

**Lendmark**  
Financial Services®

**2022**

**SASB FACT SHEET**



# ABOUT US

Lendmark Financial Services is a leading consumer finance company specializing in providing a variety of personal loans, automobile loans, and retail merchant sales finance services. Lendmark Financial Services was founded in 1996 as a subsidiary of First Liberty Bank of Macon, GA. Lendmark operated under the name NewSouth Financial Services until First Liberty was acquired by BB&T in November 1999. In 2000, NewSouth Financial Services was renamed Lendmark Financial Services, LLC.

Lendmark strives to be the lender, employer, and partner of choice by protecting household wealth, offering stability, and helping consumers meet both planned and unplanned life events through affordable loan offerings. The name Lendmark not only underscores the principal activity of our company — lending — but also reflects our founders' vision of building a financial services company that represents the mark of lending excellence in the state of Georgia and across the nation in 19 states — as true in our founding as it is today and our future, as we continue to grow.

## Our LEND<sup>®</sup> Values

L

### Loyal

Faithfully serves the interests of others

E

### Engaging

Actively connects with coworkers and the community

N

### Nurturing

Invests in the betterment of customers and coworkers

D

### Decisive

Takes initiative to pursue opportunities with vigilance and wisdom

Engaged people and teams reflect a vibrant workplace culture. Servant leadership is at the core of our culture. We are coaching our leaders and individual contributors to lead self, others, and the business well through LEND, our proprietary leadership model that reflects Lendmark's core values — Loyal, Engaging, Nurturing, and Decisive.

LEND serves not only as a key competitive differentiator, but also elevates the consistency of Lendmark's culture, customer experience, and brand as the company continues to grow and adapt to changing market demographics and needs.

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## ABOUT THIS REPORT

This report was prepared in accordance with the Sustainability Accounting Standards Board (SASB) standard. To inform this Fact Sheet, in 2021, a SASB materiality assessment was completed. The assessment began by examining a range of key stakeholders — including investors, customers, employees, and ESG rating organizations. We then reviewed the recommended ESG topics for inclusion in the sustainability disclosure, rating methodologies, investment decision-making, goal setting, and strategy.

Lendmark's ESG Fact Sheet covers data and metrics spanning calendar years 2020 and 2021, unless otherwise noted. Lendmark is committed to transparent and consistent engagement with our stakeholders regarding our ESG strategies and programs. We believe that investing in environmental leadership, social impact, and a culture of governance will drive long-term value. Our ESG priorities center on these three elements and we look forward to providing more information in the pages that follow.

# LETTER TO STAKEHOLDERS

Lendmark is more than a consumer finance company. Lendmark strives to be the lender, employer, and partner of choice by providing consumers greater access to affordable household credit under fair and transparent terms. We are proud to support local communities, where our focus is on our neighbors and businesses across the 19 states we serve. Our commitment to local communities goes far beyond offering the financial products, services, and expertise that have helped our consumers meet both planned and unplanned life events.

As part of our commitment to our employees, customers, suppliers, and investors, Environmental, Social, and Governance (ESG) is a priority at Lendmark. We understand the importance of how we impact our communities, our environment, and our people — we are therefore committed to transparency regarding our sustainability and Diversity, Equity & Inclusion (DEI) efforts. This report marks a major step forward in our sustainability journey. It also formalizes our commitment to regularly communicate our ESG actions. Building on this foundation of our Q1 2021 Report, we incorporated and utilized the Sustainability Accounting Standards Board (SASB) framework as part of this disclosure to further enhance transparency. In the following pages, we highlight the areas of our ESG profile that we believe are most important. I look forward to continuing our discussion as we navigate this process.

