acting with our core values in mind and driving sustainability in a way that focuses on what is material and makes sense for our business operations.”



Tiffany Wall
SVP, Enterprise Business Operations




Focusing on the Priority Topics

In 2021, Upbound Group took significant steps towards integrating sustainability considerations into our business operations. To help guide us in this work, we engaged third-party sustainability experts to conduct a comprehensive materiality assessment using a standards-driven approach. This involved an in-depth analysis of various reporting frameworks, ratings providers, market trends, industry benchmarking and expert insights. The results were then applied to our ever-evolving business model to reflect our current and future risks and opportunities. The materiality assessment identified 16 priority sustainability topics, which we used to inform our short-term priorities and establish key metrics for reporting on our sustainability performance.

Since then, we have continued assessing our performance on these topics and identifying additional areas of our business which would benefit from the integration of sustainability considerations.

In 2024, we plan to conduct a review of our materiality assessment to identify emerging trends impacting our business, such as Cyber Security and other important topics.

Upbound's 16 Priority Sustainability Topics

-  • Climate Change
- Energy Management

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

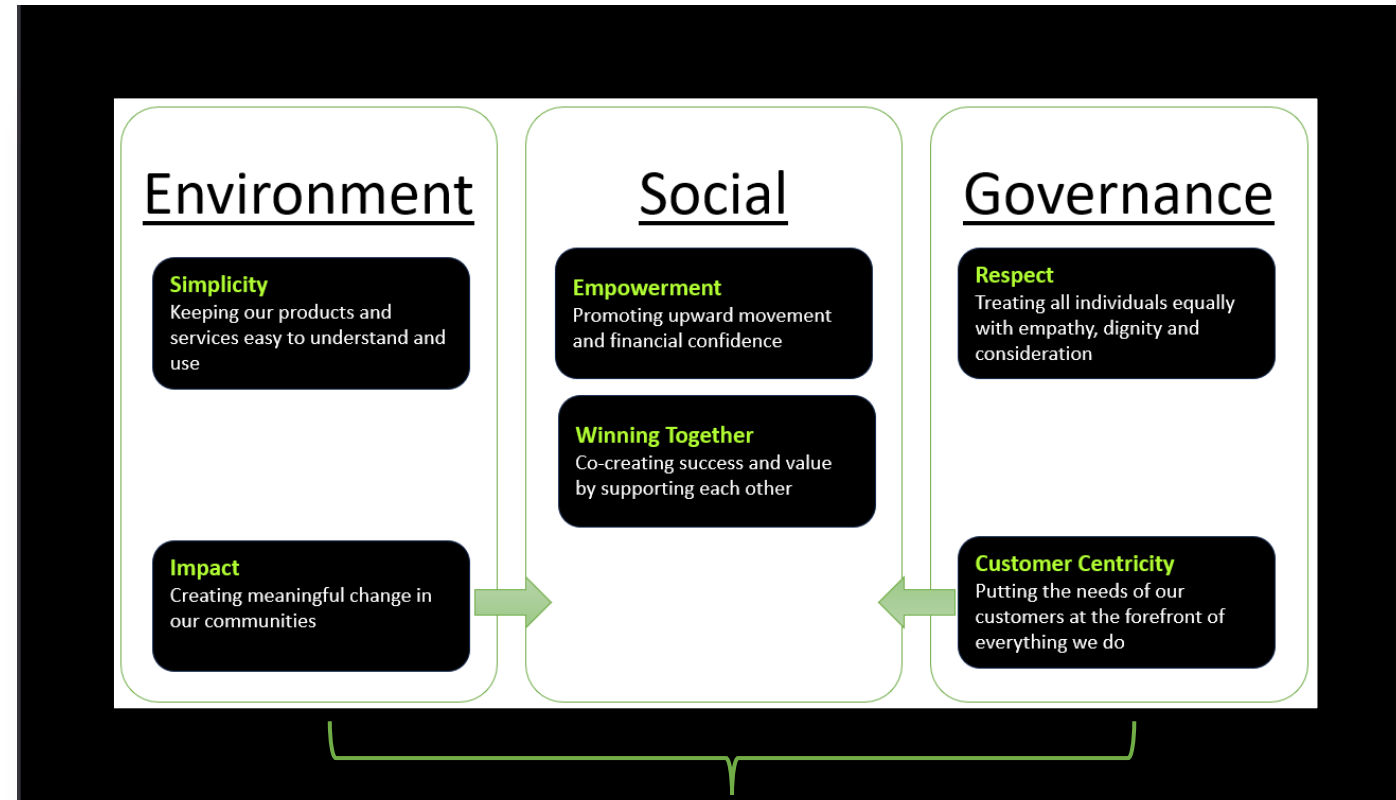
-  • Business Ethics and Integrity
- Board and Executive Leadership Characteristics
- Executive Pay
- Ownership and Control
- Tax Transparency and Accounting

-  • Product Design and Lifecycle Management
- Supply Chain Management

Upbound Sustainability Alignment

Since the announcement of our corporate rebrand in 2023, we've been intentional in assessing how **our mission and values support our commitment to global challenges**, such as environmental, social and governance factors.

Given that our mission is to elevate financial opportunity for all, **our intrinsic values support social matters** with a strong emphasis on **Empowerment** and **Winning Together**. In addition, by taking a holistic approach through **Respect, Customer Centricity, Impact** and **Simplicity**, we can achieve a well-rounded approach in our commitment to corporate responsibility and sustainable business practices.



When acting with intention, all of these factors can be catalysts for change.

Sustainability Commitments & Achievements

In 2023, we attained growth in the following areas:

Measure Our Company's Greenhouse Gas (GHG) Emissions

- ✓ We worked with third-party experts to conduct an additional GHG inventory to further establish baseline data with the goal of identifying reduction targets for fleet and/or energy consumption in 2024. Refer to pages 16-17 to see the results and any additional information.

Provide Sustainability Training for Our Board of Directors

- ✓ A specialized sustainability consultancy hosted a continuation of our annual Board of Directors training in 2023 to provide updates on the current state of sustainability, its relevancy to different stakeholders and the future state of regulatory compliance focused on climate disclosures. As part of our commitment to continuous engagement of leadership on sustainability topics, we plan to continue our training in 2024. Refer to page 39 for additional information.

Assess Our Exposure to Climate Risks

- ✓ To deliver on key action items that impact high-risk categories identified in our 2022 climate risk assessment, we have implemented practices in our Real Estate and Facility Services groups that are designed to minimize physical risk to our coworkers who work in locations exposed to varying climate conditions. Refer to page 19 for additional information.

Enhance Our Training on Account Management and Augment the Accountability Structures in Place.

- ✓ As part of our commitment to providing educational and development resources for our coworkers, while striving to achieve a best-in-class experience for our customers, we have enhanced our training programs and followed up on action items identified in the execution of our account management assessment in 2022. Refer to page 40 for additional information.

Sustainability Commitments

In 2024, we will continue to focus on making progress on our priority issues:

Conduct Inaugural Scope 3 Inventory

- Expand our current Greenhouse Gas (GHG) Inventory by evaluating different categories and inventory types to assess indirect value chain Scope 3 emissions, which are not covered in our current Scope 1 and Scope 2 emissions inventory.

Conduct Follow-up Materiality Assessment

- Update our materiality assessment (following our inaugural assessment in 2022) to help ensure we identify emerging sustainability topics that are most relevant to our business and operations.

Develop Corporate Responsibility Committee

- In addition to our Board's Corporate Governance Committee (reference pg. 37), identify internal stakeholders and their respective business functions who not only align most with our contributions to sustainability but are integral to our company's commitment towards responsible business practices as a whole.

Meet Annual \$100,000 Donation Goal

- Continue to elevate opportunities in our communities by donating \$100,000 annually to causes that empower families, promote their security, and enable them to reach their full potential.

Our Environmental Impact

“ Assessing overall impact to customers and coworkers is at the core of our operations; it's also key to participating in sustainable change that addresses our environmental impact.”



We believe that assessing and managing our environmental impact can help us create a more resilient business. We will leverage our baseline GHG data to evaluate and seek to identify areas of improvement on the efficiency of our operations, as well as further assess risks and opportunities related to the environmental impact of our products and service offerings.

Our Climate Impact

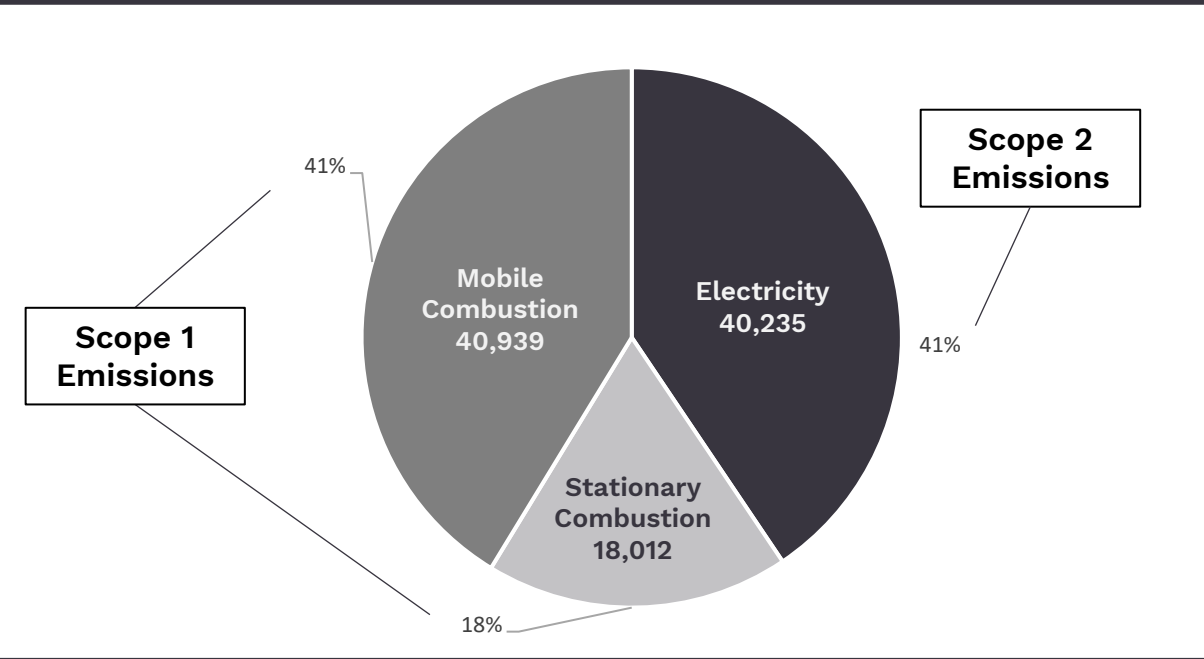
Greenhouse Gas Inventory

Upbound retained a third-party firm to help conduct an initial greenhouse gas (GHG) emissions inventory based on 2023 data. Direct (Scope 1) and indirect (Scope 2) emissions from our operations were calculated in alignment with the Greenhouse Gas Protocol guidance and captured emissions from our retail locations, corporate headquarters, fleet of vehicles, retail kiosks, data center, and distribution centers across the United States, Puerto Rico and Mexico.

