

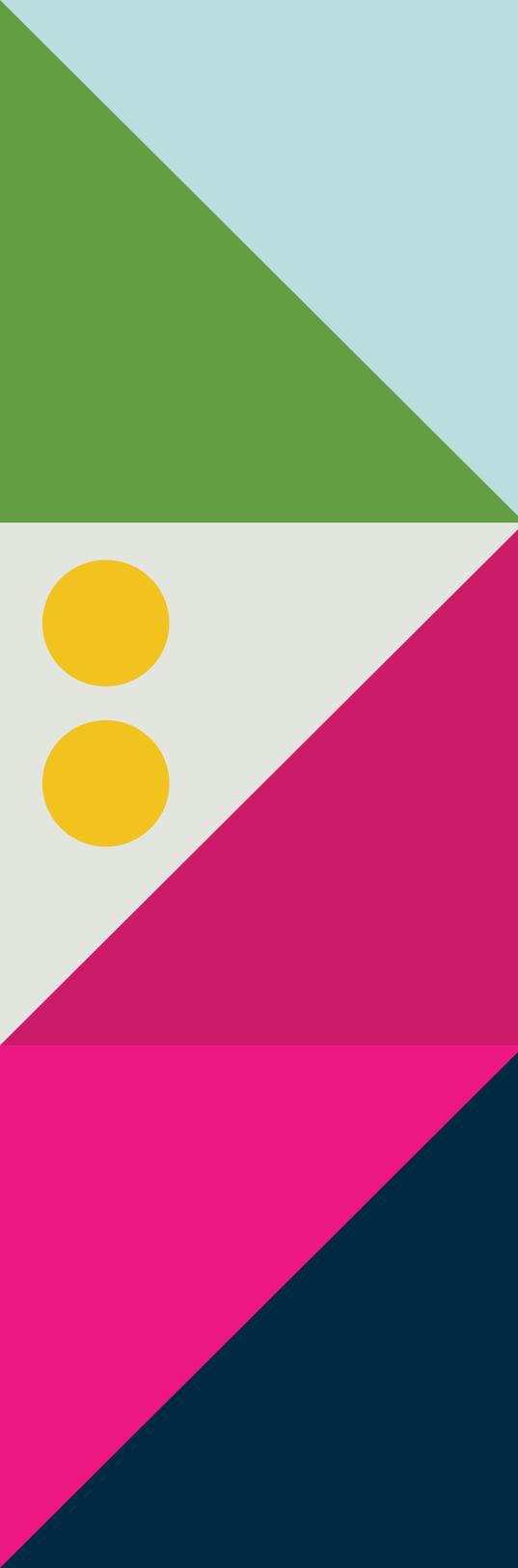


**MGIC**

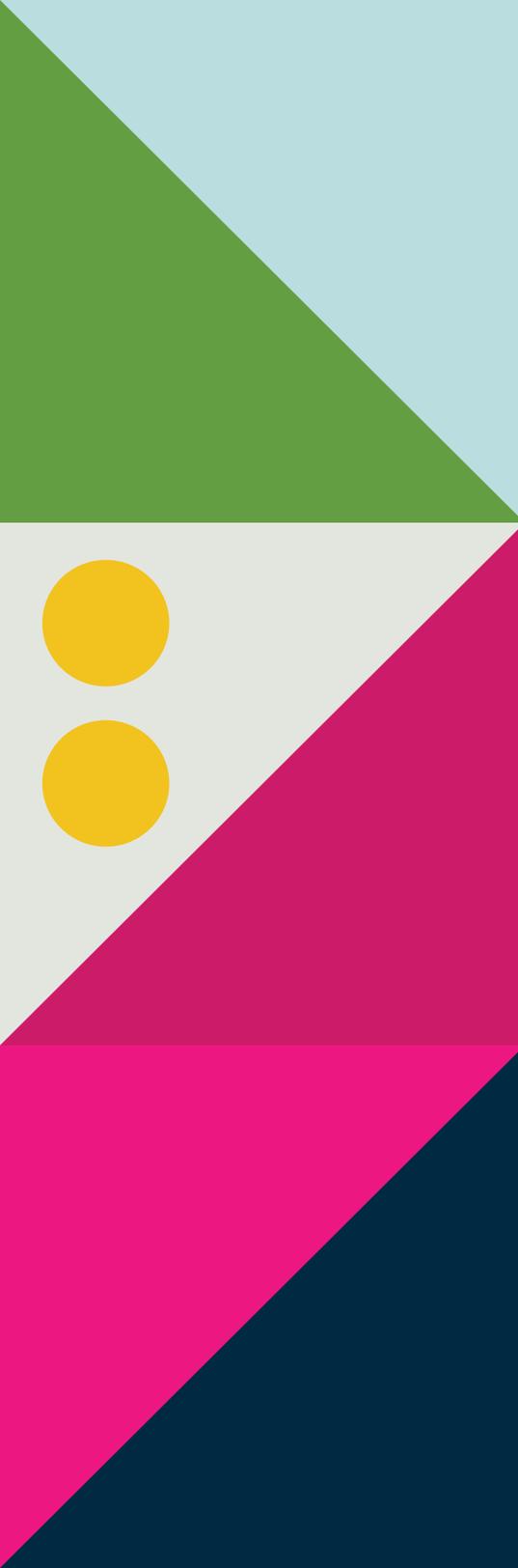
2022

**ESG**

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT



# Table of Contents



**Forward Looking Statements.** Certain statements in this report may be “forward-looking statements.” These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results or occurrences. Actual results and financial conditions may differ materially from those included in these statements due to a variety of factors, including, among others, the precautionary statements included in our filings with the Securities and Exchange Commission (SEC). Any statements made, including forward-looking statements, speak only as to the date they are made, and we do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made. In addition, while this report describes potential future events that may be significant, the significance of those potential events should not be read as equating to materiality as the concept is used in our filings with the SEC. This report does not create legal rights in any person.



## Letter from our CEO

As pioneers of private mortgage insurance 65 years ago, MGIC has helped over 13.5 million families achieve homeownership sooner. This is a touchstone we keep coming back to when we think about the work we do, how we do it, and *why* we do it. Homeownership can be a powerful vehicle for financial stability and generational wealth, which means that our impact — and our responsibility — extends well beyond the walls of our company, beyond our investors, beyond our customers, even beyond the consumers who use our product. Our work supports resilient communities and the social fabric at large.

We believe that keeping this holistic picture in mind is critical to doing well by each of these audiences to whom we are accountable. This is also good and responsible business practice, aligned with modern stakeholders' continued expectations that businesses not only perform well, but do good. These are expectations that I for one welcome. I believe companies like ours have an incredible opportunity to lead the way when it comes to solutions and impact, and I am glad to partner with stakeholders who hold equally ambitious standards and vision for what top-performing companies can achieve.

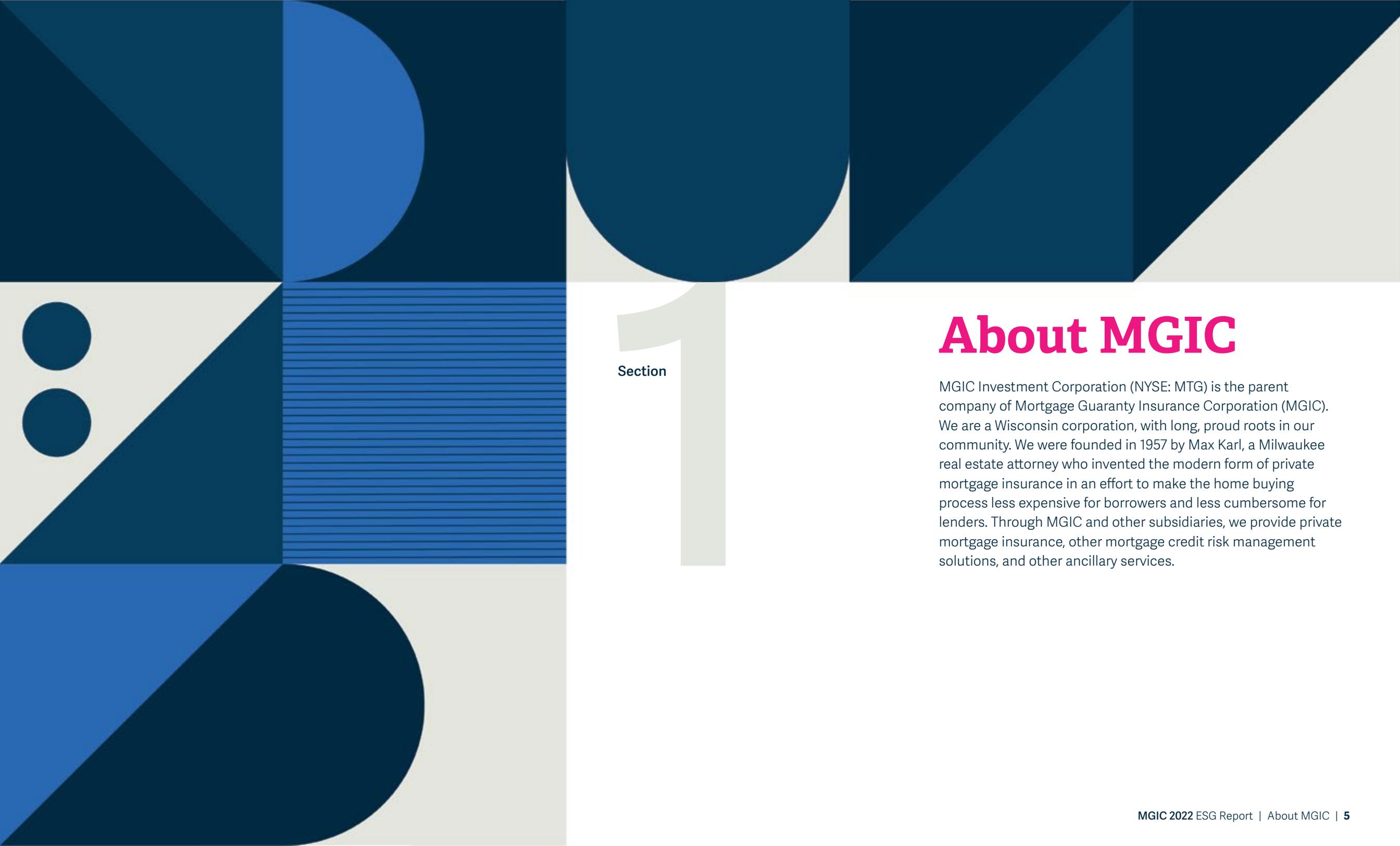
In the following pages, you will see how our commitment to these responsibilities bears out across all areas of the work we do at MGIC, from our internal approach to human capital to our external considerations for environmental and social impact, most notably our accelerated efforts in the affordable housing space. Collectively, this forms our environmental, social and governance (ESG) strategy.