As we celebrate Lendmark's 25th anniversary year (August 2021 to August 2022), our Board of Directors, leadership, and workforce look back at our efforts to drive meaningful corporate responsibility initiatives forward. One such initiative for which we are extremely proud is our work to fight against childhood cancer. Climb to Cure is the signature cause-related initiative for Lendmark. Every year since 2016, Lendmark executives, employees, partners, sponsors, and friends have committed to raising money and awareness for our philanthropic and research partner, CURE Childhood Cancer. Amidst the pandemic during the 2020 and 2021 Climb to Cure campaigns, Lendmark raised a record-breaking amount, bringing the company's six-year fundraising total for CURE to more than \$3,500,000.

While I am pleased to share this report, I do, however, remain conscious of the need to continue to embed the principles of a circular economy throughout our organization. In the coming years, we will remain vigilant to maintain rigorous ESG standards, continue to build our sustainability footprint in the facilities we operate, enhance our DEI efforts, and keenly focus on implementing a best-in-class program.

We appreciate your confidence and support.

Sincerely,



**Bobby Aiken**

Founder, President & CEO

“

We understand the importance of how we impact our communities, our environment, and our people — we are therefore committed to transparency regarding our sustainability and Diversity, Equity & Inclusion (DEI) efforts.

”



**Bobby Aiken**

Founder, President & CEO



# CARING FOR OUR PLANET

**Environmental Responsibility 3**

**Energy Efficiency  
& Waste Reduction 3**





## Environmental Responsibility

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As a community-based consumer finance company, Lendmark is committed to responsible environmental practices that include conservation of natural resources, pollution prevention, and reduction of waste. Lendmark's commitment includes purchasing environmentally responsible products, and reducing paper consumption.

## Energy Efficiency & Waste Reduction

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We integrate responsible environmental practices into our overall business strategy. We are actively deploying and updating strategies to reduce and reuse waste in our business practices including:

- ▶ We engage a reputable partner for secure computer disposal and recycling, using security, disposal, and recycling methods fully compliant with HIPAA, HITECH, Gramm-Leach-Bliley, FACTA Red Flags Rules, and Environmental Protection Agency rules.<sup>1</sup>
- ▶ Celebrated our 200,000th customer downloading and registering for the company's popular mobile application, which provides e-statements and e-payments, decreasing paper waste.
- ▶ Use of e-records and e-signing technology, including providing 280,000+ e-statements to customers.
- ▶ Lendmark's headquarters is in an International WELL Building Institute™ certified building. Informed by the WELL Building Standard and more than 600 experts from the Task Force on COVID-19, the WELL Health-Safety Rating for Facility Operations and Management helps buildings and organizations address the health, safety, and well-being of their most valuable asset — people.

We are continuously researching our supply chain including the monitoring of hardware, paper, and plastics. Most of our carbon footprint is derived from our 400+ branch network, located in existing retail shopping centers versus stand-alone buildings. Our real estate team partners with local commercial brokers to identify and source locations that utilize high-efficiency electrical equipment including LED and motion detector lighting, and high-efficiency HVAC units whenever possible. We believe that our focus on innovation, with the objective of reducing costs and improving sustainability of our operations, provides a strategic benefit.

<sup>1</sup> Certificate of Recycling and or Property Liability issued 1/19/2021 by Multi Venture Equity, Ltd. for 1,234 lbs. of recycled electronics.



# SOCIAL IMPACT

Committed  
Diversity, Equity, and  
Inclusion  
Community  
Our People

5  
5  
6  
6

Veteran Employment &  
Military Workforce  
Recognition  
Spotlight on Equity  
Customers

7  
7  
7







## Committed

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We believe our most important asset is our people, which is why we've solidified our core values and strive to uphold them every day. Recognizing that promoting diversity in ideas and perspectives makes us a better, more innovative company, Lendmark reaffirmed its commitment to extending a culture of Diversity, Equity & Inclusion (DEI) throughout our enterprise. From creating a buddy system for transitioning veteran and veteran spouse new hires to operationalizing our leadership development programs, we continue to ensure Lendmark remains a place where talent thrives, while we deliver superior business results and enrich our communities.