Our rent-to-own retail segment made up the vast majority of emissions (~90%) due to the energy use at approximately 2,000 corporate operated stores and the mobile combustion emissions from our fleet. Most of this was attributable to electricity usage, but fleet also represented a significant portion.

Now that we have data on our GHG emissions, we will use this to identify potential areas of improvement and to benchmark our progress.

2023 Greenhouse Gas Inventory	
	Metric Tons CO ₂ e
Total Emissions	99,186.5
Scope 1	58,951.6
Scope 2 <i>(Location-based)</i>	40,234.9



Our Climate Impact

2023 Greenhouse Gas Inventory – by Resource Type			
Scope of Emissions	Resource Type	Metric Tons CO ₂ e	% of Total Emissions
Scope 1	Stationary Combustion	18,012.3	18%
	Natural Gas	17,492.7	97%
	Propane	363.2	2%
	Fuel Oil	74.8	<1%
	Diesel	81.6	<1%
	Mobile Combustion	40,939.2	41%
	Gasoline	39,689.5	97%
	Diesel	1,249.8	3%
Scope 2	Electricity	40,234.9	41%

Additional Takeaways

Comparing retail store emissions by state, we found that over 33% of emissions came from operations in five states: Michigan, New York, Ohio, Pennsylvania and Texas. There are also variations in energy use intensity between stores in states with similar climates. We hope to use this information to focus our operational enhancements on areas in which they would be most beneficial.

Within this inventory, there were instances where we needed to use estimations. For any facility for which electricity and/or stationary combustion data was missing, we used benchmarking figures from the Commercial Buildings Energy Consumption Survey and square footage to approximate usage. We also needed to make estimates for fuel used by our fleet. Given that fleet (mobile consumption) represents a significant portion of our emissions, we will focus on refining our data collection processes in order to yield results with more accuracy, insight, and actionability in future measurement efforts.

Our Fleet

Fleet Reduction

Since conducting our first greenhouse gas inventory (GHG) to assess 2022 emissions in 2023, we have implemented an initiative to reduce our van fleet for our U.S. Rent-A-Center stores. In 2023, we decreased our van fleet by 12% while maintaining the fleet of our cube trucks, which only increased by 1% despite annual store openings.

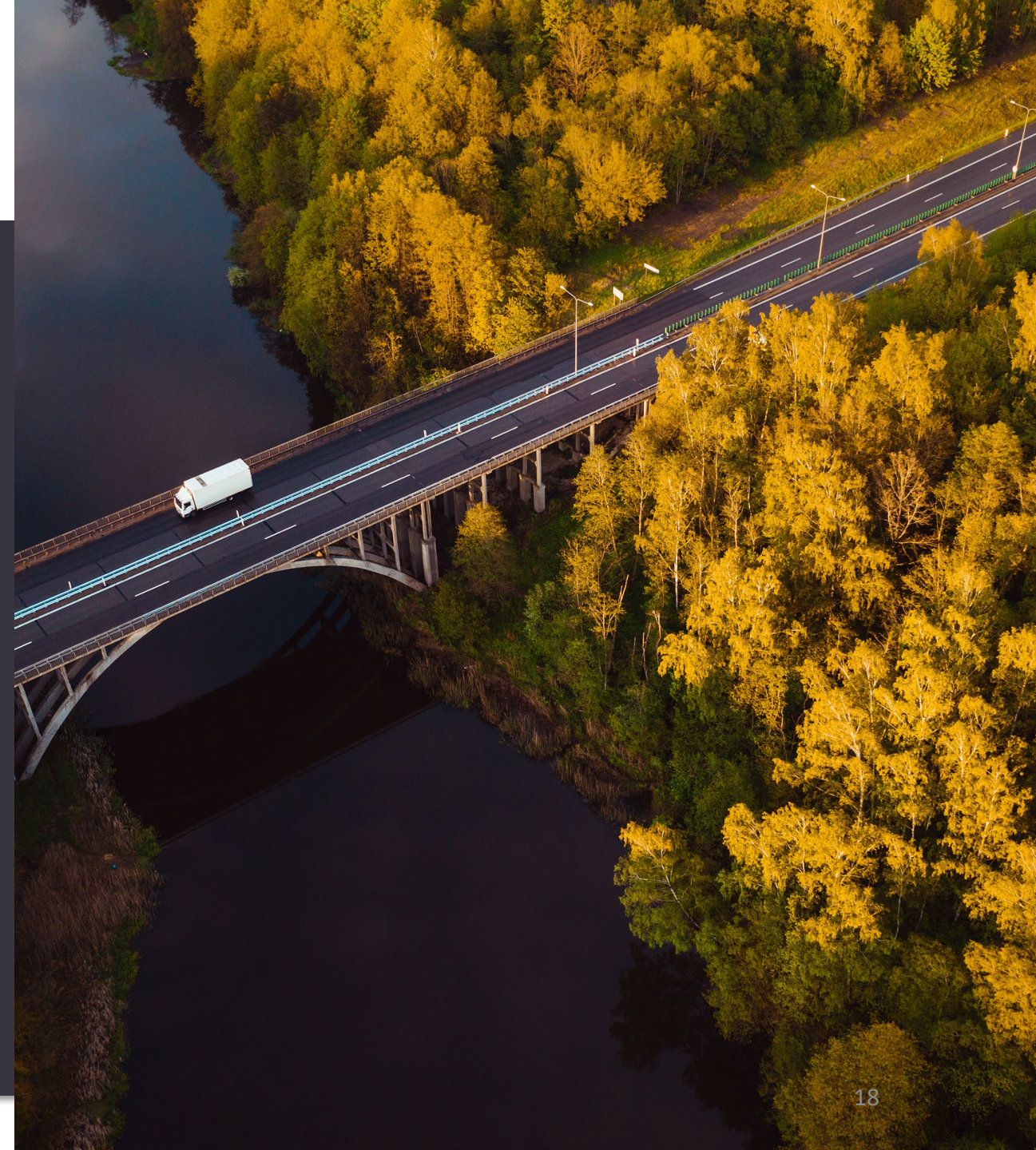
Monitoring Systems

In addition to our fleet reduction, we have also successfully implemented vehicle management programs to monitor the telematics of our fleet. These systems help track mileage and vehicle idle time to help increase efficiencies in fleet and manage emissions by gaining insights on vehicle usage and run time.

Maintenance

Our fleet is managed by [Element](#), which offers a national account network of vehicle services through providers such as [Goodyear](#), [Michelin](#) and [Bridgestone](#). By encouraging the maintenance of our fleet through Element's programs, we can potentially minimize levels of emissions and waste contributions through proper vehicle care.

To better understand emissions beyond our own operations we will be conducting a Scope 3 inventory in 2024. The categories of such will be identified as we progress further in the process.



Assessing Climate Risk

As a follow-up to our 2022 Climate Risk Assessment, we re-evaluated our emergency response plans in 2023 to assess whether they adequately accounted for assessed risk in high-risk areas and provided proper coverage for all store locations and coworkers.

Emergency Response Planning

Having conducted this exercise, we concluded that our annual considerations of coworkers and customers during emergency response planning appropriately prepares locations in advance of climate impacts, in addition to maintaining regular communication channels and response plans. This includes clear paths to report damage, tracking of financial impacts, and planning for relocation after disaster if needed.

Real Estate

We implemented additional real estate enhancements during lease negotiations and look forward to continuing to strengthen our planning.

Lease Negotiations

- Survey climate risk factors when vetting future locations for resiliency during extreme weather
- Request HVAC upgrades for older systems and buildings as a standard process during lease renewals

Read more on pg. 18 of our [2022 Sustainability Report](#) to learn about our previous Climate Risk Assessment.



Social Responsibility and Impact

“ At Upbound, our goal is to create an environment where every individual is empowered to thrive. We promote a workplace where every team member is encouraged to bring their whole selves to work, fostering a place where our team members feel genuinely valued and empowered to reach their full potential. We believe that nurturing a dynamic coworker experience is key to the customer experience and unlocking extraordinary value — not just for our coworkers, but also for our customers.”



We understand that our performance extends beyond financial performance and is linked to the social and human impacts of our operations. We believe we can create value for our investors and other stakeholders, including employees, customers and communities, by fostering a culture of respect, diversity and inclusion. This section highlights our efforts to build and maintain strong relationships with our valued stakeholders and contribute to the well-being of society as a whole.