These initiatives benefit greatly from our highly engaged Board of Directors, who provide essential vision and oversight, in partnership with our Environmental, Social and Governance Executive Council, who advance these efforts at the management level, cascading our priorities down through each functional area of our business. As you will see in this report, this combination of high-level vision and day-to-day commitment is a very effective combination, one that helps MGIC maximize both the value we create for our stakeholders and the value on which we were founded: that of strong communities through homeownership.

**Tim Matthe**

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**Our work supports resilient communities and the social fabric at large.**



Section

# About MGIC

MGIC Investment Corporation (NYSE: MTG) is the parent company of Mortgage Guaranty Insurance Corporation (MGIC). We are a Wisconsin corporation, with long, proud roots in our community. We were founded in 1957 by Max Karl, a Milwaukee real estate attorney who invented the modern form of private mortgage insurance in an effort to make the home buying process less expensive for borrowers and less cumbersome for lenders. Through MGIC and other subsidiaries, we provide private mortgage insurance, other mortgage credit risk management solutions, and other ancillary services.

## About MGIC

At MGIC, we believe that homeownership opens the door to economic and social benefits, like wealth accumulation, family stability, improved education, safer neighborhoods, higher civic engagement, and even improved health. Not to mention, peace of mind.

For 65 years, our products have benefited families by helping them overcome the down-payment hurdle. We help promote sustainable homeownership by making low down-payment mortgages a reality. We are proud that our efforts have helped people get the keys to their own home sooner than otherwise possible.

With a focus on sustainable homeownership, MGIC provides a critical component of our country's residential mortgage finance system by protecting mortgage investors from credit losses. We make lending safer for our customers, which include banks, mortgage bankers, mortgage brokers, credit unions, mortgage loan servicers and mortgage investors. We provide our customers with credit loss protection, reducing and in some instances eliminating the losses they would experience if a homeowner defaults on a mortgage loan.

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**For 65 years, our products have benefited families by helping them overcome the down-payment hurdle.**





# 2

Section

## MGIC's ESG Strategy

MGIC's ESG Executive Council has led our efforts to advance sustainability practices within the organization. As part of those efforts, the Council has developed an ESG strategy that is intended to complement our corporate strategy.

### Section 2 Highlights



## MGIC's ESG Strategy

As we strive to be the best-in-class mortgage credit risk enhancement provider we seek to create value for our stakeholders through practices and initiatives that are intended to support the long-term sustainability of our business and make us a stronger, more relevant and profitable enterprise.

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**As the nation's oldest private mortgage insurer, we would not be able to thrive without considering the needs of borrowers and our customers, co-workers, shareholders, community, and the environment.**

### Some of these practices and initiatives are:

**Doing right by borrowers.** Since we founded private mortgage insurance in 1957, our core business has been designed to reduce barriers to homeownership by making it possible for a borrower to prudently buy a home with less than 20% down. We are organized to deliver a product that helps borrowers get the keys to their own homes, opening the door to the economic and social benefits of sustainable homeownership.

**Doing right by our customers.** As the premier private mortgage insurer today, we protect mortgage originators and investors from credit loss through all economic cycles and we strive to maintain high standards for our business conduct and ethics, customer service and privacy practices.

**Doing right by our co-workers.** We strive to provide a culture where everyone belongs and where diversity and inclusion drive a sense of purpose and connection. We are committed to providing a workplace where co-workers can thrive and attain professional and personal success. As co-workers, we seek to uphold ethical standards to maintain fair practices in serving the business.

**Doing right by our shareholders.** We seek to maintain the long-term sustainability and profitability of our business model by engaging in sound corporate governance practices that help us to effectively identify and manage risks facing our business and operations, including those risks related to changing climactic conditions.

**Doing right by our community.** We positively impact the community by supporting numerous philanthropic initiatives, including programs focused on arts and culture, community development, homeownership, education, and human services. Through these efforts we seek to foster vibrant, diverse, and sustainable communities.

**Doing right by the environment.** We endeavor to serve as good stewards of the environment so that we may achieve our goals without compromising the ability of future generations to sustain their needs.

# ESG Oversight

## Board of Directors

Sustainability starts with our board of directors. Our board sets the tone at the top for responsible business practices and our commitment to ESG. It is responsible for the oversight of risk, including those risks associated with ESG matters. The five committees of the board meet regularly and report back to the full board. Each plays a significant role in carrying out ESG oversight functions.

## Incorporation of ESG in Executive Compensation

MGIC's executive compensation plan is designed to align with long-term shareholder interests and to support our business strategies, one of which is to foster an environment that embraces diversity and best positions our people to succeed. In 2021, 25% of the short-term incentive plan was based on qualitative measures. Those measures include how effectively our leaders demonstrated our commitment to social responsibility to all our stakeholders, including co-workers, customers, investors and community, while at the same time creating a co-worker experience that attracted, developed, and retained the right talent by emphasizing engagement, diversity, inclusion, and collaboration.

For more information about executive compensation, please view our latest proxy statement.

## MGIC BOARD OF DIRECTORS

**Risk Management:** Responsible for the company's enterprise risk framework. This includes oversight of certain key company risks including mortgage credit risk and climate change risk.

**Management Development, and Nominating and Governance:** Oversight of corporate governance, executive compensation and operational risks related to human capital.

**Securities Investment:** Oversight over our investment portfolio, which may include consideration of ESG factors.

**Audit:** Oversight over certain key risks, including disclosure controls related to our ESG-related reporting.

**Business Transformation and Technology — new in 2022:** Oversight of technology strategies, initiatives and risk management, including cybersecurity, as well as business continuity.

## SENIOR MANAGEMENT OVERSIGHT COMMITTEE

Our Senior Management Oversight Committee (SMOC) is composed of members of our executive leadership team, including our Chief Executive Officer, President and Chief Operating Officer, Chief Risk Officer, Chief Financial Officer, General Counsel, and Executive Vice President of Sales. The SMOC serves as the primary governance body at the management level and seeks to maintain an enterprise-wide view of risk by managing the risks associated with strategic and business issues that are critical to the company. The SMOC is chaired by our Chief Risk Officer, the principal management liaison to the Risk Management Committee of the board. Members of the SMOC regularly meet with the board or the appropriate committee of the board depending on the ESG topic.

## ESG EXECUTIVE COUNCIL

The responsibility for implementation and management of our ESG strategy has been delegated to an ESG Executive Council, a cross-functional team of senior executives that operationalizes the company's ESG policies and strategy. At present the Council membership includes our President and Chief Operating Officer, General Counsel, Chief Financial Officer, Chief Human Resources Officer, Chief Risk Officer, and Senior Vice President of Investor Relations. The Council meets monthly to report and review the current state of our ESG initiatives as well as to discuss future ESG programs.



# Stakeholder Engagement

During the year we engage with different stakeholders, including co-workers, shareholders, regulators, community organizations, suppliers and customers on various topics and in different settings.

We regularly invite shareholders owning approximately 70% of our common stock to meet with us to discuss important topics such as performance against our business strategies; environmental, social and governance matters; and our executive compensation program. We value the views of our shareholders and will continue to engage with them and solicit their feedback.

For further information on how we engage with our co-workers, please see the [Human Capital](#) section of this report.

Please see the [Community Engagement](#) section for information on how we engage with our local communities and community organizations.

## 2022 Materiality Matrix

In 2022, MGIC completed a materiality assessment in order to better understand the relative significance of ESG topics to both internal and external stakeholders. The results and findings of our materiality assessment will help inform our future ESG roadmap and strategy and build on our existing efforts.

The assessment helped us to identify ESG topics that are important to both our internal and external stakeholders. For our external stakeholders, we derived the importance by analyzing key ESG ratings, frameworks, and standards, as well as incorporating industry and peer best practice. For our internal stakeholders, we conducted a survey to understand what ESG factors are viewed as most important to our business strategy, financial success and reputation. The survey was completed by a wide swath of internal stakeholders, including members of the board of directors, executive management, company officers, and co-workers.

The topic areas considered prominent by either external or internal stakeholders include, but are not limited to:

- **ESG Related Products and Innovation:** Researching, developing, and offering products that integrate ESG considerations and take advantage of consumer trends and interests in sustainability.
- **Fair and Transparent Selling Practices:** Ensuring the fair and honest depiction of the company's products and services. This may include efforts or policies to ensure responsible advertising, risk disclosure, sales practices, customer communication, and more.
- **Business Ethics:** Ensuring the company's values, standards, and norms are ethical and managed throughout business operations.
- **Data Security and Privacy:** Establishing systems and protocols that protect privacy of personal information, including the secure use of any sensitive personal information provided by co-workers, vendors, consumers and customers.
- **Access and Affordability:** Providing products and services that are financially inclusive. This may include policies or practices that involve efforts to manage barriers that may prevent or restrict access to products, and more.
- **Impacts of Climate Change:** Understanding and minimizing the risks associated with climate change and their impacts on the company.
- **Responsible Investing:** Developing policies, guidelines, and/or implementing data and analytics into MGIC's investment decision-making to better manage risk and identify investment opportunities from a sustainability perspective.