## Diversity, Equity, and Inclusion

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Our commitment to DEI enables us to better anticipate our customers' needs, understand the challenges facing the communities we serve, and drive innovation that propels our industry forward, to help everyday Americans maintain household wealth and financial security. Our leadership recognizes that a diverse workforce and a culture of equity and inclusion helps us compete more effectively, sustain success, and build long-term shareholder value. We believe that supporting and promoting a diverse and inclusive workplace brings new perspectives that can result in new ideas and help mitigate risk.

Our commitment to diversity starts with our goal to attract, retain, and develop a workforce that is diverse in background, knowledge, skills, and experience and reflective of the communities we serve. As of year-end 2021, across our employee base, 72.4 percent were women. Our leadership includes diverse representation, with nearly half (48 percent) of senior leadership being female, and approximately 30 percent of our senior team and 14 percent of our Board being from a diverse background.

We encourage qualified individuals, including minorities, women, and veterans and, uniquely, veteran spouses, to join our fast-growing Lendmark team. The strategic vision, growth, and success of the company are based on the work ethic and commitment of the myriad of diverse professionals who apply their skills and experience to serving our customers. Our management team is dedicated to this policy with respect to recruitment, hiring, placement, training, personal and professional development, promotion of our employees, and taking steps in 2022 to better train and coach our people managers to lead generational diversity. To assess and address pay equity enterprise-wide, Lendmark partnered with an external firm to conduct its first formal pay equity study, currently underway.

Lendmark maintains a diverse supplier base that reflects the markets and communities in which the company operates and is looking to expand this program as the company continues growth. We also work to add language to supplier agreements that requires U.S.-based suppliers to certify compliance with federal and state equal opportunity laws. Lendmark asks that suppliers also commit to making good-faith efforts to consider small, minority-owned, women-owned, veteran-owned, and other diverse suppliers when engaging their own suppliers.

# Community

Local communities are also a big part of who we are at Lendmark. “Lend a Hand, Make your Mark”— that’s our slogan for community support. We believe our responsibility to help extends beyond our branches and support locations to doing our part to address some of the most pressing needs in the communities we serve.

Lendmark’s community-based approach and branch network create local economic value in the communities we serve in a variety of ways. Among other benefits, a typical branch employs three to four people on average, leases local storefront space, and supports local businesses and service providers through financing consumer purchases.

We’re also proud to support our communities in any way we can — from supporting education to local charitable initiatives — we are dedicated to serving our communities including:

- Lendmark and its employees engage with numerous nonprofit and civic organizations annually through sponsorships, volunteerism, and donations to support efforts that matter to the communities we serve.
- In December 2020, we established Lend A Hand, the Lendmark Financial Giving Fund, a corporate donor advised fund established to further solidify our philanthropic support, namely for pediatric cancer research and veteran-related cause partnerships.
- Lendmark branch and office locations use softball tournaments, candy, and bake sales, trivia competitions, and many other ways to support and actively participate in our local markets.
- Lendmark proudly supports CURE Childhood Cancer. As a 4-star rated Charity Navigator nonprofit for 13 consecutive years, CURE allocates approximately 86 percent of funds raised each year directly to research, fellowship programs, and support for patients and their families. One hundred percent of the funds Lendmark donates to CURE go toward supporting research and family support.



Lendmark Climb to Cure is our signature cause-related initiative. Each year, Lendmark employees, their families and friends, and our business partners and vendors commit to raising money and battling cancer. Since its inception in 2015, Lendmark has raised more than \$3.5 million for pediatric cancer research and family support. Every dollar raised and donated brings us one step closer to ending childhood cancer once and for all. The COVID-19 pandemic presented new challenges for families and our Climb to Cure efforts, which Lendmark overcame through creative pivoting and unwavering commitment.