Tran Taylor
EVP, Chief HR & Diversity Officer

Our Customers: Capturing the Customer Experience

Our customers are at the core of our business. Their satisfaction and loyalty are essential to our success, and we strive to provide them with high-quality products and services while maintaining transparency and ethical standards in all our operations. Actively listening to customer feedback and responding to their needs is a critical piece of this principle.

Voice of the Customer

Upbound's Voice of the Customer (VoC) program takes active listening a step further by proactively soliciting feedback from our customers at different points in their journey. This helps us identify ways to better service them and customize our offerings.

To ensure we maintain a well-rounded approach that encompasses all of our businesses, in 2023 we extended our VoC program in support of Acima customers. Since the program's inception for all Rent-A-Center corporate locations in 2017, we have also expanded VoC to the Rent-A-Center Franchise, Get It Now!, Home Choice, and Rent-A-Center Mexico lines of business. We are also exploring opportunities to solicit feedback from our merchants in 2024.

Responding to Customer Needs

We strive to deliver best-in-class service; however, in the event of an unfavorable experience, our VoC platform automatically escalates negative reports to leadership for necessary follow-up. If our customers would like to report outside of our VoC channel, we also offer a third-party hotline that customers can call (1-800-422-8186). As a commitment to proper follow-ups and training as needed, these reports are escalated to leadership as well.



~2.4 Million Customers
Initiated Agreements in 2023

~1.3 million customers initiated agreements at Rent-A-Center¹

~1.1 million customers initiated agreements at Acima²

Data as of December 31, 2023

¹For purposes of this slide, Rent-A-Center represents Rent-A-Center United States, Get-It-Now!, Home Choice, RAC Mexico and all Franchise locations.

²Acima Segment includes Acima and Acceptance Now.

Our Customers: Improving the Customer Experience

Highlighting Best Practices

As with any survey, it's not enough to simply collect responses and gather feedback. At Upbound, we also take the time to celebrate the coworkers that help make our customer experience enjoyable. Each week we send out a communication to our store network showcasing one store in particular which received glowing customer reviews in the previous week(s). We use this as an opportunity to share customer reviews and the store's Net Promoter Score (NPS) to date, along with any best practices they can share to aid in learnings for the rest of our teams. We also share their revenue performance, highlighting that good business practices equal great business results.

Congratulations to store #03510 in Eaton, Ohio, our #1 store in 2023 during National Customer Service Week with an NPS of 96.5! When asked how they consistently ensure a good customer experience, this team offered the following best practices:

Making it right: No matter what issue the customer has — whether it be with delivery, products, processing payments, or the service they received — the team makes it right for the customer!

Focusing on superior service: Customer Account Representatives and Delivery Specialist are the face of the company in our customers' homes, so it is important they get to know all their customers to satisfy them fully.

Driving Benefits Plus: The store team ensures they follow up on all claims, so that their customers get the full value out of this program.



Our Customers: Elevating Financial Opportunity



Acima Leasing Marketplace Expansion

Outside of our Benefits Plus program, we offer additional value to our customers by giving them options to shop from additional retailers through the expansion of our Acima Leasing Marketplace. This expansion gives customers more access to lease eligible products from Acima and added control over their shopping experience by extending our Rent-A-Center extended aisle offerings to Acima partners. Customers are able to take advantage of these lease to own offers by [shopping curated categories](#) on our Acima Mobile app and website, thus allowing them to select their preferred retailer and shipping choice for receiving their preferred products.

Credit Cards

To further aid in our mission to elevate financial opportunity for all, in 2023 we partnered with a third party to introduce new offerings to our customers that are true to our values. In line with our goal of financial access for customers, in May 2023 we announced the launch of our new offering through our Concora Credit, Inc. (previously Genesis Financial Solutions) partnership to provide consumer credit solutions to eligible customers and retailers (*read more in our [press release](#)*). This makes gaining access to the products and services our customers need even more convenient.

Our Coworkers: Capturing the Coworker Experience



12,970 coworkers
 11,050 in U.S.
 1,340 in Mexico
 580 in Corporate
 Facilities

Data as of December 31, 2023

Coworker Engagement

Here at Upbound, we refer to our employees as coworkers. Upbound has always aimed to put our customers at the forefront of everything we do, and we believe nurturing a dynamic coworker experience is key to the customer experience and unlocking value.

We measure coworker engagement semiannually through an enterprise-wide engagement survey we call Voice of The Coworker (VoCW). The survey asks a myriad of questions focusing on Professional Development, Communication, Leadership Effectiveness and Coworker Experience.

Additionally, we ask a single question graded on a Net Promoter Scale of “How likely are you to recommend Upbound to a friend or family member?” Those who recorded an affirmative response would be considered “engaged,” those with a negative response, “disengaged” and those in the middle, “passive.”

The scores from our latest two VoCW surveys are below:

	2023	2022
Engaged	46.7%	47.6%
Disengaged	27.4%	28.8%
Passive	25.9%	23.6%

Our Coworkers: Improving the Coworker Experience

Upbound University

To further enhance the experience of our coworkers, in 2023 we led an important initiative to launch new hire training for all “field” coworkers within their first 90 days on the job. This training was implemented within all lines of business to streamline our current onboarding experience and act as a first step towards a corporate university training structure enhancing our current line of business-specific trainings.

With the launch of this new training, we were able to accomplish several objectives:

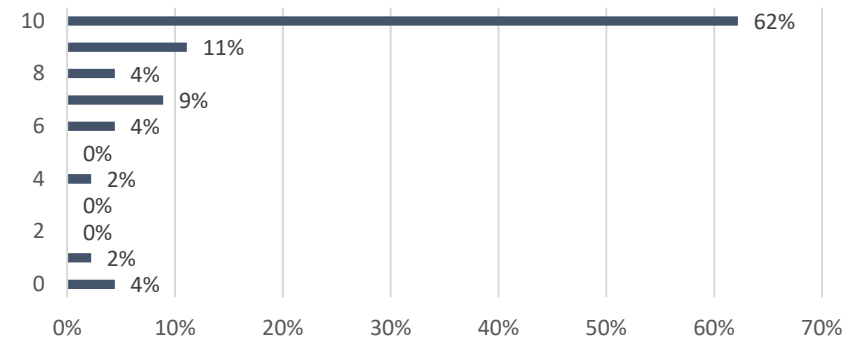
- **Improved coworker retention within the first 90 days**, which has proven to have a direct impact on positive coworker experience
- **Increased efficiency by reducing overall time for revision of training content by 25% via the implementation of a digital platform**, thus reducing paper consumption and improving the accuracy of content with near real-time updates
- **Realized cost savings** throughout the year by migrating to an interchangeable licensed-based platform approximately half the cost of our previous printed books and journals for all ~2,000 corporate owned locations
- **Improved reporting efficiencies and training compliance** through the tracking and oversight of daily training progress and module completions

Since Upbound University’s pilot in 2022 and now following its expansion in 2023, we have seen positive impacts to our coworker engagement and have surpassed our expected retention performance. We believe enhancing the coworker and customer experience leads to better business outcomes, both financial and operational.

When coworkers were asked about their training experience, our Voice of the Coworker survey results further validated this new approach (shown below).

Survey Highlights

I have received the training I need to complete assigned tasks and be successful in my role



Our Coworkers: Learning and Development

In the Summer of 2023, we brought together our lines of business (LOB) for our annual Field Leadership Conference. The conference preceded our annual Women's Leadership Conference and focused on our core values as Upbound, as well as the leadership, collaboration and operational skills necessary to support each LOB. Throughout the year, the multi-unit leaders of all lines of business were provided content to deliver clinic-style classes focusing on the improvement of business operations and the customer experience through the intentional use of tools, resources and proper processes. To further aid in coworker advancement, we also held a 12-week career pathing program for all staffed locations to coach Assistant Store Managers on the skills required to become a strong Store Manager. We continue to provide an on-demand library of materials for all lines of business to use, in order to refresh and upgrade the skills of coworkers on a variety of operational topics.

Rent-A-Center Segment

The Rent-A-Center segment provides coworkers with a variety of ongoing development opportunities at all different levels through multiple channels. For coworkers who need informal, on-the-job refreshers, materials are available on our intranet's training-on-demand page. For more formalized training around strategic initiatives, we use our Learning Management System and corporate communications to optimize our current tools' usage.

This year, we launched two new strategic initiatives with the goal of enhancing both the coworker and customer experience:

- **Roadworthy** – a comprehensive program that enhances safety and delivery best practices to ensure a best-in-class delivery experience for our customers
- **New Point of Sales (POS) System** – a pilot to test an updated version of our POS that allows more technical and adaptable advantages in the account management process

In addition, we held two semi-annual meetings to equip Regional Directors with the tools to support their stores at the start of the year and to help them keep up sales momentum.

Acima Segment

The Acima segment offers coworkers a hybrid-training model that provides self-guided and formal training with a leader (either one-on-one or in a group setting). We offer development opportunities through multiple channels available to coworkers any time.

This year, we also launched two new strategic initiatives for the Acima coworker and customer experience:

- **Microsoft Office Migration** – an improvement in the coworker experience by converting our Acima brand over to the same communication and technological channels used by our Rent-A-Center segment
- **Point of Sales System Migration** – an ongoing operational enhancement to migrate our legacy Acceptance Now brand over to Acima's more technical and adaptable systems, thus improving the coworker experience

Coworkers can access official training documents, job aids and training videos on-demand through our compliance-regulated Document 360 learning website and our corporate university platform.

Our Coworkers: Benefits, Health & Wellness



When our coworkers thrive, so does our business. To support our most valued asset, we offer coworkers resources to promote their health and well-being, provide training and professional development opportunities, and foster an inclusive workplace.

Health and Wellness

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 Insurance
- Health Savings Accounts (\$250 individual / \$500 family annual contribution from Upbound Group), Flexible Spending Accounts, MDLive remote healthcare options
- 50% company 401(k) match of up to 6% of coworker earnings
- Discretionary time off, paid vacation, holidays, bereavement leave and jury duty

We offer **Coworker Discounts** that provide gym membership, cellular, travel and corporate discounts. We also offer the opportunity to purchase merchandise from our third-party partners at significant discounts through our **Coworker Purchase program**.