Section

# 3

## Governance and Leadership

Section 3 Highlights

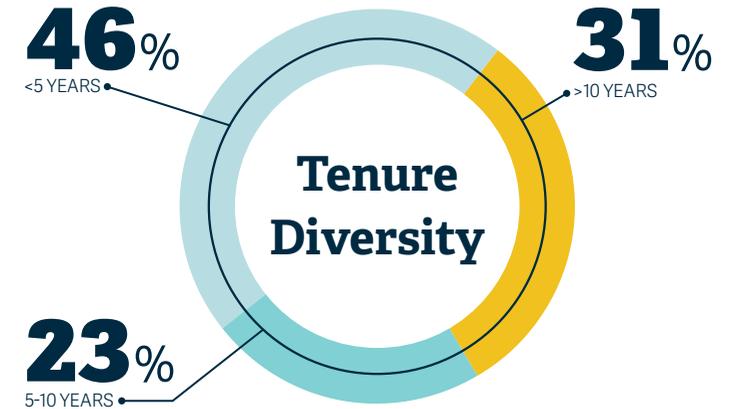
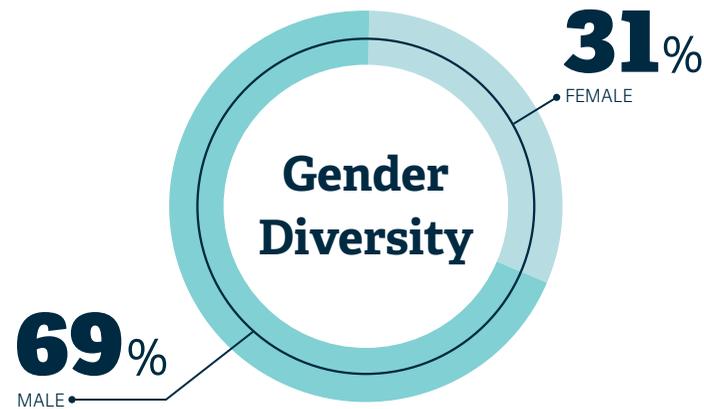
# Board Independence and Diversity

Our [Corporate Governance Guidelines](#) require a substantial majority of our directors to be independent. Of the 13 directors standing for election at our 2022 annual Meeting of Shareholders, 11 are independent.

The board believes that a leader intimately familiar with our business and strategic plans serving as Chairman, together with an experienced, independent and engaged Lead Director, is the most appropriate leadership structure at this time. Curt S. Culver, our former CEO, serves as Chairman of the Board and Michael E. Lehman serves as our independent Lead Director, as selected by the independent directors.

Our board benefits from its diversity of tenure, age, gender and race. We have 4 female directors and have been recognized for our gender diversity by Milwaukee Women, Inc., an organization that measures gender diversity at the 50 largest public companies in the state of Wisconsin.

The following charts reflect the gender, racial/ethnic, tenure, and age diversity of the directors standing for election at our 2022 Annual Meeting of Shareholders.





## Business Ethics

Our [Code of Business Conduct](#) has been approved by our board of directors and applies to all co-workers, who undergo mandatory annual training and certify compliance to the Code.

In 2021, specific groups of co-workers also received additional training designed to manage risks related to their particular roles and responsibilities within the organization. We strive to update policies related to compliance on a regular basis. MGIC also undergoes routine compliance assessments by our customers.

Beyond legal standards, co-workers are expected to observe the company's high standard of business conduct, confidentiality, and personal ethics through honesty and integrity in all interactions with fellow co-workers, customers, suppliers, government agencies and the public.

All co-workers are obligated to report any situation in which the policies described in the Code of Business Conduct are not observed.

**Complaints can be reported in any of the following methods:**

- Compliance Hotline by telephone at 1-888-475-8376 or via website at [www.mgiccompliance.com](http://www.mgiccompliance.com)
- Immediate supervisor, who shall advise the Chief Compliance Officer
- Chief Compliance Officer
- General Counsel
- Senior Vice President of Human Resources
- Vice President of Internal Audit

The Compliance Hotline is a toll-free phone line and website operated by an outside, independent service provider that is available 24 hours a day, 365 days a year. The purpose of the hotline is to provide co-workers, investors, customers, suppliers and others a mechanism to report concerns or allegations regarding accounting, internal accounting controls, auditing matters, fraud or other matters related to the company. Reporters may remain anonymous, and the confidentiality of the content of reports is maintained to the extent possible. We strictly prohibit retaliation against anyone who reports concerns or allegations in good faith.

We believe that each of our co-workers is responsible for compliance. We all have a collective duty and responsibility to hold each other accountable for our actions and to act with integrity and respect at all times. Our Chief Compliance Officer has designated Compliance Coordinators who are subject matter experts in specific areas of compliance in their departments. The Compliance Coordinators serve as the point of compliance contact and accountability partner for their teams. Our Chief Compliance Officer meets with our Audit Committee on a quarterly basis and provides relevant updates on initiatives and issues.



# Risk Management

Our senior management is charged with identifying and managing the risks facing our business and operations. The board is responsible for oversight of these risks. In this regard, the board seeks to understand the risks we face and oversees how management addresses those risks, including the processes that management uses for this purpose.

The company has an enterprise risk management (ERM) framework that we believe is commensurate with the size, nature and complexity of our business. Through the ERM framework we endeavor to operate under a clear, well-documented shared understanding, by both senior management and the board, of our company's key risks. We continually strive to appropriately monitor, manage and report on such risks.

The SMOC serves as the primary risk governance body at the management level and oversees the ERM. It seeks to maintain an enterprise-wide view of risk by managing the risks associated with strategic and business issues that are deemed critical to the company. The SMOC is chaired by our Chief Risk Officer, who is the principal management liaison to the Risk Management Committee of the board.

The company's Risk Management Department produces various analyses, reports, and key risk indicators that are reported quarterly to the SMOC and the board. Each of the board committees also receives regular reporting about the risks they oversee.

Please refer to our most recent [10-K](#) for a discussion on key risk factors.

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# Impacts of Climate Change

Under our ERM framework, oversight of climate risk sits with the Risk Management Committee of the Board.

While our traditional mortgage insurance policy generally excludes property damage caused by weather, earthquakes, floods or other natural catastrophes, we do recognize that changes to existing laws and regulations or an economic downturn related to climate-based events, including the transition to a net zero carbon world, could increase our risks. For instance, if such an event or transition resulted, directly or indirectly, in increasing unemployment, declining home values or reduced consumer access to mortgage products, our risk exposure could increase. Historically, our losses have been most affected by home price declines, therefore, our Risk Management department monitors national and regional housing markets in an attempt to understand the size and scope of a potential home price decline caused by any source, climate change-related or not. Our Risk Management department also closely follows regulatory and industry trends to better enable it to respond to action that may be taken by the Federal Housing Finance Agency (FHFA) or the Securities and Exchange Commission (SEC) around climate change.

## 2021 Progress

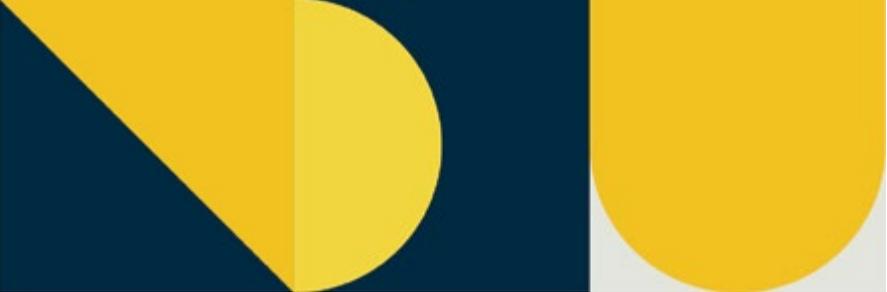
In order to manage mortgage credit risk, our most significant risk factor, we seek to understand exposure that is environmental in nature and how to appropriately manage those risks.

Over the last year, we have dedicated time and resources to assess how to incorporate climate-related emerging risks into our management of enterprise-level risks. In addition to routine stress testing conducted within our portfolio, we mapped Federal Emergency Management Agency (FEMA) data related to climate risks (such as fire, drought, hurricanes, and flooding) against our portfolio. We also explored how individual short-term natural disaster events such as Hurricane Katrina, versus long-term climate events such as sea level rise could impact home prices and credit losses in multiple time horizons.

Modeling these impacts is a complex process and we know there is still more work to be done. Through this work we hope to identify additional strategies to mitigate our exposure to many risks, including climate-related risk. We are committed to continuing to evaluate and evolve our understanding of the increasing impacts of climate change on our business, our customers and homeowners.

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## Data Security and Customer Privacy

We endeavor to maintain an information security program that protects the integrity, confidentiality and availability of the company's information assets while protecting customer and consumer data.

The Business Transformation and Technology Committee of the board was formed in 2022 and has responsibility for oversight of risks related to data security.

Our Chief Information Security Officer (CISO) oversees the Information Risk Management Program and our Information Security Policy (ISP). The CISO has oversight of all matters relating to information security, including information security compliance, responding to inquiries from customers, and operation of the company's ISP. This is conducted through internal controls, training, access controls and security monitoring and management. The CISO reports to our Business Transformation and Technology Committee (and previously to the Audit Committee) on a quarterly basis, or more frequently if needed.

