

**Enact<sup>®</sup>**

Roadmap 2023

Environmental,  
Social, and  
Governance

# Introduction

## About Us

Enact<sup>1</sup> is a leading U.S. private mortgage insurance provider that enables Americans to achieve the dream of homeownership. Our mission is to help families who can't afford the traditional 20% down payment to purchase their first homes. We do so by providing Private Mortgage Insurance (PMI), which enables them to become homeowners years—sometimes decades—earlier than would otherwise be possible. Through underwriting excellence, customer support, and borrower education, we ensure that homeowners can buy a house and stay in their homes—helping build wealth and stronger communities.



**1.2M**  
Over the past 5 years,  
Enact helped  
1.2 million households  
achieve homeownership

We operate in all 50 states and the District of Columbia, have long-tenured customer relationships with mortgage lenders, and are focused on responsible underwriting and prudent risk and capital management practices. We believe our operating and technological capabilities provide a superior customer experience and drive new business volume at attractive risk-adjusted returns.

Enact has a longstanding history of good corporate citizenship. We are proud of the role we play in the communities we serve and the processes we have put in place to ensure a sustainable business. We have long been focused on Environmental, Social, and Governance (ESG) issues. They have been a key component of our values and are also increasingly integrated with our business strategy to enhance long-term value creation for our stakeholders.

<sup>1</sup> Enact Holdings, Inc. operates principally through its wholly-owned subsidiary Enact Mortgage Insurance Corporation to provide private mortgage insurance (PMI) to mortgage lenders in the United States.

We take pride in our culture, where our nearly 500 employees are committed to making a positive impact on the communities we serve. We strive to maintain an organization where every employee is respected and empowered to succeed, and diverse perspectives are valued.

## About Our ESG Roadmap

This roadmap is meant to provide an overview of our ESG priorities and the approach we are taking to address them. We plan to release our inaugural ESG Report in the first half of 2023.

After our Initial Public Offering in 2021, we formed a diverse, cross-functional team to drive our ESG efforts, with oversight from our CEO and CFO, along with the Nominating and Corporate Governance Committee of the Board of Directors (Board). This team includes representatives from key functions across the organization, including investor relations, legal, human resources, risk, and compliance.

In 2022, we engaged a third-party consultancy to assess and rank our ESG priorities. As part of this robust process, we solicited the perspectives of our key internal and external stakeholders—including employees, customers, and shareholders. Based on this feedback and the deliberations of our Executive Leadership Team (ELT) and members of our Board, we identified the ESG issues that are most important to our business and stakeholders.

**We have organized our ESG priorities into three “pillars” upon which we are building our ESG strategy, focusing on the areas most germane to our business:**

- + Strengthening Our Communities**
- + Driving Diversity and Inclusion & Supporting Our People**
- + Focusing on Responsible Business Practices & Corporate Governance**

**In the following pages, you will find a description of each of these pillars, which inform not only the way we approach ESG, but the way we do business. We look forward to keeping you informed about our ESG initiatives in subsequent disclosures.**

# Strengthening Our Communities



Enact is deeply engaged with the communities it serves by enabling more families to achieve the dream of sustainable homeownership and create wealth, while also delivering on our commitment to employee volunteerism, philanthropy, and environmental responsibility.

We believe our mission to help families buy—and stay in—homes has a positive impact on the communities we serve. This inspires us to go the extra mile. We look at the bigger picture, always considering our customers' processes and their borrowers' experiences. In this way, we seek to strengthen not just our customers' business, but the neighborhoods where we live and which we serve.

But it doesn't end there. Our commitment to community also includes:

## Incentivizing Employee Volunteerism

Employee volunteerism is deeply embedded in our corporate culture. Enact provides every employee up to 40 hours of paid time off to volunteer in their community. Over half of our employees took advantage of volunteer time off in 2022, contributing thousands of hours of their time with partners like Habitat for Humanity, the Food Bank of Central & Eastern North Carolina, and Meals on Wheels. While we are proud of the contributions we make on the corporate level, it is the passion our team members bring to their communities that is exemplary of our culture.



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Enact provides every employee up to 40 hours of paid time off annually to volunteer in their community

# Strengthening Our Communities (continued)

## Helping Underserved Communities Achieve the Dream of Homeownership

By removing the need for a 20% down payment, we serve borrowers who have traditionally not been able to enjoy the myriad benefits of homeownership. We recently announced an expansion to our nontraditional credit guidelines that are designed to help address the minority homeownership gap. Additionally, we have formed partnerships, including with the National Association of Minority Mortgage Bankers of America and HomeFree-USA. In 2022, Enact also became the first mortgage insurer to sign on with the LGBTQ+ Real Estate Alliance as an annual partner. Our goal in partnering with the Alliance is to continue our learning about the challenges the LGBTQ+ community faces in housing, drive acceptance through education, and to serve as a resource for the Alliance in their mission of advocating for fair housing and promoting LGBTQ+ homeownership.<sup>2</sup>

## Providing Borrower and Mortgage Servicer Support and Education

We recognize the key role first-time homebuyer education and support play in successful homeownership. To that end, we provide our customers (lenders) with training and tools to help borrowers achieve sustainable homeownership. Additionally, we provide borrower education, and operate exclusive programs that support both lenders and borrowers.