Our **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 five sessions with a professional counselor

Belonging at Upbound

Inclusion and belonging are at the heart of our diversity, equity and inclusion (DEI) efforts. We strive to create an environment where every individual feels not just accepted, but integral to our collective identity and success.

Our initiatives are centered around nurturing a sense of belonging, ensuring that every voice is heard and valued. Equitable access to learning and career opportunities is also an essential aspect of our DEI efforts.

Additionally, we have implemented targeted initiatives to attract a wide range of perspectives and skills, recognizing that a diverse team is a strong team. Our approach is about enriching our company culture and enhancing our ability to innovate and connect with our diverse customer base.

By embracing and celebrating the unique backgrounds and perspectives of our team members, we are not only enhancing our work environment but also enriching the way we serve our diverse community of customers.

In 2023, Upbound was recognized as one of America's greatest workplaces for diversity. This recognition serves as both an honor and motivator for us to continue our efforts.

As we reflect on our progress, we recognize that this is not a short-term initiative but a long-term journey, essential for the growth and sustainability of our organization.



Supporting an Inclusive Culture

Our Coworker Resource Groups (CRGs) are instrumental in our mission to cultivate an inclusive workplace.

These affinity groups play a vital role in fostering a sense of belonging and community within our organization, while also serving as a valuable resource for personal and professional development.

Our CRGs are pivotal in raising awareness about diverse perspectives and experiences.

They help us create a workplace where the richness of diverse perspectives is not just recognized, but actively celebrated. Their impact in shaping a more understanding and supporting work environment is invaluable.

Currently, our organization proudly has three CRGs, each welcoming all our coworkers.



Black Professionals CRG



Hispanic Network Alliance CRG



Women's CRG

Workforce Diversity Data

Upbound Diversity

Diversity, equity and inclusion is about leveraging the unique experiences and insights of others to build our future, deliver solutions, and enable teams to accomplish far more together than they could on their own. We believe our organization should be reflective of the customers and communities we serve. To hear more about what DEI means to our coworkers here at Upbound, [click here](#) to watch a video.

	Gender Representation	
	Female	Male
Executive	22%	78%
Management	32%	68%
Technical	23%	77%
All other employees	30%	70%

Race/Ethnic Group Representation							
American Indian /Alaska Native	Asian	African American /Black	Hispanic /Latino	Hawaiian/ Pacific Islander	Multiracial	White	Not Specified
0.0%	22.2%	11.1%	11.1%	0.0%	11.1%	44.5%	0.0%
0.5%	2.5%	16.7%	17.3%	0.6%	8.2%	52.2%	2.0%
0.0%	23.9%	3.0%	0.8%	0.0%	1.5%	50.0%	20.8%
0.7%	0.9%	23.4%	23.5%	0.5%	6.8%	41.8%	2.4%

Partner Diversity Data

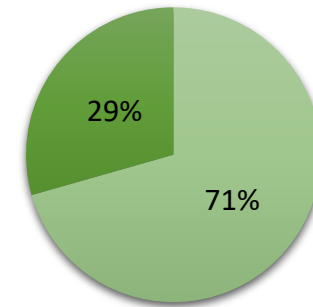
Franchisee Diversity

In addition to our owned-and-operated locations, we have 440 franchise stores across the United States through Upbound's franchise subsidiary, Rent-A-Center Franchising International Inc. Most of these stores are minority-owned, which can contribute to local economic growth and job creation, increase diversity and innovation, and help to bridge socio-economic gaps in communities.



2023 Franchisee Diversity

Data as of December 31, 2023



■ Minority Owned ■ Other

Stores w/Minority Ownership	Current Overall Store Count	% w/Minority Ownership
312	440	71%

Community Impact

Our charitable giving is aligned with our mission of empowering families to thrive, and we aim to support causes that promote a sense of security and offer children opportunities to reach their full potential.

We divide our efforts among four pillars:

Hunger Relief

Disaster Relief

Family and Youth Empowerment

Veterans Affairs

Approximately \$2 Million Donated

(2022 – 2023)

To Organizations Including:



- American Red Cross
- Boys and Girls Club
- City Year
- Habitat For Humanity
- Hire Heroes USA
- Junior Achievement
- Spring for Kids
- North Texas Food Bank

Relief Efforts



Hunger Relief

We are proud to support organizations fighting hunger and empowering families each day in their own communities.



North Texas Food Bank (NTFB) – Upbound has proudly partnered with the NTFB and supported its mission for the last 21 years. In 2023, donations to Upbound's internal fundraising campaign and a matching company donation to the NTFB totaled nearly \$185,000 for hunger relief in the Dallas area, the company's largest annual donation to the NTFB yet. During this 21-year period, Upbound has collectively donated over \$1.7 million, which is equivalent to around 5.3 million nutritious meals for North Texans.

Additionally, Upbound's Rent-A-Center, Get It Now!, Home Choice and Acceptance Now store teams participated in our annual "Fill the Fridge" campaign; the \$91,500 raised through the month-long program was distributed to area food banks near our stores nationally.



Disaster Relief

One of our community pillars focuses on disaster relief and the desire to help families thrive during times of need.



American Red Cross – In 2023, Upbound built on its strong support of this nonprofit organization focused on rapidly providing disaster relief when it is needed: a \$100,000 donation in the fall followed a \$25,000 donation in the summer to support recovery from wildfires in Maui, Hawaii, as well as a \$25,000 donation in the spring to provide tornado relief in the Midwest.

In addition to the monetary support provided by Upbound, Field Support Center coworkers in Plano, Texas, donated 27 units of blood during the annual on-site blood drive.

The American Red Cross honored Upbound in 2023 as a Platinum Partner within its North Texas region's "Ready 365 Giving Circle."



Communities Foundation of Texas (CFT) – Upbound donated \$5,000 to the CFT's "Support for Allen Fund" to assist those impacted by the tragic mass shooting at the Allen, Texas, Premium Outlets in May 2023. The funds raised went toward covering medical and funeral expenses for the victims and their families, as well as local nonprofits that provide mental health resources and trauma support.

Family and Veteran Support



Family and Youth Empowerment

We partner with several local and national nonprofits to help families thrive, as well as provide students with scholarship opportunities.



Boys & Girls Clubs of America – Upbound has partnered with the Boys & Girls Clubs of America for 11 years. In our latest campaign, Spring for Kids 2023, Upbound donated ~\$148,275 for youth empowerment efforts across the United States and Puerto Rico.



Habitat for Humanity – Upbound donated over \$100,000 to Habitat for Humanity in 2023 and our coworkers volunteered more than 1,300 hours at 15 different home builds in major cities.



City Year – Upbound began a new partnership in 2023 with a \$25,000 donation to City Year, an education nonprofit that provides support to students, classrooms and teachers in systemically under-resourced schools to help ensure students are prepared with the skills and mindsets to thrive and contribute to their communities.



Make A Difference Scholarships – During 2023, Upbound awarded 40 Make A Difference scholarships of \$2,500 each to current or prospective students for higher education expenses. Recipients were selected based on their academic record, demonstrated leadership, participation in school, community involvement, honors, work experience, statement of goals/aspirations, and personal or family circumstances.



Veterans Affairs

We are excited to make a difference in veterans lives through our newest community pillar.



Hire Heroes USA – Upbound is honored to have so many veterans in our company family; their work ethic and leadership inspire us each day. It’s also our privilege to serve customers who served our country. While we can never repay our veterans for the sacrifices they’ve made, we strive to do everything we can to support them. In this spirit, Upbound presented Hire Heroes USA with a \$100,000 donation for the second year in a row to help further its mission to help America’s veterans and military spouses with employment assistance to get hired and retain their jobs.

“We believe in the importance of serving and empowering our customers, whether that’s in-store or through our philanthropic efforts. Our partnership with Hire Heroes USA not only helps to achieve this, but also demonstrates our commitment to supporting our veterans throughout the years.” --- **Anthony Blasquez**, EVP – Rent-A-Center

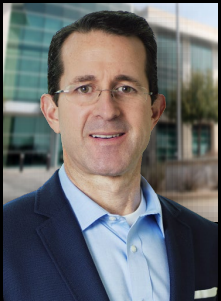
“The transition from military life can be very challenging at times, which is why Hire Heroes USA is such a vital component in a holistic approach of supporting our veterans. I love how my company supports our service members!” --- **Sean Foglia**, Sr. Manager – Pricing

Governance

“ Upbound's lasting success is deeply rooted in our commitment to doing what's right and adhering to strong governance practices. We foster a culture where doing the right thing is not only expected but celebrated.”



Strong governance is essential to creating long-term value for our investors as well as other stakeholders and is integral to maintaining sustainable business practices. This section outlines our approach to corporate governance, including the policies, practices, and structures that guide our decision-making and contribute to accountability and transparency.



Bryan Pechersky
EVP, General Counsel & Corporate Secretary

Board of Directors

Our Board separates the roles of the Chairman and Chief Executive Officer. Our Board understands that there is no single, generally accepted approach to providing Board leadership and that, given the dynamic and competitive environment in which we operate, the right Board leadership structure may vary based on the situation.

Board of Directors

Jeffrey Brown
Chairman of the Board, Upbound Group, Inc.;
CEO of Brown Equity Partners

Mitchell Fadel
Director & CEO, Upbound Group, Inc.

Molly Langenstein
Chief Executive Officer and President,
Chico's FAS (retired)

Harold Lewis
President and Chief Operating Officer,
BSI Financial Services

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)

Jen You
Head of Product, Uber Rides

Board Diversity

We recognize the value of having a diverse leadership team and are proud of the progress we have made in adding new voices and perspectives to the Board, leading to creative problem solving and innovative thinking.