We maintain controls intended to comply with laws and regulations related to use and disclosure of consumer information, including the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Gramm-Leach-Bliley Act, the California Consumer Privacy Act, and additional related regulations. We do not disclose confidential information to third parties for marketing purposes. For details on our privacy practices, please see our [Customer Privacy Statement](#) and our [Consumer Privacy Statement](#).

All of our co-workers read and acknowledge our Information Security Policy annually. In addition, our co-workers participate in annual training regarding information security. This training includes highlights of our ISP, which lays out security measures such as requiring the shredding of sensitive and confidential materials, respecting company firewalls, and protocols regarding suspicious software and e-mails. We are intentional in our efforts to make information security training engaging and informative. In 2021, the training was presented in a quiz show format, with our co-workers and members of our leadership team taking part in an interactive game. Topics addressed at the training included phishing, password security, physical security, data security, ransomware, malware protection, social media threats, and mobile device protection. We also publish a quarterly newsletter for our

co-workers which covers many topics related to internet security. Topics have ranged from how to keep children safe on the internet, inbox spam, and secure online shopping. Quarterly phishing simulations are employed to monitor co-worker understanding, and we follow up with additional education materials and testing as necessary.

The company also obtains an annual Service Organization Control 2 (SOC2) report. The externally-audited SOC2 report, pursuant to which the auditor attests that controls are in place and designed effectively related to information security, is available to our customers as a means of providing assurance regarding our information security program. We also have a Computer Incident Response Team (CIRT) that is staffed with security experts who are responsible for evaluating technical issues about an incident, applying that knowledge to prevent further damage, and relaying information to appropriate parties. This team practices cyber breach preparedness to ensure readiness to respond to any incidents efficiently and effectively, should they arise. Each year, MGIC also conducts a penetration test by a third-party, rotating vendors every two years, as a prudent practice.



## Vendor Management

MGIC's Information Risk Management team reviews the security practices of certain vendors who process, store or transmit confidential information.

The review is accomplished through a third-party security questionnaire or review of a vendor's SOC2 report. Vendor responses are reviewed to evaluate the vendor's ability to protect the confidential information under its control. This process is overseen by MGIC's CISO.

The security assessment is just one component of MGIC's vendor management process. Our [Supplier Code of Conduct](#) lays out the basic principles of fairness, ethical behavior and legal compliance standards that apply to our business and to all of our suppliers. We expect that all business activities are conducted with honesty and integrity and demonstrate the highest standards of business ethics, including in relation to anti-discrimination, fair wages and benefits, and fair treatment.

All suppliers are required to comply with this code when doing business with MGIC, and must notify their employees, suppliers, agents and subcontractors of this obligation to ensure that their personnel comply.

## Investment Management

Our company's investment assets are primarily managed by external investment managers under the supervision of our Chief Financial Officer and Treasurer.

In retaining these managers, we have evaluated and considered that they each have demonstrated capabilities to incorporate ESG factors into research, engagement and strategy to achieve specific outcomes.

We recognize the relevance of ESG factors in assessing the sustainability of our investments. We believe that material, non-financial factors may impact long-term investment returns. We continue to evaluate how best to integrate ESG factors into our investment process. Throughout 2021, we continued to assess how our external managers integrate ESG as one of the components of the investment process and how their frameworks can help MGIC mitigate risks and identify opportunities. Through their expertise on ESG research, integration, engagement, and stewardship, our external managers will be instrumental as we continue to develop a comprehensive sustainable investment policy and embed it into our investment process.

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**We recognize the relevance of ESG factors in assessing the sustainability of our investments. We believe that material, non-financial factors may impact long-term investment returns.**

# Public Policy

The evolving landscape of federal housing policy and extensive state-based regulation of insurance compel us to seek sound public policy.

Our product is inherently aligned with increased access to sustainable homeownership. As such, we support or are members of organizations whose missions are to increase access in a responsible and prudent manner. We support research associations, social welfare groups, industry trade associations, nonprofit organizations, advocacy professionals, and other groups that share our key priorities.

Our priorities with these organizations are to ensure a healthy regulatory system and promote private market solutions to federal housing policy. We may not agree with every position taken by a specific organization or committee.

Subject matter experts are responsible for working with organizations and associations that we support. Proposals related to our financial involvement in public policy matters are approved by senior management.

The Mortgage Guaranty Insurance Corporation Political Action Committee (PAC) is a voluntary, nonpartisan political action committee composed of eligible individual co-workers and directors. Their personal contributions collectively support

candidates for federal office. Individual candidate contributions made by the PAC are approved by the Board of Directors of the PAC. The PAC seeks to maintain a balance in terms of its support of each of the two major political parties. The candidates supported by the PAC are chosen based upon their relevance to our business or specific public policy objectives, even if we may not be in agreement with every position taken by a specific candidate. PAC activities are reviewed by our Internal Audit Department and the Audit Committee of the board.

## Some of the organizations we actively support or are members of include:

- U.S. Mortgage Insurers
- Mortgage Bankers Association
- Structured Finance Association
- Reinsurance Association of America
- Housing Policy Council
- Urban Institute
- National Housing Conference
- Federal Home Loan Bank of Chicago
- Coalition of Community Development Financial Institutions

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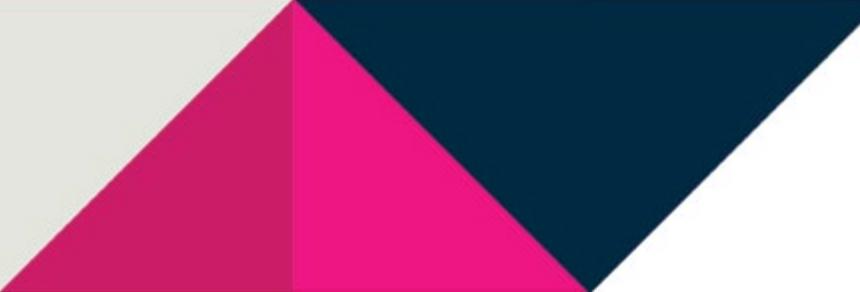
# 4

Section

## Social Impact

MGIC is committed to helping communities thrive. The services we provide benefit consumers by helping them achieve homeownership sooner with low down-payments. We believe in transparency, honesty and active communication throughout our organization and with our partners and customers as we work together to help families achieve the goal of homeownership.

### Section 4 Highlights



## Access and Affordability

Affordable and sustainable housing improves communities, increases family wealth, and helps close racial or ethnic gaps in homeownership. As a recognized leader in mortgage finance and a good corporate citizen, MGIC believes in active engagement for affordable housing outcomes.

Since 1957 our products, services and experience have helped make homeownership attainable for many families by making low down-payment loans safer for the financial institutions we serve. Because mortgage insurance makes it possible to buy a home with less than 20% down, potential homebuyers — especially first-time and low- to medium- wealth homebuyers — can reach savings goals faster and become homeowners sooner than otherwise possible. Private mortgage insurance generally allows for buyers to put as little as 3% of the purchase price down to buy a home, providing individuals and families options to put their savings towards other uses such as repayment of debt, home improvements or emergencies.

### OUR 2021 SERVICES

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**327K** ENABLED APPROXIMATELY 327,000 HOMES TO BE PURCHASED

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**84K** LOWERED THE COST OF HOMEOWNERSHIP THROUGH A REFINANCE FOR APPROXIMATELY 84,000 HOUSEHOLDS

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### OUR INSURANCE IN FORCE AT YEAR-END 2021

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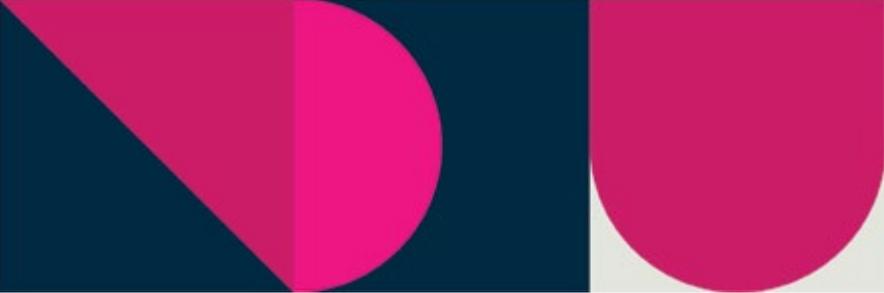
**916K** ENABLED APPROXIMATELY 916,000 HOMES TO BE PURCHASED

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**249K** LOWERED THE COST OF HOMEOWNERSHIP THROUGH A REFINANCE FOR APPROXIMATELY 249,000 HOUSEHOLDS

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\*Approximate numbers



## Affordable Housing Strategy

Through our affordable housing effort, we seek to advance the values of diversity, equity and inclusion through sustainable homeownership opportunities. Our efforts are led by an Affordable Housing Strategy Team and an Affordable Housing Workgroup. Our Strategy Team is made up of members of executive management and its goal is to establish strategy and make key decisions. The Strategy Team reports to the board as initiatives are formalized and the Workgroup is a cross-functional team that takes direction from the Strategy Team.

Our Affordable Housing Strategy Statement defines our commitment to advancing the values of diversity, equity and inclusion and engaging and collaborating with stakeholders toward:

1. Increasing the number of families prepared and ready to own a home
2. Expanding sustainable homeownership opportunities for creditworthy home buyers
3. Closing the racial/ethnic gaps in homeownership

To advance our affordable housing strategy, our efforts are organized into four key areas: Policy, Partnerships & Promotion, Research, and Product.

Area of Focus	Purpose
<b>Policy</b>	Advance and support sound affordable housing policy objectives.
<b>Partnerships &amp; Promotion</b>	Increase awareness of homeownership solutions and support entities that advance our desired outcomes.
<b>Research</b>	Invest in research that advances affordable housing solutions and supports sustainable homeownership.
<b>Product</b>	Invest in the R&D of prudent solutions that achieve our desired outcomes.