### Our efforts include:



Our partnership with **Finally Home!** provides low- or no-cost homebuyer education to borrowers. The course includes seven chapters that cover every part of the homebuying process.



Our exclusive **Home Suite Home** program helps borrowers feel more secure in their new home. Upon closing, borrowers can select one of three benefits: an Appliance Home Warranty, Homeowners Insurance Deductible Reimbursement, or Identity Theft Reimbursement & Restoration Consulting Services. This adds another layer of security as they embark on their homeownership journey. This benefit is paid for by Enact and provided at no cost to homeowners.

## Homebuyer Privileges<sup>®</sup>

**Homebuyer Privileges** is an exclusive Enact Mortgage Insurance program that provides homeowners with discounts on products and services from top retailers in their area. There is no cost to participate in this program, and new homeowners can save up to \$8,500 for the things they need most for their new home.

## Borrower Outreach



We assist borrowers and mortgage servicers by conducting proactive contact campaigns that connect families who have fallen behind on payments to their mortgage servicers. In this way, we help ensure that all options are exhausted to enable families to stay current on their payments.

## Managing Our Carbon Footprint Responsibly



We believe that corporations play a vital role in helping ensure the livability of the communities we serve. After all, we live here too. While we are not a major carbon emitter, we are always seeking ways to further limit our environmental impact. We operate one building, our headquarters in Raleigh, NC, which is Gold LEED certified. In 2022, we transitioned to 100% LED lighting. We also provide preferential parking to fuel efficient vehicles, along with electric vehicle charging stations in our parking deck.

<sup>2</sup> UCLA's Williams Institute cites the LGBTQ+ homeownership rate to be 49.8%, far below the 65.4% national rate and 74.0% for non-Hispanic Whites according to the U.S. Census.

# Driving Diversity and Inclusion & Supporting Our People

**Enact recognizes that promoting diversity, equity, and inclusion is not only the right thing to do, but also vital to our continued success and growth. By encouraging and incorporating varied perspectives at every level of the organization in a supportive and inclusive environment, we ensure that our products and services are innovative and responsive to the diverse needs of customers and prospective homeowners. In 2022, we were honored with awards recognizing our work in DEI, including the Residential DEI Leadership Award by the Mortgage Bankers of America.**

**We foster and benefit from an inclusive culture and aid our employees by:**

## **Focusing on Diversity, Equity, and Inclusion**

DEI is important to our internal stakeholders—from Board members to our nearly 500 employees. Drawing on the extensive DEI training programs of our parent company, Genworth, we are currently in the process of envisioning and implementing the next iteration of diversity education as a newly public company. This training will help our employees continue to better understand and respond to issues related to DEI.

In 2022, employees participated in 20 different discussions and learning sessions on diversity, equity, and inclusion which encouraged open dialogue and understanding. We've also created an employee-led Diversity and Inclusion Council which, championed by ELT members, provides increased resources, coordination, and amplification for DEI programming. We believe this Council, which replaces six disparate employee groups, better represents every one of our employees and ensures all voices are heard.

Enact's employee population is made up of 58% women, which has remained consistent over the last five years, and 25% people of color, which has grown from 18% over the last five years. In the last three years, Enact has significantly increased recruiting at Historically Black Colleges and Universities (HBCUs) for our internship and early career programs. Enact has built relationships with eight HBCUs (and counting).

As of the end of 2022, 20% of our executive leadership team are women, and 20% are ethnic or racial minorities. 27% of our Board members are women, and 27% are racially or ethnically diverse. 80% of our Board committee chairpersons are women; 20% are ethnically

diverse. We are focused on ensuring diverse perspectives are represented at the executive and Board levels and recognize that we have work to do in this important area.

## **Developing the Next Generation of Diverse Industry Leaders**

We believe developing a robust pipeline of diverse leaders in the mortgage industry is critical: those making credit decisions should reflect the communities they serve. So, in partnership with HomeFree-USA's Center for Financial Advancement,<sup>™</sup> we created the Mortgage Industry Development Program. The program provides HBCU students with awareness around career opportunities in the mortgage industry and gives them the foundation they need to begin a successful career in the field. In addition to their collegiate studies, this program provides students with career development support as they begin their professional journey in the home mortgage industry. Since inception in 2021, 67 students from HBCUs across the country have participated in this initiative.

## **Empowering Our Employees**

We operate in a competitive talent environment; not only do we focus on finding the best people to work at Enact, we also know our employees have choices about where to work. Enact provides the tools our team members need to advance by offering a multitude of professional development and learning opportunities. In 2022, our employees completed over 1,700 hours of Enact-sponsored coursework. We also continue to enhance our employee engagement initiatives; in 2022, we signed a 3-year agreement with Gallup to perform annual engagement surveys. Our inaugural survey in 2022 had a response rate of 83%; we are currently tabulating results.