Category	Percentage
Men	57.14%
Women	42.86%
Caucasian	71.42%
Asian	14.29%
African American	14.29%

Board Tenure

Tenure	Percentage
6+ years	28.57%
3-5 years	42.86%
0-2 years	28.57%

Independence

Independence	Percentage
Independent	85.71%
Non-Independent (CEO)	14.29%

Corporate Governance

Robust corporate governance, transparency and accountability are foundational to fostering trust with our investors, customers and coworkers, as well as enabling innovation and growth for our business. In this respect, we have set up the following policies, practices and committees:

Board Structure

- Separation of the Chairman and CEO roles
- Majority voting for directors in uncontested elections
- Annual Director elections
- Complaint submission policy relating to accounting, internal accounting controls or auditing
- Bylaw provisions on director candidate nominations and other proposals by stockholders
- Stockholder communication channels for our Board and its committees
- Transaction policies with respect to certain persons / entities

Compensation

- Performance-based compensation including annual and long-term incentive program aligned with rigorous target setting
- Annual Program Risk Assessment
- Independent Compensation Consultant and Total Reward Statement Review
- Annual say-on-pay stockholder vote
- No Hedging or Pledging Stock
- Incentive compensation subject to clawback
- Investor outreach regarding executive compensation and sustainability related topics

Committees

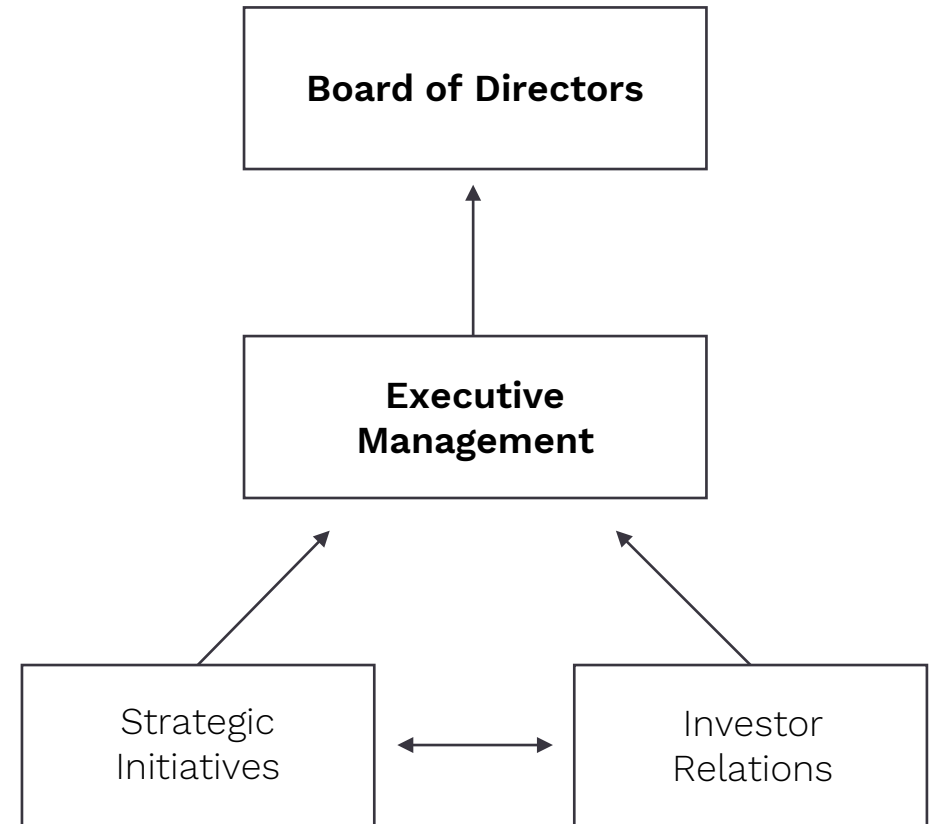
- [Audit and Risk Committee](#) assists the Board in fulfilling its oversight responsibilities by reviewing risks related to accounting, financial reporting, legal and regulatory compliance, and other enterprise-wide risks, including cybersecurity risk management.
- [Compensation Committee](#) assists the Board in fulfilling its oversight 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](#) assists the Board in fulfilling its oversight of risks associated with corporate governance and potential conflicts of interest. This committee assists the Board by identifying future members, overseeing and reviewing governance recommendations, and coordinating succession plans for executive and management positions. This is the Board Committee with the primary responsibility of assisting the Board with the oversight of sustainability matters.

Governance for Sustainability

As sustainability topics become more important to our business, our investors and other stakeholders, we are continuing our efforts of assessing and integrating sustainability initiatives into our operations and strategic business objectives. We plan to keep our stakeholders informed with respect to these ongoing efforts, and we expect to continue to assess and report our progress through this annual sustainability report, on sustainability objectives.

In 2023, Board members participated in a training provided by third-party sustainability experts to better understand the evolving sustainability topics and how they could impact Upbound. To stay up to date on emerging and evolving material topics and to stay informed on sustainability best practices, we plan to continue to provide the Board with sustainability training in the future.

Upbound Sustainability Organizational Structure



Increasing Sustainability Awareness



Board Training

Our 2023 Board training covered the different sustainability frameworks and standards most applicable to our industry. With each framework, we were able to hone in on the respective stakeholders and their key areas of focus, promoting directors' understanding of how Upbound's practices and operations contribute to each and align to fit within global standards.

In addition to sustainability standards, the Board also reviewed the development of new and emerging climate-related regulatory requirements in California and their relevancy to Upbound's material issues and long-term sustainability strategy.

Corporate Training

In 2024, the Upbound leadership team will continue to undergo annual sustainability training, in addition to understanding the different ways their departmental operations and strategic initiatives impact sustainability and integrate into Upbound level program management.

As we continue to increase awareness of sustainable factors at all levels, we will also be offering sustainability training opportunities to all our Field Support Center coworkers via our new LinkedIn Learning platform launched in March 2023. This offering will be socialized in our new sustainability series shared throughout the year on our internal communication channels and intranet platforms.

Governing Practices: Compliance Training

Account Management

In 2022, Upbound enlisted a third party to assess current field policies and training materials with a particular focus on best practices across all areas of Account Management. In 2023, we reviewed the feedback provided and aligned on ways to further enhance our practices and policies by looking at key performance metrics. This included enhancing our training programs and highlighting ways our customers could report their experiences, whether positive or negative. To learn more about our customer experience channels and new training programs, reference page 21-26 of this report.

Compliance and Accountability Structures

Each year, we provide compliance training to all coworkers focused on our Code of Conduct and overall organizational best practices that support both state and national regulations. This curriculum also includes harassment, cybersecurity awareness and other compliance related topics.

To ensure our customers and coworkers have a positive experience, we strive to set best practices for account management and other operational activities. Upbound is committed to monitoring compliance, updating and enhancing training programs, and implementing accountability structures to help ensure our coworkers have the skills and tools available to serve our customers. Our main goal is to successfully support coworkers to continuously provide a great customer experience.



Governing Practices: Operations & Data Management

Centers of Excellence (CoEs)

To support proper oversight of our operational efforts and their enforcement of best practices, in 2023 Upbound established a series of new Centers of Excellence (CoEs), specifically focused on technological advances. The goal of this new model is to allow technology organizations to partner more closely with the business in order to better meet customers' needs. Among these CoEs are leaders who specialize in enterprise business operations, product, application and platform delivery, as well as information security.

In addition to the above, Upbound has also established an underwriting CoE that focuses on the holistic evaluation of applicants, processes and technology to ensure best practices are in place and are working towards continuous improvement, increased efficiencies, and reduced risk for an overall seamless customer experience.

Data Privacy

Our Information Security team hosts data privacy awareness events to educate our coworkers on the importance of data privacy and ways that consumers' data can be protected. This training consists of many ways in which we as people interact with businesses and threats daily, and the behaviors we can adapt to remain protected. The overall takeaway is to put ourselves in our customers' shoes and to protect their data in the same way we would want our own data or that of our families to be protected.

Marketing Customer Data Platform (CDP)

In 2023, Upbound continued work on an initiative that will allow us to centralize the collection of customer data into one platform, allowing a more complete view of the customer experience and aiding in more efficient marketing communication practices. The implementation began in 2022 with our Rent-A-Center business segment and is now on track to complete our Acima business segment in 2024.

Customer Preference Center

To complement our Marketing CDP, we have also begun work to centralize all customer communication preferences into one database, delineated by the line of business in which they have chosen to interact. This will allow all internal communication systems, both marketing and transactional in nature, to more efficiently align with our customers' specified preferences.

Consumer Privacy Rights

New laws and regulations empower consumers to take control of their own information. Our centralization of customer information and communication preferences allows us to implement additional guidelines to ensure we are respecting our customers' privacy preference.

Policies and Codes of Conduct

Our ability to create sustained success lies in our unwavering dedication to acting with integrity. Each member of our team — from the board room to the retail floor — must live up to this commitment every day.

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

[CODE OF BUSINESS CONDUCT & ETHICS](#)

[PROCEDURES FOR REPORTING ACCOUNTING CONCERNS](#)

[OPEN DOOR POLICY](#)

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

Sustainability Performance

2023 Metrics

In the following table, we disclose data about our performance on the sustainability topics that we believe are most relevant to our business. For this report, we are disclosing available metrics in alignment 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 for inclusion by the Global Reporting Initiative (GRI) to provide a more comprehensive assessment, as well as additional metrics that align with industry best practices for disclosure. Codes included in the ensuing tables are references to SASB or GRI frameworks. Metrics without a code are additional, industry best practices that we have elected to disclose but may not currently be included in a standard reporting framework. Unless otherwise stated, all metrics are for calendar year 2023 and pertain to all of Upbound's business segments. Our aim is to continuously refine and enhance our data collection, monitoring and disclosure practices.