### Policy

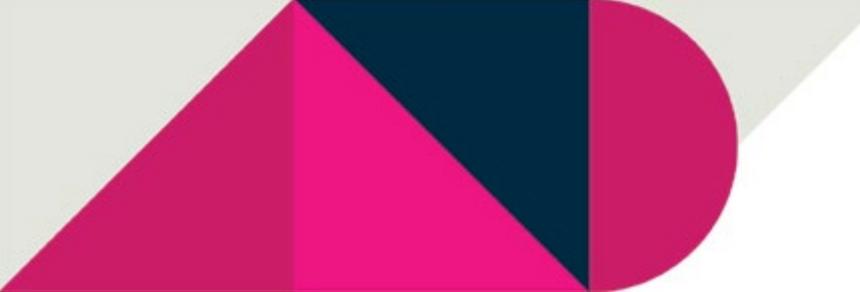
We are involved in public policy advocacy at the state and federal levels. For more information, please see the [Public Policy](#) section.

## Partnerships

Our partnerships with industry trade groups and organizations are important ways we advance our affordable housing efforts. For example, in 2021, MGIC actively took part in the Mortgage Banker Association’s (MBA) Affordable Homeownership Advisory Council. Through this Council, MGIC has been able to take part in a number of MBA efforts to further the goal of affordable and accessible housing including:

- Minority Homeownership Task Force’s [Building Generational Wealth through Homeownership](#) policy initiative, aimed at reducing the racial homeownership gap.
- Participation in a joint initiative between the MBA and the National Council of State Housing Agencies (NCSHA) to promote enhanced access to HFA loan programs through standardization and transformation (HFAST).
- Workgroup focused on how to connect Single-Family Rental (SFR) to homeownership strategies.

We are also a signatory to the [MBA’s Home for All Pledge](#). This Pledge represents MGIC’s commitment to support MBA’s efforts to ensure fair, equitable and responsible lending and affordable rental housing for persons and communities of color.



## Research

We are pursuing research opportunities that will advance affordable housing solutions and support sustainable homeownership. In partnership with the Data Science Institute at the University of Wisconsin-Milwaukee, MGIC is exploring how to increase wealth creation through homeownership in neighborhoods that historically have seen slower appreciation in home values, and in some cases, regression in home values. Our hope is that this research will be valuable in identifying factors that impact wealth creation for homeowners and potentially give insight to collective efforts to increase racial equity in housing.

## Product

As part of our affordable housing strategy, we evaluate potential new products and features designed to prudently expand sustainable homeownership. Additionally, we provide mortgage insurance for low and moderate income borrowers who participate in Fannie Mae's [HomeReady](#) and Freddie Mac's [HomePossible](#) programs.

## HOMEBUYER EDUCATION

We offer homebuyer education resources to further increase accessibility to homeownership by better preparing consumers for the homebuying process. Our homebuyer education website, [Readynest.com](#), had 1.9 million page views in 2021, providing convenient on-line, easy-to-understand, no-cost tutorials that break down the home-buying process. This includes understanding credit, budgeting, obtaining a mortgage and being a successful homeowner. We also provide information to homebuyers about potential sources of down payment assistance. In 2021, over 75,000 people took our homebuyer education course, which is available in English and Spanish.



## Transparent Information and Fair Advice to Customers

Our company operates with a Business-to-Business (B2B) model. Our customers include banks, mortgage bankers, mortgage brokers, credit unions, mortgage loan servicers, and mortgage investors.

We play a key role in our country's residential mortgage finance system by providing credit loss protection to our customers. We aim to provide timely and accurate information to our customers as we work with them to make homeownership attainable. In 2021, our customer service team responded to more than 150,000 inquiries. We offer assistance through several channels, including our website, secure web platform, email, and social media. We regularly publish guides, bulletins, and news on our website in order to communicate coverage requirements and information to our customers. Additionally, customers who need assistance can reach us for telephone or video conferencing.

Through these various channels, we provide tools and resources that are specifically aimed at assisting customers with their needs. These resources include [Servicing](#), [Underwriting](#) and [Rescission Relief Guides](#) which provide information needed to service insured loans, including guidelines, requirements, and claim submission options.

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**We aim to provide timely and accurate information to our customers as we work with them to make homeownership attainable for families.**

# Community Engagement

At the core of what drives our company is a desire to do what is right. In 2021, MGIC introduced a program designed to organize and celebrate our philanthropic and community activities.

Additionally, we created a Community & Inclusion Advisor position to emphasize the importance we place on maximizing our impact in the community and fostering a workplace where diversity is embraced.

## Giving Back, Together

MGIC's *Giving Back, Together* initiative reflects our desire to positively impact our community through financial giving, volunteerism, and MGIC representation. This three-pronged approach is intended to maintain the strong financial partnerships we have established while at the same time encouraging additional engagement through volunteerism in the communities in which we do business.

We encourage our co-workers to engage in community action that matters to them and supports the work we do at MGIC. As part of our *Giving Back, Together* initiative, we offer four hours of paid volunteer time off to each employee annually. We also offer

a matching gifts program. Through the program, MGIC will match co-worker donations to accredited colleges, universities or high schools in the United States up to \$2,000 for each eligible donor per calendar year.

We continue to provide financial support to various nonprofit community efforts through special events, sponsorships, and scholarships. MGIC provided financial support to more than 25 organizations in 2021. Many of these organizations are working to advance causes that align with MGIC's business, such as affordable and sustainable housing, financial literacy, and diversity and inclusion.

### WE ORGANIZE OUR GIVING EFFORTS INTO THE FOLLOWING CATEGORIES:



COMMUNITY DEVELOPMENT, INCLUDING AFFORDABLE HOUSING INITIATIVES



EDUCATION, WITH AN EMPHASIS ON FINANCIAL LITERACY

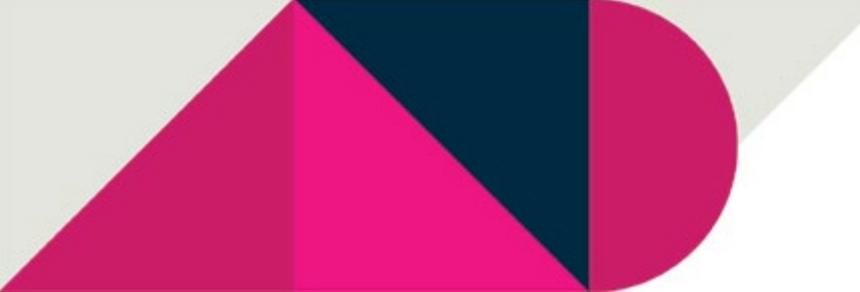


HUMAN SERVICES



ARTS AND CULTURE

These categories anchor to our mission, with the potential to additionally positively impact Diversity, Equity, and Inclusion efforts.



GIVING BACK, TOGETHER *Continued*

In addition to volunteering or providing monetary support to non-profit organizations, we also encourage our co-workers to consider serving as advisors, committee members, or board members. MGIC's co-workers are active in our community through their work with organizations that promote access to housing, financial literacy, healthcare, education, and the arts, among other things.

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**In 2021, MGIC committed to tripling its financial support of the Boys & Girls Club through 2023.**

### **Case Study: Red Arrow Park**

In support of our local community, we donated to the Downtown Business Improvement District 21 to revitalize Red Arrow Park, located next to our headquarters, and its adjacent public spaces. This grant will contribute to several beautification projects including a mural installation, banner replacement, and purchase of bistro tables and chairs to be placed throughout the park for people to enjoy. MGIC also spends approximately \$12,350 annually on landscaping services to maintain Red Arrow Park for the community.

### **Case Study: Boys & Girls Club of Greater Milwaukee**

In 2021, MGIC committed to tripling its financial support of the Boys & Girls Club through 2023. Funds will be used to support the Grad Plus program, which aims to help youth obtain college access and continue life-long learning. Our support of Grad Plus is more than just monetary — in August 2021, a team of MGIC co-workers volunteered to present information about the benefits of homeownership and the homebuying process to Grad Plus program participants. During the presentation, our co-workers shared insights on how to prepare for homeownership, and credit and mortgage basics.



Section

# 5

## Human Capital

Our people are the driving force behind our company's culture and they are integral to the value we create for all stakeholders. We want to foster an environment where diversity is embraced, and co-workers are positioned to succeed. This requires providing tools and resources for people to fully develop in the organization, increasing opportunities for engagement, and endeavoring to recruit diverse teams to best serve our customers.

### Section 5 Highlights



# Diversity, Equity and Inclusion

We know our strength is our people. We celebrate our differences and endeavor to foster a diverse and inclusive company culture because we believe it leads to better business outcomes and it is the right thing to do. Although we realize that there is more work to do, we are proud of what we accomplished in 2021.

## 2021 Diversity, Equity and Inclusion (DEI) Highlights:

- Created Community & Inclusion Advisor position.
- Signed the [CEOs in Action Pledge](#) to advance diversity and inclusion in the workplace.
- Engaged external resources to assess areas of improvement and develop comprehensive strategies to advance DEI initiatives, programs, and partnerships.
- Renewed the [Metropolitan Milwaukee Association of Commerce \(MMAC\) Region of Choice Pledge](#).
- Added Martin Luther King Jr. Day as a company paid holiday.

- In 2021, 283 Diversity and Inclusion courses were completed by our co-workers, totaling 249 hours. We continue to place focus on the importance of education and awareness, building on our CEO's encouragement in 2020 that all co-workers complete a LinkedIn Learning course called "Confronting Bias."
- Highlighted monthly heritage observances. As a part of these activities, MGIC developed blog posts and podcasts intended to deliver engaging, relevant content for our mortgage industry customers while aligning with broader diversity and inclusion-focused cultural observances. All of the content can be found on MGIC's customer-facing blog, [MGIC Connects](#).