# Our People

We know that good corporate citizenship is key to driving positive change and improving the lives of our people. Some of our recent workforce investment highlights include:

- Established a company-wide minimum wage of \$15 per hour
- Prioritized employee safety and support during the pandemic
- Medical, dental, and vision benefits for employee, spouse, and dependents
- Flexible spending accounts for both healthcare and dependent care
- 401k with company match
- Tuition reimbursement
- Introduced pet insurance
- Paid time off for involvement in community service and education
- 24/7 virtual care
- Short-term and long-term disability benefits
- Wellness incentives for employees
- Employee Assistance Program



Furthermore, Lendmark continually strives to offer our employees a superior benefits experience that embodies a culture of wellness. We believe that wellness is much more than physical health, exercise, and nutrition.

**Physical Wellness:** Adopting healthful habits (routine checkups, a balanced diet, exercise, etc.) because our current behaviors significantly impact our daily activities

**Social Wellness:** Relating and connecting with other people in order to establish and maintain positive relationships with family, friends, and coworkers

**Financial Wellness:** Understanding and meeting current and ongoing financial obligations in a manner that allows us to feel secure now and in our future

**Emotional Wellness:** Self-awareness and acknowledging our feelings in a productive and optimistic manner so that we can enjoy life despite its occasional disappointments and frustrations

# Veteran Employment & Military Workforce Recognition

Lendmark is a long-time supporter of veteran communities. From our founding in 1996, Lendmark has been military-friendly, focusing on helping to lessen the veterans' unemployment gap, and hiring the best-qualified talent. We value the outstanding contributions veterans make to our overall business success. As part of this commitment, Lendmark partners with organizations such as VetLanta, Recruit Military, and Hiring Our Heroes, which ensure veterans and veteran spouses have the support they need during and after their service. We also maintain and annually exceed our veteran and veteran spouse hiring target, currently representing 7 percent of our workforce at year-end 2021, with a target of achieving 10 percent by 2023.

In recognition of our military workforce and to acknowledge Lendmark military families, we launched our Veterans Integration Program (VIP) in 2015, formalizing our veterans' initiatives and program. To date, Lendmark VIP remains inclusive of veterans, their spouses, and caretakers. Through VIP, we effectively blend internal processes that drive successful talent acquisition results with external partnerships and networking with military-affiliated organizations to stay abreast of important updates and best practices for military-friendly employers.

## Lendmark Has Demonstrated Overall Excellence as a Veterans Employer of Choice

Key factors in our successful veteran hiring strategies have resulted in a robust, integrated approach, including:

- **Hiring Results:** We annually exceed our year-over-year military hiring goals. As of year-end 2021, we had 135 VIPs, including veteran spouses and caretakers, who serve in a range of positions and levels (C-Suite, Operational/Corporate Leadership, and Individual Contributors) throughout the company
- **Military Referral Fee:** Payment eligibility for employee referrals for VIP hires
- **Community Outreach:** Annual participation in veterans career fairs (virtual and in-person events) to increase exposure to potential VIP hires
- **Veteran-Specific Job Posting Sites:** Leverage our access to recruit from the *Military National Database of Veteran & Veteran Spouse Candidates* and post all current job openings to the Recruit Military database
- **Job Relocations:** Job search and potential employee openings for spousal consideration



## Spotlight on Equity

In 2021, Lendmark sponsored 10 female employees in Pathbuilders, a highly regarded professional development organization, specializing in women's leadership. This is Lendmark's fifth year sponsoring employee participation in the program. Lendmark's investment in employee learning and development overall, and gender equity specifically, comes at a time when more than a third of financial institutions expect their respective training budgets to decrease over the next year, and only 10 percent expect them to increase.

## Customers

Our typical customers are everyday "Main Street" citizens — employed, middle-class borrowers faced with "life event-driven needs" — such as home and auto repairs and medical expenses — that cause cash flow gaps. Many are homeowners, have tenure on their job, and exhibit other stability factors.