# A Focus on Responsible Business Practices & Sound Corporate Governance

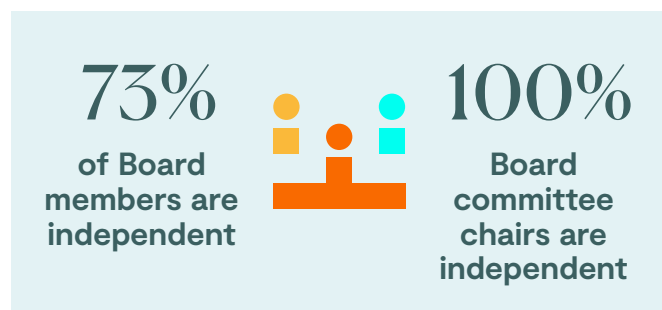
Enact focuses on underwriting excellence, prudent risk and capital management, data privacy and cybersecurity, and regulatory compliance—all overseen by a diverse, experienced, and predominantly independent Board.

We have a strong foundation of ethical and responsible corporate behavior, as expressed in our company [Code of Ethics](#). We are committed to building on this legacy.

Among the key governance factors, we are focused on:

## Ensuring Responsible and Independent Oversight

We have a highly independent, highly experienced Board that ensures appropriate oversight to benefit all stakeholders. Our Board chairperson and 8 out of 11 of our Board members are independent. In addition, all committee chairs are independent, three Board committees are 100% independent, and the rest are majority independent. You can find more about our corporate governance and Board committee membership [here](#).



Our Board is composed of individuals with diverse experience in business and corporate governance. The blend of their diverse backgrounds ensures that issues we face are examined and addressed with the benefit of a broad array of perspectives, experiences, and expertise.

## Protecting Borrowers' Privacy and Mitigating Cyber Risk

Perhaps nothing is more important than maintaining the trust of our mortgage lender customers and borrowers. We employ the policy of least privilege such that employees only have access to borrowers' Personal Identifiable Information (PII) when required, and only

the specific PII needed for their job responsibilities. Additionally, our programs automatically mask all PII for those without access. We take a “zero-trust” approach, including (but not limited to) regular stress testing of systems and employee passwords, two-factor authentication for all access of internal systems, and hard drive encryption.

Enact has a Governance, Risk, and Compliance (GRC) Council that meets monthly to monitor changing risks within the business. Our Chief Information Security Officer (CISO) is a member of this Council with the responsibility of raising IT security issues to the Council for review. Key issues are reported to management and the Risk Committee of our Board. In 2022, members of our ELT and workforce participated in our comprehensive, annual tabletop exercise in which we tested our cyber defenses and responses against varied and multiple attacks in an unscripted, unpredictable manner. We continue to work to improve our cyber defenses every day, which now includes monthly cybersecurity training for employees.



# A Focus on Responsible Business Practices & Sound Corporate Governance (continued)

## Preparing Our Business for Climate Change

While Enact's master policy protects the company from paying claims on defaults that occur due to physical damage, we recognize the importance of a thorough assessment of potential transitional climate-related risks to our business. In 2022, we conducted an initial assessment of our portfolio's concentration in areas susceptible to climate-related risk. The analysis considered both acute physical risks from hurricanes, floods, and wildfires, and chronic climate risks from water stress, heat stress, and sea level rise. The data showed that our insured portfolio has a relatively low level of risk related to climate change.

We will continue to monitor climate-related risks and perform additional analyses as our approach continues to mature and additional data becomes available.

## Maintaining a Prudent Risk Profile

Risk management and the close calibration of our risk appetite is a central focus at Enact and is overseen by our Board Risk Committee. Senior management regularly reviews our top risks and confirms compliance with approved limits. The GRC Council is chaired by our Director of Risk Management; it includes members of the enterprise risk team, our CISO, chief compliance officer, and leaders in operations, finance, and IT. It ensures any new or emerging ESG risks across the business are addressed or raised to the ELT. This high-level, cross-functional team ensures visibility and accountability at the highest levels of the company.

We have taken, and continue to take, important steps to enhance our resiliency to position ourselves for today and for the future. We are also continually evolving our pricing and risk distribution strategies to ensure we deliver appropriate risk-adjusted returns and protect our balance sheet.

## Looking Ahead

**We are proud of our record of corporate responsibility and look forward to building on this legacy. We also look forward to publishing our inaugural ESG report in the first half of 2023, along with a new ESG website and online resources. In the report and online, we will provide further detail and data on our efforts to strengthen the communities we serve, drive diversity, equity, and inclusion in our company and in the mortgage industry, empower our employees, and continue our focus on underwriting excellence, strong corporate governance and business ethics, and risk management.**

Thank you for reading.