We are also members of the Hispanic Professionals of Greater Milwaukee (HPGM) and the National Black MBA Association Milwaukee Chapter (NBMBA). We are a Gold member of the Wisconsin LGBT Chamber of Commerce, taking a seat on the Chamber's Leadership Council and an active role in their events.

## Goals by 2025

To underscore our efforts to building a dynamic and supportive workforce that represents the communities in which we do business, in 2019 we signed the Metropolitan Milwaukee Association of Commerce's "Region of Choice Corporate Pledge" in which we committed to two primary goals by 2025:

1. Increase African American or Latino/Hispanic managers by 25%
2. Increase total employment of African Americans or Latinos/Hispanics by 15%



## Recruitment

We are developing intentional and solid relationships with local universities, colleges and nonprofits to build a steady pipeline of diverse candidates. Our talent strategy includes ensuring that we are present and active at career fairs and networking events and that our jobs are posted on job boards of local nonprofits that have visibility to diverse candidates.

The primary higher-education institutions we work with are the University of Wisconsin-Milwaukee, the Milwaukee School of Engineering, and Marquette University. Last year we participated virtually in the career fair for each of these universities, and we consistently post new jobs on their websites.

## Intern and Scholarship Program

To support early talent, we made an intentional effort to create valuable MGIC summer internship experiences for students in our area. Eleven interns participated in the program in 2021. Eight of those 11 interns have continued their internships during the academic year, and 2 of those 8 will be joining MGIC as full-time co-workers after graduation. As part of our internship program, we worked with All in Milwaukee, which is a nonprofit that looks for companies to sponsor students to attend colleges or universities.

We further demonstrate our commitment to the value of education by offering scholarships to dependent children of MGIC regular full-time and part-time co-workers. In 2021, we awarded 4 students a total of \$10,000 in scholarships for full time study at accredited institutions. We also offer tuition assistance to co-workers who seek to continue their education in areas that mutually benefit the co-worker and MGIC.

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**Our talent strategy includes ensuring that we are present and active at career fairs and networking events and that our jobs are posted on job boards of local nonprofits that have visibility to diverse candidates.**



## Business Resource Group

Our Business Resource Group (BRG) named Inclusion and Diversity Encourage Authentic Leadership, or IDEAL, advances diversity and inclusion efforts at the company and provides co-workers a space to share ideas and provide support to one another. The BRG is a co-worker run organization that provides learning and networking opportunities and connects co-workers to educational resources. In 2021, co-worker participation in the BRG rose to 47%.

### Below are a few notable BRG events from 2021:

- A mortgage professional spoke about “Being Your Authentic Self” as part of our “Women of Influence” series
- Chuck Chaplin, MGIC board member, discussed his experiences during a “Conversation on Allyship and Micro-Inclusion”
- The BRG hosted a professor of Ethnic Studies, African American Studies, and Ethnic Minority Literature to share insights on DEI allyship, inclusivity, and building bridges
- Analisa Allen, MGIC board member, shared her experiences and how to overcome professional challenges during a discussion about women in the workplace
- A Freddie Mac executive spoke to MGIC co-workers about the business imperative of DE&I
- 11 of our co-workers, including senior leaders, attended Uplifting Impact’s How to be an Ally virtual summit

## Harassment Prevention Policy and Awareness

We are committed to creating an environment that is free from harassment and discrimination. The Harassment Prevention Policy is addressed in our Employee Handbook and the MGIC Code of Business Conduct which new co-workers receive upon hire, and all co-workers review annually. We encourage all co-workers to share their concerns, seek information, provide input, and resolve problems and issues through their immediate manager, or when appropriate, another manager. We also provide a third-party Compliance Hotline where co-workers can submit harassment information or complaints (anonymously, if they choose). Unlawful discrimination or retaliation will not be tolerated against any co-worker who in good faith expresses concerns to us.

# Co-Worker Engagement and Development

## Onboarding

Our onboarding process is a co-worker's first introduction to our company culture. We support our new team members fully in their orientation and onboarding process whether that be in person or virtual.

We strive to help new and tenured co-workers feel connected to the organization and to their teams as we continue to navigate the COVID-19 pandemic through:

- Our "Path to Success Online Program," which is delivered to all new hires via our intranet
- A special "Welcome to MGIC" care package is mailed to the homes of new co-workers
- Regular 'check ins' between new co-workers and Human Resources after 90 days and 6 months to gather their feedback
- Town Hall and other virtual sessions, where executive leaders speak directly to all co-workers regarding the business and its initiatives

- Virtual co-worker networking events
- "Friday emails" from executive leadership, which provide insight into the priorities and focus of the business and allow for personal direct communication between leadership and co-workers
- Responsive and quick assistance from IT to help set up and troubleshoot remote environments

*"To me, the strong people-focused culture at MGIC was evident from the beginning. On my first day, an IT Service Desk professional ensured that I had access to the tools I need to do my job and patiently responded to all my questions. That type of positive experience has not been unique. Empathy, collaboration, and positivity are words that come to mind when I think about my onboarding process. I feel that I am making a meaningful contribution towards my job, MGIC and my co-workers. MGIC has a very strong culture that welcomes new coworkers and onboards them into the family with a sense of longevity!"*

— Sri, Information Services

*"Coming on board at MGIC, I was impressed by the long tenure of many of the co-workers with whom I interacted. To a person, they were all friendly, welcoming, and ready to offer insight into the department and to the organization. Working with various teams and having regular catch-up sessions with department leadership have continually affirmed my decision to accept the job offer. I look forward to developing my career at MGIC over the years to come."*

— Tim, Legal

*"It was going to take something special to leave my last employer of 10 years, but from the moment I accepted the offer, MGIC has proven over and over again that this organization was every bit worth making the jump. If these early days are any indication, I have no doubt that I am in a position to do my best work and make a difference for our co-workers, and ultimately our customers."*

— Beth, Human Resources



## Engagement

We value insight and feedback and provide several forums and opportunities to hear from our co-workers.

### CO-WORKER ENGAGEMENT SURVEY

We recognize the value in giving co-workers an opportunity to express what they think is working well at MGIC and to suggest areas for improvement. In late 2021, we launched a new co-worker engagement survey which allowed us to more comprehensively synthesize data, analyze trends and improve our co-worker experience.

In 2021, the participation rate for our engagement survey was 86.1%. We intend to use feedback from our survey to inform the actions we take to improve our internal practices and our co-worker experience.

### CEO LISTENING SESSIONS AND TOWN HALL EVENTS

In response to feedback provided in our 2020 engagement survey, we hosted co-worker led listening sessions with our CEO and other members of executive management. These sessions continued throughout 2021, allowing us to gather insights on topics that are important to our co-workers, such as communication, development, and collaboration.

To foster a culture of transparency and inclusion, we also conduct quarterly town hall events during which our leadership team shares results and provides updates on corporate initiatives.

### BUSINESS TRANSFORMATION ROAD SHOWS

We are continuously seeking opportunities to better serve our customers through use of improved processes and technologies. The status of our business transformation initiatives is shared with co-workers during our Business Transformation Road Shows. These events are aimed at increasing transparency and alignment and are another mechanism for our senior leaders to engage with co-workers.

### CO-WORKER INTRANET: "THE MAX"

In 2021, we introduced a new intranet site to better connect co-workers to each other, company resources, and industry news. "The Max," named after our founder, Max Karl, was designed to heighten our co-worker experience. We communicate all company-wide news through The Max as a means to foster connectivity in our hybrid work environment.

### PERFORMANCE MANAGEMENT

To help co-workers map out their short-term and long-term priorities and goals, we practice a robust goal setting process where co-workers and their managers have productive conversations regarding career growth and collectively set objectives aligned with business strategies for the year.

Our Performance Maximization Incentive program is a variable pay program designed to strengthen the connection between strong individual and company performance and rewards. Our Performance Maximization Award program provides the opportunity for immediate recognition and may be awarded for strong individual or team performance.

We work hard to retain and grow our talent and are proud that as of year-end 2021, 62.5% of our executive management (CEO and direct reports) were promoted from inside the organization. Additionally, in 2021, 42 co-workers were promoted and we had a voluntary turnover rate of approximately 8%.



ENGAGEMENT *Continued*

### TRAINING

We encourage our co-workers to continue to expand their skills, knowledge, and professional connections by offering training and leadership development in-house, as well as tools such as LinkedIn Learning and other educational opportunities. Our in-house courses focus on our Business and Industry, Inclusion and Diversity, Information Security, Wellness, Onboarding, and Leadership Skills. LinkedIn courses cover a wide range of technical skills, some supporting technology certification exam preparation, from Excel to machine learning to web development.

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**In addition to these course offerings and external education opportunities, we also support co-workers seeking higher education that is applicable to their career. Tuition assistance is available for undergraduate, graduate and non-degree coursework.**

IN 2021, WE CONTINUED OUR COMMITMENT TO DEVELOPMENT AND OUR TRAINING EFFORTS RESULTED IN:

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<b>3,539</b>	COMPANY COURSES	=	<b>3,507</b>	HOURS OF TRAINING
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<b>1,496</b>	LINKEDIN COURSES	=	<b>496</b>	HOURS OF TRAINING
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<b>153</b>	EXTERNAL TRAININGS INCLUDING CONFERENCES, WEBINARS, AND CLASSES	=	<b>952</b>	HOURS OF TRAINING
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# Labor Practices and Co-Worker Wellbeing

We strive to provide a healthy and safe environment for all co-workers. We offer a comprehensive benefits package that considers all aspects of health, including physical, mental and financial. This strong foundation helped us face the challenges brought on by the COVID-19 pandemic. Below is a summary of some of the key benefits we offered our co-workers in 2021.