Topic	Accounting Metric	Unit of Measurement	Code	2022 Response	2023 Response
Environment					
GHG Emissions					
Scope 1 GHG Emissions - Stationary Combustion	Natural Gas	Metric Tons CO2e	GRI 305-1; TCFD Metrics and Targets Disclosure	19,224	17,492.7
	Propane			357	363.2
	Fuel Oil			98	74.8
	Diesel			64	81.6
Scope 1 GHG Emissions - Mobile Combustion	Cube Trucks	Metric Tons CO2e	GRI 305-1; TCFD Metrics and Targets Disclosure	22,142	Gasoline: 39,689.5 Upbound changed its tracking in 2023 to reflect resource type as opposed to vehicle type, in alignment with inventory results.
	Van			5,379	Diesel: 1,249.8 Upbound changed its tracking in 2023 to reflect resource type as opposed to vehicle type, in alignment with inventory results.
Scope 2 GHG Emissions	Electricity	Metric Tons CO2e	GRI 305-2; TCFD Metrics and Targets Disclosure	44,075	40,234.9
Environmental Management					
Energy Management in Retail & Distribution	(1) Total energy consumed in electricity	Gigajoules (GJ); Percentage (%)	SASB CG-MR-130a.1; SASB CG-EC-130a.1; SASB TC-SI-130a.1	(1) 397,929 GJ	(1) 372,891.8 GJ
	(2) percentage of energy consumed from grid electricity			(2) 100% grid electricity	(2) 100% grid electricity
	(3) percentage renewable energy consumed			(3) 0% renewable energy	(3) 0% renewable energy
				<i>As new data is available, the above disclosures have been updated to include facilities for all lines of business. Prior disclosures were specific to US and Puerto Rico based facilities for which we have control over contracts with energy providers.</i>	
Water Management					
Hardware Infrastructure Energy and Water Management	Discussion of the integration of environmental considerations into strategic planning for data center needs	Description	SASB TC-SI-130a.3; SASB CG-EC-130a.3	We have an overall “cloud first” mindset and continue to evaluate options for application migration to cloud-hosted solutions. Each decision goes through a rigorous process and includes the merits of cloud hosting. As of this update, we have an active evaluation of our Enterprise Backup solution that includes weighing on-premise vs. cloud. We believe cloud hosted solutions provide us with better reliability, scalability, and a reduction in our environmental impact. For example, AWS, one of the cloud-based solutions we use at, is on a path to power 100% of operations with renewable energy by 2025 and uses infrastructure that is 3.6 times more energy efficient than the median of U.S. enterprise data centers.	We have an overall “cloud first” mindset and continue to evaluate options for application migration to cloud-hosted solutions. Each decision goes through a rigorous process and includes the merits of cloud hosting. We believe cloud hosted solutions provide us with better reliability, scalability, and a reduction in our environmental impact. For example, AWS, one of the cloud-based solutions we use, is on a path to power 100% of operations with renewable energy by 2025 and uses infrastructure that is 3.6 times more energy efficient than the median of U.S. enterprise data centers.

Topic	Accounting Metric	Unit of Measurement	Code	2022 Response	2023 Response
Product Footprint					
Product Sourcing	Revenue from products third-party certified to environmental and/or social sustainability standards	Reporting Currency	SASB CG-MR-410a.1	Nearly 80% of our product portfolio spend is from suppliers with environmental and social sustainability standards and programs in place. These programs include energy star certified products in both appliances and consumer electronics, using sustainable materials in the production of products, reducing GHG emissions and CO2 emissions and lowering waste initiatives.	Nearly 80% of our product portfolio spend is from suppliers with environmental and social sustainability standards and programs in place. These programs include energy star certified products in both appliances and consumer electronics, using sustainable materials in the production of products, reducing GHG emissions and CO2 emissions and lowering waste initiatives.
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Description	SASB CG-MR-410a.2	Nearly 80% of our product portfolio spend is from suppliers with environmental and social sustainability standards and programs in place. In one of our most significant product categories, furniture, our leading suppliers offer products that are Greenguard Gold Certified, which meet rigorous third-party chemical emissions standards. We will continue to improve our data collection processes so that we can provide more insight on this topic.	
Product Packaging & Distribution	Total greenhouse gas (GHG) footprint of product shipments	Metric Tons CO2e	SASB CG-EC-410a.1	During 2022, we completed our first greenhouse gas (GHG) inventory. Please reference our 2022 Report for more information on our GHG footprint for 2022.	During 2023 we completed our second greenhouse gas (GHG) inventory. Please see pages 16-17 of this report for more information on our GHG footprint.
	Discussion of strategies to reduce the environmental impact of packaging	Description	SASB CG-MR-410a.3; GRI 306-2	Within our retail store-based business segments we continue to evaluate options on reducing our environmental impact from our products and packaging. We continue to implement our product reuse and repair program which reuses parts from non-functional products to repair and refurbish other products. We are focused on growing this program as we see an important opportunity to continue diverting waste from landfills through the reuse and repurposing of our products.	
	Discussion of strategies to reduce the environmental impact of product delivery	Description	SASB CG-EC-410a.2	At Upbound, we are continuously evaluating options to reduce the environmental impact of our product delivery to consumers. Within our rent-to-own retail segment, over the past several years, we have focused on optimizing our fleet size. Since 2020, we have reduced our gallons of fuel purchased by just over one million gallons annually. We will continue to evaluate our fleet impact on a yearly basis and continue to find ways to best optimize our delivery function. Please reference our 2022 Report for more information on our GHG footprint for 2022.	At Upbound, we are continuously evaluating options to reduce the environmental impact of our product delivery to consumers. Within our rent-to-own retail segment, over the past several years, we have focused on optimizing our fleet size. Since 2020, we have reduced our gallons of fuel purchased by just over one million gallons annually. We will continue to evaluate our fleet impact on a yearly basis and continue to find ways to best optimize our delivery function. See pages 15-16 of this report for more information on our GHG footprint.

Topic	Accounting Metric	Unit of Measurement	Code	2022 Response	2023 Response
Social					
Labor Practices					
Employee Engagement	Employee engagement as a percentage	Percentage (%)	SASB CG-EC-330a.1; SASB TC-SI-330a.2	Please reference our 2022 Report for information on employee engagement in 2022.	Please see page 24 of this report for information on employee engagement in 2023.
	(1) Total turnover	Rate	SASB CG-EC-330a.2; SASB CG-MR-310a.2	(1) 90%	(1) 71%
	(2) Voluntary turnover rate for all employees			(2) 62.2%	(2) 51%
	(3) Involuntary turnover rate for all employees			(3) 27%	(3) 20%
Labor Practices	(1) Average hourly wage	Reporting Currency; Percentage (%)	SASB CG-MR-310a.1	(1) The average hourly rate for 2022 as of 12/31 was \$17.16.	(1) The average hourly rate for 2023 as of 12/31 was \$18.11.
	(2) Percentage of in-store employees earning minimum wage, by region			(2) 0% of our coworkers are paid at minimum wage. All of our hourly-paid coworkers located in a Rent-A-Center retail location earn more than the minimum wage.	(2) 0% of our coworkers are paid at minimum wage. All of our hourly-paid coworkers located in a Rent-A-Center retail 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>	
	Percentage of technical employees who are H-1B visa holders	Percentage (%)	SASB CG-EC-330a.4; GRI 405-1	11%	Approximately 6% of Upbound's 186 technical employees are foreign nationals.
	Percentage of employees that are (1) foreign nationals and (2) located offshore	Percentage (%)	SASB TC-SI-330a.1	Approximately 15.7% of employees hired in 2022 were foreign nationals.	Approximately 3% of Upbound's 980 corporate coworkers are foreign nationals. Unlike prior years, this number reflects the total number of foreign nationals among current corporate employees as of December 31, 2023, not just new hires during the year.
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Reporting Currency	SASB CG-MR-310a.3	Any material legal and/or regulatory issues are disclosed in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q in accordance with regulatory requirements.	
Employee Development					
Training & Education	Type and scope of programs implemented, and assistance provided to upgrade employee skills and transition assistance programs in place	Description	GRI 404-2	Please reference our 2022 Report for information on employee training and education programs during 2022.	Please see page 25, 26 and 40 of this report for information on employee training and education programs in place during 2023.

Topic	Accounting Metric	Unit of Measurement	Code	2022 Response	2023 Response
Diversity, Equity & Inclusion					
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	SASB CG-MR-330a.1; SASB CG-EC-330a.3; SASB TC-SI-330a.3; GRI 405-1	Please reference our 2022 Report for information on our workforce diversity and inclusion during 2022.	Please see page 30 of this report for information on our workforce diversity and inclusion.
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Number; Reporting Currency	SASB CG-MR-330a.2	Any material legal and/or regulatory issues are disclosed in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q in accordance with regulatory requirements.	
Discrimination & Harassment Management	Formalized group-wide policy on workplace discrimination and harassment in place	Description	n/a	Upbound 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. Please reference our 2022 Report for more information on this topic relevant to 2022.	Upbound 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 42 of this report.
	Remediation procedure in place for identified cases of discrimination and/or harassment	Description	GRI 406-1	At Upbound, we maintain an Open Door Reporting Policy, which provides all coworkers with several options for reporting discrimination and/or harassment. Under the Open Door Reporting Policy, there will be a prompt, thorough, fair, and objective investigation by qualified personnel and will endeavor to protect the privacy and confidentiality of all parties involved. 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	Description	GRI 406-1	Any material legal and/or regulatory issues are disclosed in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q in accordance with regulatory requirements.	