### OUR CUSTOMERS



50

Average Age



45%

Homeownership



\$49,000

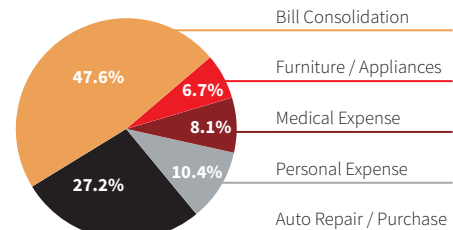
Average Income



614

Average FICO

### LOANS SERVE IMPORTANT NEEDS





# CULTURE OF EXCELLENCE

**ESG Governance**  
**Business Ethics**

**9**  
**9**

**Data Security**  
**Fair Lending**

**10**  
**10**





# ESG Governance

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Lendmark is committed to achieving excellence in our governance practices to establish a strong foundation for the long-term success of our company. We emphasize a culture of accountability and conduct our business in a manner that is fair, ethical, and responsible to earn the trust of our stakeholders, including customers, employees, investors, partners, regulators, and communities. We also maintain robust risk management programs to ensure compliance with applicable laws and regulations governing ethical business practices.

Lendmark has comprehensive corporate governance policies and structures in place to foster accountability and transparency for our Board of Directors and management team. These policies reflect our underlying commitment to maintain the highest standards of ethics and integrity and to operate our business in compliance with all applicable anti-corruption, anti-bribery, and anti-trust laws and regulations.

# Business Ethics

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We expect everyone who conducts business on our behalf will operate ethically, comply with the law, and uphold human rights. As such, our employee Code of Conduct details our expectations. We strive to contract with suppliers that share our commitment to ethical business and operating with integrity, respect, and transparency, which all employees attest to annually.

Lendmark has supported various legislative efforts aimed at consumer financial protection, including:

- California's Fair Access to Credit Act, which places a maximum rate of 36 percent, plus the Federal Funds rate, on loans of \$2,500 or more but less than \$10,000. The act also places a minimum loan term of 12 months to promote reasonable repayment schedules, and it includes a requirement that, prior to disbursing loan proceeds, credit education resources be provided to consumers to assist them in better understanding how credit reports and credit scores work.
- Virginia's Fairness in Lending Act, which sets a ceiling of 36 percent on interest rates for consumer loans between \$300 and \$35,000. Previously, such loans had unregulated rates, leading to a rapid increase in triple-digit APR lending.

# Data Security

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Keeping personal information safe is critical for stakeholder trust. Our employees and customers depend on us to provide secure, transparent processes and to respect their privacy and protect their personal information. Lendmark enforces both data privacy and data security programs. Policies to protect information are reviewed annually. Data privacy and security is administered by our VP, IT Security, who reports to the Chief Information Officer. This focused leadership and oversight ensures the security of our network, customer, and corporate data. Employees receive annual training on protection of data, and some employees receive additional specific data protection training, depending on job function.