## Summary of 2021 Benefits

- **Medical, Vision, and Dental Coverage:** Our medical plan pays 100% of care after deductible for in-network providers. A vision benefit plan is included at no cost when co-workers enrolled in our medical plan. 100% of dental preventative care for in-network providers is covered by the dental plan.
- **Health Savings Account:** We contributed to the Health Savings Accounts for eligible co-workers who elected to enroll in our medical plan. In 2021, the annual contribution was \$1,000 for families and \$500 for single coverage.
- **Dependent Care Account:** Co-workers may contribute up to \$5,000 (pre-tax) per year to pay for child/dependent care.
- **Employee Assistance Program:** An Employee Assistance Program (EAP) is available to all MGIC employees and their

dependents and provides professional and confidential assistance for personal problems.

- **Pension Plan:** In 2021, each co-worker received an employer contribution equal to at least 4% of their annual eligible earnings credited to a cash balance account that earns interest. All co-workers are immediately eligible for the Pension Plan.
- **Savings Plan:** We matched 100% on up to 4% of co-worker plan eligible pay contributed to 401(k) Before-Tax Savings or Roth 401(k) After-Tax.
- **Profit Sharing:** Our profit sharing award in 2021 was 5%.
- **Adoption Reimbursement:** MGIC offers an adoption expense reimbursement program for expenses associated with a co-worker's adoption of a child under 16 years of age.

## EMERGENCY RESPONSE

Our safety systems are monitored 24 hours a day, 7 days a week. We assign Emergency Coordinators (ECs) who are responsible for overseeing the emergency procedures in their area and lead regular evacuation drills. Information about co-worker health and safety is made available to all co-workers on the Max.

## PHYSICAL HEALTH

Co-worker wellness is important to MGIC. We continue to closely monitor local, state and federal government regulations for guidance on COVID-19 best practices and to evaluate our

continuing responses to the COVID-19 pandemic. We also offer a broad range of programming to promote our co-workers' general health and wellness. This includes on-site flu shots and biometric screenings as well as health management programs.

We offer all co-workers at our Headquarters site 24/7 access to our free, onsite Fitness Center which affords the ability to get a full-body workout with cardio and weight-lifting equipment. We also offer co-worker, spouse and retiree discounts on membership rates from any Wisconsin Athletic Club (WAC) and free trials at YMCA facilities. Additionally, we offer virtual health coaching sessions. In 2021, coaching was provided in 598 sessions totaling 301 hours.

We also offer access to voluntary incentive programs that allow co-workers to earn a significant health plan premium discount. In 2021, 62% of co-workers earned the maximum discount. These programs include:

- Onsite biometric screenings and flu shots
- Diabetes prevention and management
- Tobacco cessation programs, such as Quit for Life
- Weight management programs such as Weight Watchers® and Real Appeal®

## MENTAL HEALTH

An Employee Assistance Program (EAP) is available to all co-workers and their dependents and provides professional and confidential assistance for personal challenges, such as depression, marital problems, drug and alcohol abuse, and eating disorders. The Work-Life Services component of the EAP offers specialized services including childcare consultation, information and referral, elder care information and referral, budget and debt management and legal consultation. We offer seminars throughout the year on topics ranging from resilience to stress management to happiness strategies.

We continue to offer mental health resources for co-workers through programs such as Sanvello™, a wellness application that provides support to improve mental health. Through a partnership with Advocate Aurora Health we also offer self-guided programs to help co-workers better understand stress, diet and nutrition, exercise and weight loss, or tobacco cessation. These services are also offered to co-workers' spouses. Participation in these programs also contributes toward earning a health insurance premium discount. In 2021, 187 participants completed the Advocate Aurora Health self-guided programs, up from 137 in 2020.

## FINANCIAL HEALTH

We consider financial health to be a core component of overall wellness and therefore provide financial education in the form of webinars, one-on-one financial planning and/or pre-retirement planning sessions with a third-party financial advisor at no cost to co-workers. Our programs have been recognized as award-winning by Pension and Investments Magazine.

In 2021, many co-workers have benefitted from these resources:

- 116 individuals used our 1:1 Financial Education opportunity
- 63 individuals attended group session education opportunities

Full and part-time co-workers also have the opportunity to receive a one-time reimbursement of up to \$500 for MGIC mortgage insurance premiums for a first mortgage loan.

## HYBRID WORK

As a result of the pandemic, we learned that MGIC and our co-workers can benefit through a hybrid work option, which provides flexibility and greater autonomy to our co-workers. We are in the process of implementing our hybrid work model for most of our home office-based co-workers. We have strived to maintain open lines of communication with our co-workers in order to facilitate a smooth transition from a fully remote to our new hybrid workplace model. Our new intranet site includes resources for co-workers and managers to learn more about best practices for hybrid workplaces, with a focus on communicating and connecting, developing talent, inclusion and transparency, and empathy and understanding.



# 6

Section

## Environment

We understand the need to serve as good stewards of the environment as we aspire to meet our goal to be the best-in-class mortgage credit enhancement provider. We want to achieve our goals without compromising the ability of future generations to sustain their needs. To that end, we seek ways to build upon our current sustainability work as well as uncover new opportunities to effect change.

### Section 6 Highlights



# Energy Management

We are dedicated to measuring and reducing our electricity usage throughout our business operations. We own and operate 3 buildings in Milwaukee, Wisconsin, where we are headquartered. We also lease a fourth site used as a back-up data center to ensure business continuity.

As part of a major remodel that was completed in 2019, our headquarters was retrofitted, in part, to improve our energy efficiency and incorporate sustainable building design elements. In 2021, we continued our energy reduction efforts by:

- Using a new Building Advisor system that is designed to use information from building management and energy monitoring systems to proactively address energy inefficiencies.
- Replacing the cooling tower media on 3 large cooling tower cells. This replacement should maximize the energy efficiency of the cooling systems and is expected to result in a cost savings of nearly \$10,000 per year.
- Removing 4 original A/C units containing R22 Freon and installing energy efficient models that are 20% more efficient and contain alternative environmentally-safe refrigerants.

- Replacing the original walk-in cooler in the cafeteria with a new energy efficient cooler that is 20% more efficient.
- Installing new lighting both inside and outside of the building. As a result of the changes made, energy usage is expected to decrease.
- Modernizing 6 elevators. As part of this major effort, the electrical power lines feeding the elevator systems went from 100/60/60 amps to 60/40/40 amps. The new electrical distribution system feeding the elevators is 60% more efficient than the original equipment.
- Monitoring our steam usage through use of a steam meter so that we may identify potential leaks or problems quickly.

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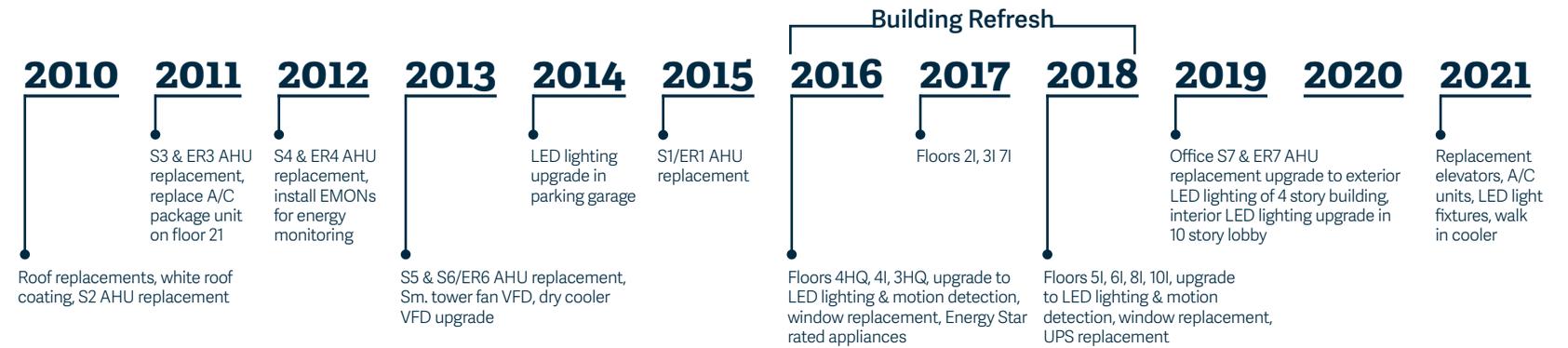
**Through our diligent efforts to make improvements in our operations, we have reduced our electricity usage by 40% since 2010.**

We track and review our annual energy consumption and have implemented a variety of energy-saving initiatives. In 2021, we were recognized by the City of Milwaukee for our successful participation in the US Department of Energy Program — Better Buildings Challenge, which encouraged commercial building owners to effectively develop and implement energy efficiency projects at their properties. Through our diligent efforts to make improvements in our operations, we have reduced our electricity usage by 40% since 2010.

Additionally, we offer mass transit discounts to co-workers to incentivize commuting alternatives that reduce emissions and contribute to better air quality.

**In 2021, we were recognized by the City of Milwaukee for our successful participation in the US Department of Energy Program.**

## Electricity Usage Reduction





## Paper and Waste Management

Recycling is a continuous effort and we have made strides to increase communication and awareness of recycling in our facilities. Recycling bins are available in all offices, conference rooms, communal kitchens and co-worker lounges.

We also have an onsite Recycling Center that serves as a general collection point for co-workers. We work with a third party to collect and recycle hardware and equipment such as batteries, toners, laptops, monitors, computers and other IT hardware. Office furniture and construction materials, particularly during our building remodel, have been donated to local nonprofits and schools or recycled.

We also use compostable and eco-friendly packaging for food prepared in our cafeteria. We will continue to look for ways to reduce, repurpose, or recycle our waste moving forward.