Topic	Accounting Metric	Unit of Measurement	Code	2022 Response	2023 Response
Employee Health and Safety					
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	Description	GRI 403-2	We currently identify work-related hazards and assess risks through a monthly store safety inspection that is tracked at the store and district levels. We continue to evaluate plans to improve accountability and work towards the ability to review new accident and injury claims daily for immediate needs. This includes a shared drive for inspection documents, as well as evaluating other opportunities for improvement.	
	(1) Total number of incidents for all employees and total hours worked	Number; Hour	GRI 403-9	(1) 963 Total Incidents, using 23,789,057 hours worked	(1) 970 Total incidents, using 22,259,927 hours worked
	(2) The number and rate of high-consequence work-related injuries (excluding fatalities);			(2) 76 with a Rate = 0.0000032	(2) 61 with a Rate = 0.0000027
	(3) The number and rate of recordable work-related injuries; and			(3) 577 with a Rate = 0.0000242	(3) 631 with a Rate = 0.0000284
	(4) The main types of work-related injury			(4) Material Handling (cause) - sprains/strains (nature)	(4) Material Handling (cause) - sprains/strains (nature)

Topic	Accounting Metric	Unit of Measurement	Code	2022 Response	2023 Response
Governance					
Business Ethics and Integrity					
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)	Description	n/a	To make all Upbound members and affiliates aware of our standard practices in regard to Business Ethics Compliance, we have integrated this information throughout our Code of Conduct and Ethics. Please reference our 2022 Report for more information.	To make all Upbound members and affiliates aware of our standard practices in regard to Business Ethics Compliance, we have integrated this information throughout our Code of Conduct and Ethics. More information can be found on page 42 of the Upbound 2023 Sustainability Report.
	Formalized, group-wide Code of Business Conduct and Ethics in place	Description	n/a	Upbound Group has a formalized Code of Conduct and Ethics in place.	
	Percentage of employees trained on Code of Business Conduct and Ethics	Percentage (%)	GRI 404-1	All coworkers in our corporate and field offices must complete the Code of Conduct training annually. During 2022 85.4% of all coworkers completed the Code of Conduct training, while the remaining 14.6% of coworkers remain late / overdue.	All coworkers in our corporate and field offices must complete the Code of Conduct training annually. During 2023 64.3% of all coworkers completed the Code of Conduct training, while the remaining 35.7% of coworkers remain late / overdue. Note that in 2023, Upbound changed its process for tracking completion of training, which caused a difference in completion rates compared to prior years.
	<i>Code of Conduct training statistics excludes contractors hired by Upbound.</i>				
Ethics Advice and Reporting	A description of internal and external mechanisms for:	Description	GRI 102-17	Our Code of Conduct and Ethics is a living document that is subject to changes but is used to advise all parties of their expectations while working with the Upbound Group. We have a supplemental Open Door Policy to maintain accountability structures. The Open Door Policy provides, to the extent practicable, that all matters reported in good faith regarding unethical behavior will be kept confidential.	
	(1) Seeking advice about ethical and lawful behavior and organizational integrity; and				
	(2) Reporting concerns about unethical or unlawful behavior and lack of organizational integrity				

Topic	Accounting Metric	Unit of Measurement	Code	2022 Response	2023 Response
Board and Executive Leadership Characteristics					
Governance Body Composition	Description of the organizations' governance structure, including committees of the highest governance body	Description	GRI 102-22	This information was disclosed in our Proxy Statement, published spring of 2023 .	This information will be disclosed in our Proxy Statement, due to be published in the spring of 2024.
	Composition of the highest governance body and its committees by	Description	GRI 102-22; GRI 405-1a	This information was disclosed in our Proxy Statement, published spring of 2023 .	This information will be disclosed in our Proxy Statement, due to be published in the spring of 2024.
	(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					
Nominations	Description of nomination and selection processes for the highest governance body and its committees	Description	GRI 102-24	This information was disclosed in our Proxy Statement, published spring of 2023 .	This information will be disclosed in our Proxy Statement, due to be published in the spring of 2024.
	Description of criteria used for nominating and selecting highest governance body members, including whether and how:	Description	GRI 102-24	This information was disclosed in our Proxy Statement, published spring of 2023 .	This information will be disclosed in our Proxy Statement, due to be published in the spring of 2024.
	(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					
Conflicts of Interest	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	Description	GRI 102-25	This information was disclosed in our Proxy Statement, published spring of 2023 .	This information will be disclosed in our Proxy Statement, due to be published in the spring of 2024.
	Description of whether conflicts of interest are disclosed to stakeholders, including, as a minimum:	Description	GRI 102-25	This information was disclosed in our Proxy Statement, published spring of 2023 .	This information will be disclosed in our Proxy Statement, due to be published in the spring of 2024.
	(1) Cross-board membership				
	(2) Cross-shareholding with suppliers and other stakeholders				
	(3) Existence of controlling shareholder				
(4) Related party disclosures					

Topic	Accounting Metric	Unit of Measurement	Code	2022 Response	2023 Response
Pay					
Pay Terms	Remuneration policies for the highest governance body and senior executives for the following types of remuneration:	Description	GRI 102-35	This information was disclosed in our Proxy Statement, published spring of 2023 .	This information will be disclosed in our Proxy Statement, due to be published in the spring of 2024.
	(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; and				
(5) Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees					
Ownership Structure	Description of ownership management	Description	GRI 2-1	This information was disclosed in our Proxy Statement, published spring of 2023 .	This information will be disclosed in our Proxy Statement, due to be published in the spring of 2024.
	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	Description	n/a	This information was disclosed in our Proxy Statement, published spring of 2023 .	This information will be disclosed in our Proxy Statement, due to be published in the spring of 2024.
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	This information was disclosed in our Proxy Statement, published spring of 2023 .	This information will be disclosed in our Proxy Statement, due to be published in the spring of 2024.

Topic	Accounting Metric	Unit of Measurement	Code	2022 Response	2023 Response
Data Privacy & Security					
Customer Privacy	Number of users whose information is used for secondary purposes	Number	SASB TC-SI-220a.2; SASB CG-EC-220a.1	We do not process personal data for secondary purposes.	Information on how we collect, utilize and share user information at the Upbound Group can be found within our Privacy Policy which also covers the purposes of such data management. Furthermore, we have published a California Privacy Policy in alignment with the necessary disclosures of the state.
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Number; Reporting Currency	SASB FN-CF-220a.2; SASB TC-SI-220a.3	Any material legal and/or regulatory issues are disclosed in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q in accordance with regulatory requirements.	
Data Privacy and Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	Description	SASB TC-SI-220a.1; SASB CG-EC-220a.2	At Upbound, we disclose information related to behavioral advertising and user privacy in our Privacy Policies, for both the Rent-A-Center and Acima business segments, 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. Upbound and its operating business segment 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. Visit the Upbound corporate website or our business segment websites for 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;	Number	SASB TC-SI-220a.4	At Upbound, we disclose information related to user information privacy within our Privacy Policies, for both the Rent-A-Center and Acima business segments. During 2022, we received 13 grand jury / criminal subpoenas, and responded to all 13. We are still working on enhancements on our data management system to improve future disclosure on this data.	At Upbound, we disclose information related to user information privacy within our Privacy Policies, for both the Rent-A-Center and Acima business segments. During 2023, we received 27 grand jury / criminal subpoenas, and responded to all 27. We are still working on enhancements for our data management system to improve future disclosure on this data.
	(2) Number of users whose information was requested; and				
	(3) Percentage resulting in disclosure				
List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Description	SASB 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	Our business is primarily conducted and regulated in the United States and Mexico. Our core products and services do not include content that is subject to government required monitoring. Furthermore, we seek to ensure that we follow appropriate procedures and practices related to government requirements in any countries where we may conduct business.	

Topic	Accounting Metric	Unit of Measurement	Code	2022 Response	2023 Response
Data Privacy & Security (continued)					
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues, (2) service disruptions, and (3) total customer downtime	Number; Days	SASB TC-SI-550a.1	In 2022 there were a total of 4 unplanned outages resulting in website downtime (1), connection failures/ page loading issues (2), and delayed application approvals.	In 2023 there were a total of 12 unplanned incidents resulting in website downtime, disruptions, and performance issues. On average, each disruption lasted approximately 4 hours. Note that 2023 data includes all disruptions that affected Upbound's interaction with customers, which is a more expansive definition than that considered in prior years.
	Description of business continuity risks related to disruptions of operations	Description	SASB TC-SI-550a.2	<p>This does not apply to Rent-A-Center's business, as we do not provide cloud-based services.</p> <p>See Item 1A. Risk Factors in our Annual Report on Form 10-K for information regarding the risk of disruptions caused by the operation of store management information systems or disruptions in the systems of host retailers.</p>	
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standard	Description	SASB CG-MR-230a.2; SASB CG-EC-230a.2	Upbound 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. Upbound 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, Upbound partners with several external assessors to evaluate security capability and maturity under the standard National Institute of Standards and Technology (NIST) framework.	The Upbound Group utilizes a "defense in depth" approach to identifying data risks and implementing protection controls. The on-premise and cloud instances of the Upbound Group are protected by network and web firewalls, intrusion detection and prevention devices and bot net protection technologies, amongst many other detective and preventive controls. The end points are protected by advanced malware protection technology and appropriate email security controls are in place to prevent malicious email-based attacks. The company utilizes the PCI-DSS and SOX IT General Controls as standards over specific groups of assets. On a periodic basis, annually, the cybersecurity maturity of the organization is assessed by an independent third party against the NIST Cybersecurity Framework.
	(1) Number of data breaches;	Number; Percentage (%)	SASB CG-MR-230a.2; SASB FN-CF-230a.1; SASB CG-EC-230a.2 GRI 418-1	(1) 0	(1) 0
	(2) Percentage involving personally identifiable information (PII); and			(2) 0	(2) 0
(3) Number of customers affected by data breaches	(3) 0			(3) 0	
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Reporting Currency	SASB TC-SI-520a.1	Any material legal and/or regulatory issues are disclosed in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q in accordance with regulatory requirements.	