# Fair Lending

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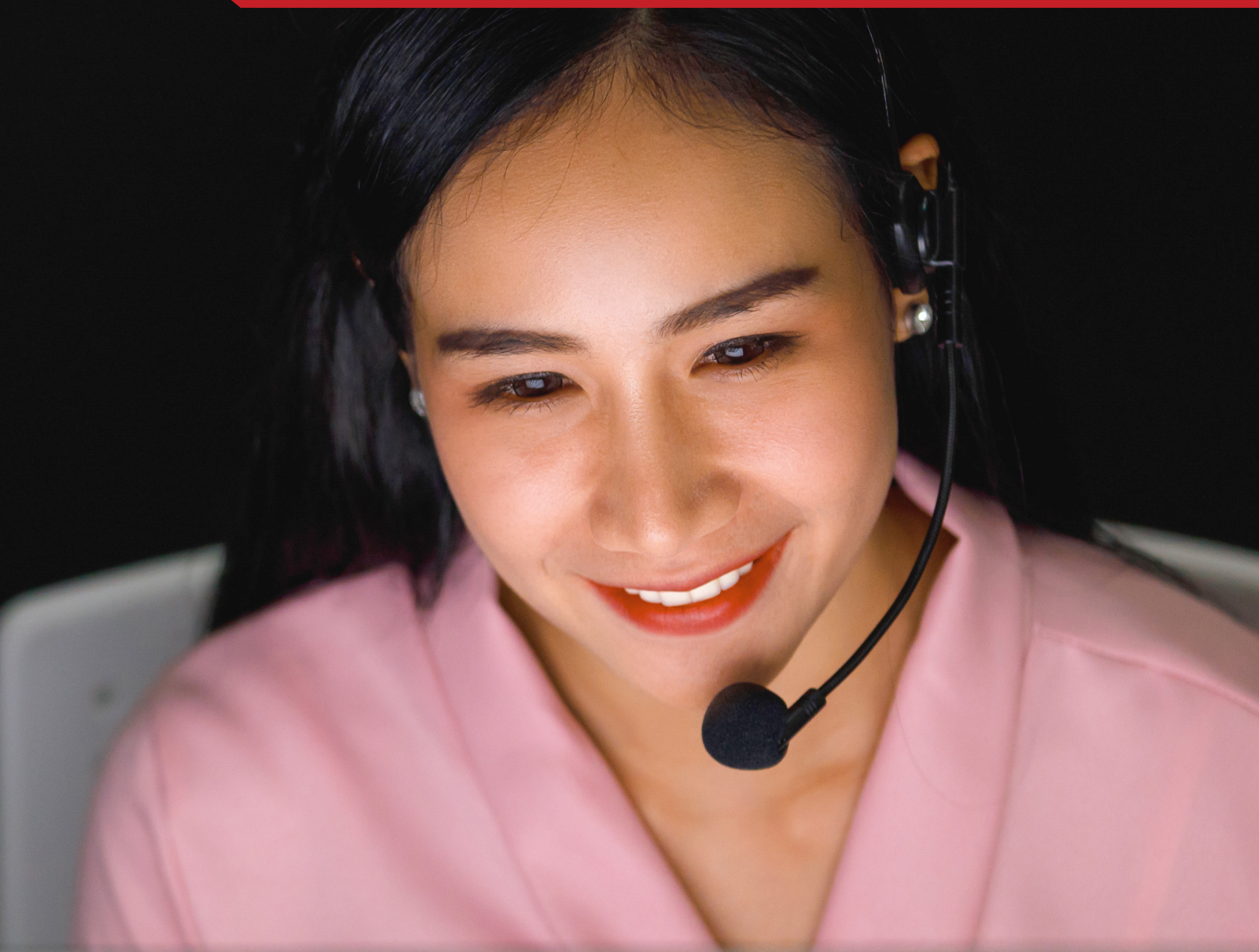
Lendmark is unwavering in its commitment to doing business fairly, consistently, and transparently. We maintain robust internal Audit and Compliance processes and teams to ensure a thorough, independent review of all underwriting and servicing processes and practices. With nearly two and a half decades of experience, we're able to leverage the unique Lendmark performance history — spanning multiple economic cycles — and combine it with advanced analytics and best-in-class scoring methodologies to assess and classify each applicant, based on their credit history and utilization.

Our scoring solutions accurately assess the unique risk factors for the Near-Prime target market we serve. Our robust verification process individually validates all key information, such as customer identity, income, employment, and residence. We evaluate repayment capacity using several sources, including credit bureau information, verified income, and multiple means tests that consider total debt burden and residual income.

All credit grading, pricing parameters, and product eligibility are systemically controlled, providing consistent treatment for all applicants and predictable credit risk.

Lendmark's executive management regularly reviews product pricing to adequately address market conditions, competitive forces, credit risks, and servicing costs.