Appendix

About this report

Upbound Group, Inc.'s 2023 Sustainability Report provides an overview of our company's sustainability commitments as well as progress against certain sustainability priorities and objectives. In this report, the use of the term "materiality" and other similar terms refers to topics that may be relevant or significant sustainability topics for us or our stakeholders, and we refer to our process of assessing such topics through stakeholder feedback as a "materiality assessment." 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.

Approach to disclosure

Our approach to the disclosures included in this report differs from our approach to the disclosures we include in our filings with the Securities and Exchange Commission (the SEC). This report is intended to provide information from a different perspective and, in certain cases, in more detail than that required to be included in our filings with the SEC. For example, this report includes certain information that may be significant, but any significance should not be read as necessarily rising to the level of materiality or disclosure in our filings with the SEC, even if words such as "material" or "materiality assessment" are used in this report.

Evolving methodology

Our sustainability strategy, metrics, targets and analysis, particularly as they relate to our commitments, goals and performance on climate-related topics, remain under development. The science, regulations, standards and methodology, as well as the quality and completeness of the data (including data provided to us by third parties), in each case, underlying our analysis, metrics, targets and strategy remain subject to evolution over time, and we expect to continue to refine our analysis, metrics, targets, and strategy in response to evolving, emerging and potential new developments. For example, we believe the science, regulations, standards and methodologies for greenhouse gas accounting (particularly with respect to Scope 3) and climate risk assessments will continue to evolve and improve over time as underlying science and procedures evolve. Therefore, in future reports or other disclosures, we may include information that differs from the information contained in this report, and we disclaim any obligation to update or delete any outdated information contained in this report.

Sustainability Frameworks

Sustainability Accounting Standards Board (SASB)

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 report, we disclosed all recommended accounting metrics in accordance with the SASB's 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 sustainability topics not captured by SASB metrics.

Appendix

Forward-looking statements

This report contains forward-looking statements that involve risks and uncertainties. For example, statements about our expectations, beliefs, plans, predictions, forecasts, targets, goals, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "target," "strive," "could," "estimate," "predict," "continue," "maintain," "should," "anticipate," "believe," "confident," "aim," "potential," "plan," "project," or the negative thereof or variations thereon or similar terminology. All forward-looking statements are necessarily only estimates of future results and developments and are not guarantees of future results or performance. There can be no assurance that actual results or developments will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Factors that could cause or contribute to these differences include, but are not limited to, the factors discussed throughout filings with the SEC under the Securities Exchange Act of 1934, as amended. Unless otherwise specified, all information (including forward-looking information) speaks only as of the date on which it is made, and we disclaim any obligation to update or delete any outdated information contained in this report, except as required by law.

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 (1) Non-GAAP diluted earnings per share (net earnings or loss, 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), (2) Adjusted EBITDA (net earnings before interest, taxes, stock-based compensation, depreciation and amortization, as adjusted for special items) and Adjusted EBITDA margin (Adjusted EBITDA divided by Total Revenue), (3) Free Cash Flow (net cash provided by operating activities less capital expenditures), and (4) net debt to Adjusted EBITDA ratio (which is also referred to in this presentation as net leverage ratio).

“Special items” refers to certain gains and charges we view as extraordinary, unusual, or non-recurring in nature or 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. Consolidated Adjusted EBITDA is also used as part of our incentive compensation program for our executive officers and others. 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 Net (Loss) Earnings to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share

	Year Ended December 31, 2023					
	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net (Loss) Earnings	Diluted (Loss) Earnings per Share
<i>(In thousands)</i>						
GAAP Results	\$ 2,022,258	\$ 162,865	\$ 52,867	\$ 58,046	\$ (5,179)	\$ (0.09)
Plus: Special Items						
Acima equity consideration vesting	—	137,507	137,507	(28,876)	166,383	2.95
Acima acquired assets depreciation and amortization ⁽¹⁾	—	72,934	72,934	45,826	27,108	0.48
Accelerated software depreciation	—	9,218	9,218	5,792	3,426	0.06
Legal settlements	—	319	319	200	119	—
Other ⁽²⁾	—	(3,069)	(3,069)	(1,928)	(1,141)	(0.02)
Discrete income tax items	—	—	—	(9,546)	9,546	0.17
Non-GAAP Adjusted Results	\$ 2,022,258	\$ 379,774	\$ 269,776	\$ 69,514	\$ 200,262	\$ 3.55

(1) Includes amortization of approximately \$57.0 million related to the total fair value of acquired intangible assets and incremental depreciation of approximately \$15.9 million.

(2) Represents interest income on tax refunds for prior years received in 2023.

Reconciliation of Net Earnings (Loss) to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share

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	Year Ended December 31, 2022					
<i>(In thousands)</i>	Gross Profit	Operating Profit	Before Income Tax	Tax Expense	Net Earnings	Diluted Earnings per Share
GAAP Results	\$ 2,079,532	\$ 148,538	\$ 61,471	\$ 49,114	\$ 12,357	\$ 0.21
Plus: Special Items						
Acima equity consideration vesting	—	143,210	143,210	15,431	127,779	2.16
Acima acquired assets depreciation and amortization ⁽¹⁾	(2,853)	77,939	77,939	8,397	69,542	1.18
IT asset disposals	—	5,808	5,808	626	5,182	0.09
Cost savings initiatives	—	1,726	1,726	186	1,540	0.03
Store closure costs	—	1,368	1,368	147	1,221	0.02
Retail partner conversion losses	—	1,169	1,169	126	1,043	0.02
State tax audit assessment reserves	—	1,165	1,165	126	1,039	0.02
Hurricane impacts	—	249	249	27	222	—
Acima transaction costs	—	187	187	20	167	—
Legal settlements	—	(181)	(181)	(20)	(161)	—
Other	—	(210)	(210)	(23)	(187)	—
Discrete income tax items	—	—	—	1,532	(1,532)	(0.03)
Non-GAAP Adjusted Results	\$ 2,076,679	\$ 380,968	\$ 293,901	\$ 75,689	\$ 218,212	\$ 3.70

(1) Includes amortization of approximately \$64.9 million related to the total fair value of acquired intangible assets, incremental depreciation of approximately \$15.9 million related to the fair value increase over net book value for acquired software assets, and a depreciation credit adjustment of approximately \$(2.9) million related to a step-down of estimated fair value below net book value for acquired lease merchandise.

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA (Consolidated and by Segment)

<i>(In thousands)</i>	Year Ended December 31, 2023					
	Rent-A-Center	Acima	Mexico	Franchising	Corporate	Consolidated
Net earnings (loss)	\$ 273,518	\$ 235,480	\$ 4,846	\$ 17,087	\$ (536,110)	\$ (5,179)
Plus: Interest, net	—	—	—	—	109,998	109,998
Plus: Income tax expense	—	—	—	—	58,046	58,046
Operating profit (loss)	273,518	235,480	4,846	17,087	(368,066)	162,865
Plus: Amortization, Depreciation	18,816	1,661	1,206	146	29,492	51,321
Plus: Stock-based compensation	—	—	—	—	24,609	24,609
Plus: Special Items						
Acima equity consideration vesting	—	—	—	—	137,507	137,507
Acima acquired assets depreciation and amortization ⁽¹⁾	—	57,048	—	—	15,886	72,934
Accelerated software depreciation	—	—	—	—	9,218	9,218
Legal settlements	—	—	—	—	319	319
Other ⁽²⁾	—	—	—	—	(3,069)	(3,069)
Adjusted EBITDA	\$ 292,334	\$ 294,189	\$ 6,052	\$ 17,233	\$ (154,104)	\$ 455,704

(1) Includes amortization of approximately \$57.0 million related to the total fair value of acquired intangible assets and incremental depreciation of approximately \$15.9 million.

(2) Represents interest income on tax refunds for prior years received in 2023.

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA (Consolidated and by Segment)

<i>(In thousands)</i>	Year Ended December 31, 2022					
	Rent-A-Center	Acima	Mexico	Franchising	Corporate	Consolidated
Net earnings (loss)	\$ 334,525	\$ 151,301	\$ 6,267	\$ 19,124	\$ (498,860)	\$ 12,357
Plus: Interest, net	—	—	—	—	87,067	87,067
Plus: Income tax expense	—	—	—	—	49,114	49,114
Operating profit (loss)	334,525	151,301	6,267	19,124	(362,679)	148,538
Plus: Amortization, Depreciation	20,526	1,928	711	146	29,768	53,079
Plus: Stock-based compensation	—	—	—	—	19,399	19,399
Plus: Special Items						
Acima equity consideration vesting	—	—	—	—	143,210	143,210
Acima acquired assets depreciation and amortization ⁽¹⁾	—	62,052	—	—	15,887	77,939
IT Asset disposals	—	—	—	—	5,808	5,808
Cost savings initiatives	118	(384)	—	—	1,992	1,726
Store closure costs	1,368	—	—	—	—	1,368
Retail partner conversion losses	—	1,169	—	—	—	1,169
State tax audit assessment reserves	—	1,165	—	—	—	1,165
Hurricane impacts	249	—	—	—	—	249
Acima transaction costs	—	—	—	—	187	187
Legal settlements	—	—	—	—	(181)	(181)
Other	—	77	—	—	(287)	(210)
Adjusted EBITDA	\$ 356,786	\$ 217,308	\$ 6,978	\$ 19,270	\$ (146,896)	\$ 453,446

(1) Includes amortization of approximately \$64.9 million related to the total fair value of acquired intangible assets, incremental depreciation of approximately \$15.9 million related to the fair value increase over net book value for acquired software assets, and a depreciation credit adjustment of approximately \$(2.9) million related to a step-down of estimated fair value below net book value for acquired lease merchandise.

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

<i>(In thousands)</i>	Year Ended December 31,	
	2023	2022
Net cash provided by operating activities	\$ 200,290	\$ 468,460
Purchase of property assets	(53,402)	(61,387)
Free cash flow	\$ 146,888	\$ 407,073