# SASB DATA TABLES





# SASB Data Tables

SASB TOPIC	SASB METRIC	SASB CODE	2020 DATA	NARRATIVE RESPONSE AND COMMENTS
<b>Customer Privacy</b>	Number of account holders whose information is used for secondary purposes	<b>FN-CF-220a.1</b>	Approximately 400K	We adhere to CCPA- we adhere to all applicable state laws and subject to Federal Gramm-Leach Bliley
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	<b>FN-CF-220a.2</b>		No lawsuits nor monetary losses related to customer privacy (since 1996 inception as far as records indicate) — a testament, in part, to our robust cybersecurity program led by IT/Chief Information Officer  If there were a customer privacy issue our protocol is clear — incident response plan initiated and free credit monitoring offered for a year
<b>Data Security</b>	(1) Number of data breaches	<b>FN-CF-230a.1</b>	(1) 0	
	(2) Percentage involving personally identifiable information (PII)		(2) 0%	
	(3) Number of account holders affected		(3) 0	
	Card-related fraud losses from	<b>FN-CF-230a.2</b>	(1) N/A	Not applicable to Lendmark
	(1) card-not present fraud and (2) card-present and other fraud		(2) N/A	
	Description of approach to identifying and addressing data security risks	<b>FN-CF-230a.3</b>		Lendmark enforces both data privacy and data security programs. Policies to protect information are reviewed annually.  Data privacy and security is administered by our VP, IT Security, who reports to the CIO. This focused leadership and oversight ensures the security of our network, customer, and corporate data. Employees receive annual training on protection of data, and some employees receive additional specific data protection training, depending on job function.  Lendmark uses NIST standard for data security. Employee education, phishing ID, routine scans, and ongoing training are all ongoing efforts, measurable against NIST standards. Currently NIST survey participants limited to the VP, IT Security.  Our philosophy and approach are ongoing, with continuing vigilance on identifying threats and security trends before they become an issue, and how we prepare accordingly.

SASB TOPIC	SASB METRIC	SASB CODE	2020 DATA	NARRATIVE RESPONSE AND COMMENTS
	Percentage of total remuneration for covered employees that is variable and linked to the number of products and services sold	<b>FN-CF-270a.1</b>		Not applicable to Lendmark
	Approval rate for (1) loans and (2) loans for applicants with FICO scores above and below 660	<b>FN-CF-270a.2</b>	(1) 32% (2) <660 = 30% >660 = 57%	
<b>Selling Practices</b>	(1) Average premium from add-on products, for customers with FICO scores above and below 660 (2) Average APR, for customers with FICO scores above and below 660 (3) Average age of accounts, for customers with FICO scores above and below 660 (4) Average number of trade lines, for customers with FICO scores above and below 660 (5) Average upfront fees for loans, for customers with FICO scores above and below 660	<b>FN-CF-270a.3</b>	(1) N/A (2) <660 = 28.5% >660 = 26.4% (3) <660 = 13 months >660 = 14 months (4) N/A (5) <660 = \$315 >660 = \$276	
	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB) (2) Percentage with monetary or nonmonetary relief (3) Percentage disputed by consumer (4) Percentage that resulted in investigation by the CFPB	<b>FN-CF-270a.4</b>	(1) 91 (2) 91 closed with explanation, 100%, 0 closed with monetary or non-monetary relief (3) (4)	
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	<b>FN-CF-270a.5</b>		
	Number of unique consumers with an active (1) loan account	<b>FN-CF-000.A</b>	(1) Active loan count as of Nov 2021= <660 = 343,485 >660 = 92,875	

SASB TOPIC	SASB METRIC	SASB CODE	2020 DATA	NARRATIVE RESPONSE AND COMMENTS
<b>Financial Inclusion &amp; Capacity Building</b>	(1) Number and (2) Amount of loans outstanding qualified to programs designed to promote small business and community development	<b>FN-CB-240a.1</b>		Provides financing solutions for nearly 11,000+ retailers and independent auto dealerships. Empowers local household wealth. In 2019, we provided more than \$1.6B in credit to help consumers meet financial challenges.
	(1) Number and (2) Amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	<b>FN-CB-240a.2</b>	Please see page 6 of the Fact Sheet	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	<b>FN-CB-240a.3</b>	Please see page 6 of the Fact Sheet	
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	<b>FN-CB-240a.4</b>	Please see page 6 of the Fact Sheet	