We believe small changes can add up to a large impact. To reduce paper usage, information is retained electronically whenever possible. It is company policy to shred all paper documents that are not required to be retained as records. Requiring paper

documents to be shredded and recycled, regardless of content, ensures proper controls associated with document security and results in recycling of almost all used paper. The default settings on printers include black and white, and double-page printing to reduce paper and ink waste. We also continue to shift to a more digital way of doing business, further reducing our paper usage.

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**We believe small changes can add up to a large impact. To reduce paper usage, information is retained electronically whenever possible.**



## Section

# Appendix

This ESG report aligns with the ESG topics that we believe most closely complement the mortgage insurance industry, as set forth by the [Sustainability Accounting Standards Board \(SASB\)](#). We also mapped our ESG strategy to reflect the [United Nations Sustainable Development Goals \(U.N. SDGs\)](#) in areas where we are making progress and positively impacting our customers, co-workers, the environment, and our communities. Lastly, we have begun disclosing against the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) and will endeavor to build on this disclosure over time. We look forward to continuing to evolve our practices and disclosure with a goal of further aligning to ESG frameworks such as SASB and TCFD in the future.

### Section 7 Highlights

# 2021 ESG Data Summary

	Unit	2021 Value
<b>GOVERNANCE</b>		
<b>ESG Governance and Reporting</b>		
Board Committee oversight of ESG	qualitative	<a href="#">ESG Oversight</a>
Materiality Assessment	qualitative	<a href="#">2022 Materiality Matrix</a>
Integration of ESG in Executive Compensation	qualitative	<a href="#">Incorporation of ESG in Executive Compensation</a>
<b>Ethics and Compliance</b>		
Code of Conduct and Ethics	qualitative	<a href="#">Code of Business Conduct</a>
Percent of employees required to comply with and acknowledge code of conduct annually	%	100
Compliance Hotline	qualitative	<a href="#">Business Ethics</a>
Vendor Code of Conduct	qualitative	<a href="#">Supplier Code of Conduct</a>

	Unit	2021 Value
<b>GOVERNANCE</b>		
<b>Board of Directors*</b>		
Total board members	board members	13
Number of independent board members	board members	11
Independent board chair	qualitative	Yes
Percent of female board members	percent	31
Percent of male board members	percent	69
Percent of white board members	percent	84
Percent of non-white board members	percent	16
		African American (8%) and Hispanic or Latinx (8%)
Percent of board members with tenure >= 10 years	percent	31
Percent of board members with tenure 5-10 years	percent	23
Percent of board members with tenure <= 5 years	percent	46
Percent of board members in their 40s	percent	8
Percent of board members in their 50s	percent	23
Percent of board members in their 60s	percent	54
Percent of board members in their 70s	percent	15
<b>Risk Management</b>		
Business continuity and disaster recovery statement	qualitative	<a href="#">Business Continuity and Disaster Recovery Statement</a>
Enterprise risk management framework	qualitative	Yes
Total fair value of securities lending collateral assets	\$	0

\* Directors standing for election at 2022 Annual Meeting of Shareholders.

	Unit	2021 Value
<b>SOCIAL</b>		
<b>Affordable Housing and ESG Innovation</b>		
Number of households enabled to purchase a home (annual)	households	327,000
Number of households enabled to lower the cost of homeownership through a refinance (annual)	households	84,000
Number of households enabled to purchase a home (total insurance in force at year end)	households	916,000
Number of households enabled to lower the cost of homeownership through a refinance (total insurance in force at year end)	households	249,000
Number of page views on homebuyer education site	page view	1.9 million
Number of people who took a homebuyer education course	people	over 75,000
Signatory of MBA's Home for All Pledge	qualitative	Yes
<b>Community Engagement</b>		
Number of organizations provided with financial support	organizations	more than 25

	Unit	2021 Value
<b>SOCIAL</b>		
<b>Data Security and Privacy</b>		
Privacy Policy	qualitative	<a href="#">Privacy Statement — Customer</a> <a href="#">Privacy Statement — Consumer</a>
Percent of employees required to do annual training on data security and privacy	%	100
Annual Service Organization Control 2 (SOC2) report	qualitative	Yes
Information Security Policy	qualitative	Yes
<b>Selling Practices and Product Labelling</b>		
Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customer	\$	0
Complaints-to-claims ratio	rate	No complaints filed. Please reference the SASB table for more information <a href="#">SASB</a>
Customer retention rate	rate	92.3
Number of inquiries customer service team responded to	inquiries	151,593

	Unit	2021 Value
<b>HUMAN CAPITAL</b>		
Number of employees <sup>1</sup>	people	711
<b>Co-Worker Wellbeing</b>		
Virtual health coaching sessions	sessions	598
Virtual health coaching sessions	hours	301
Percentage of co-workers who earned the maximum health plan premium discount	%	62
Individuals completing Advocate Aurora Health self-guided programs	people	187
Individuals who used our 1:1 Financial Education opportunity	people	116
Individuals who attended group session education opportunities	people	63

<sup>1</sup> Full and part time regular employees as of December 31, 2021 (does not include temporary or on-call co-workers)

	Unit	2021 Value
<b>HUMAN CAPITAL</b>		
<b>Engagement, Training, and Development</b>		
Annual employee engagement survey	qualitative	Yes
Completion rate for employee engagement survey	%	86.1
Voluntary turnover rate	%	7.91
Percent of internal promotions for executive management (CEO and direct reports)	%	62.5
Co-workers promoted	people	42
Completed training courses	courses	4,035
Total training hours	hours	3,986
External trainings ( conferences, webinar, classes, etc.)	training events	153
Total hours of external trainings	hours	952
Scholarship support to children of MGIC regular co-workers	\$	10,000

	Unit	2021 Value
<b>HUMAN CAPITAL</b>		
<b>Diversity of Co-Workers*</b>		
Employee Resource Groups	qualitative	Yes
Average tenure	years	14
Average age	years	50
Percent women (total)	%	59
Percent women (managers)	%	62
Percent women (officers)	%	34
Percent racial/ethnic minority (total)	%	16
Percent racial/ethnic minority (managers)	%	7
Percent racial/ethnic minority (officers)	%	9
Number of courses/event completions related to diversity and inclusion	courses & training events	283
Total training hours related to diversity and inclusion	hours	249
Co-worker participation in business resource groups	%	47

\*as of December 31st, 2021

	Unit	2021 Value
<b>ENVIRONMENT</b>		
Percent reduction in electricity usage since 2010 baseline	%	40

## Sustainability Accounting Standards Board (SASB)

According to the Sustainability Accounting Standards Board (SASB) Industry Level Materiality Map, the following categories are “the most likely material issues for companies” in the insurance industry.

We do not squarely fit within a SASB industry classification and have opted to report relative to the insurance industry framework as the closest industry to mortgage insurance. The below table references accounting metrics within this report and other sources.

Topic	Accounting Metric	SASB Code	MGIC
<b>Transparent Information &amp; Fair Advice for Customers</b>	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	FN-IN-270a.1	In accordance with Securities and Exchange Commission (SEC) requirements, the company discloses all material legal proceedings, other than ordinary routine litigation incidental to the business, in its Annual Reports on Form 10-K. In 2021, the company was not a party to any legal proceedings and did not suffer losses associated with marketing and communication of insurance and financial product related information to customers.
	Complaints-to-claims ratio	FN-IN-270a.2	MGIC does not calculate a complaints-to-claims ratio. Our customers are banks, mortgage bankers, mortgage brokers, credit unions, mortgage loan servicers, and mortgage investors and the vast majority of our interactions are with these customers and not individual consumers. In 2021, there were no complaints filed with state insurance departments to the National Association of Insurance Commissioners’ Consumer Information Source that are included on the Closed Complaints Reports for MGIC and its subsidiaries. Details on customer inquiries and requests are described under Transparent Information and Fair Advice to Customers on <a href="#">page 23</a> .
	Customer retention rate	FN-IN-270a.3	92.3% of the customers who insured loans with MGIC in 2020 insured loans with us again in 2021.
	Description of approach to informing customers about products	FN-IN-270a.4	See Transparent Information and Fair Advice to Customers section on <a href="#">page 23</a> .

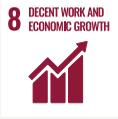


Topic	Accounting Metric	SASB Code	MGIC
<b>Incorporation of Environmental, Social, and Governance Factors in Investment Management</b>	Total invested assets, by industry and asset class	FN-IN-410a.1	Information on MGIC's assets can be found in our Annual Report on Form 10-K.
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	FN-IN-410a.2	We are in the process of evaluating how to integrate ESG in our portfolio of assets. See Investment Management section on <a href="#">page 17</a> .
<b>Policies Designed to Incentivize Responsible Behavior</b>	Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	This metric is not applicable to our business.
	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	FN-IN-410b.2	See Access and Affordability section on <a href="#">page 20</a> .
<b>Environmental Risk Exposure</b>	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	See Risk Management section on <a href="#">page 14</a> and Impacts of Climate Change section on <a href="#">page 15</a> .
	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	FN-IN-450a.2	See Risk Management section on <a href="#">page 14</a> and Impacts of Climate Change section on <a href="#">page 15</a> .
	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	FN-IN-450a.3	See Risk Management section on <a href="#">page 14</a> and Impacts of Climate Change section on <a href="#">page 15</a> .
<b>Systemic Risk Management</b>	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	FN-IN-550a.1	We do not have exposure to derivative instruments nor do we file a Schedule DB.
	Total fair value of securities lending collateral assets	FN-IN-550a.2	Zero
	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	We do not engage in systemic non-insurance activities. Details of ETF investments and related activity can be found in Schedule D of our <a href="#">annual and quarterly statements</a> for our insurance subsidiaries.

# United Nations Sustainable Development Goals (SDGs)

In 2015, the United Nations developed 17 Sustainable Development Goals (SDGs) with the aim of achieving a more sustainable future for the world.

Four of the SDGs outlined below align to our ESG priorities. The table below references sections in this report that relate to each goal.

Goal	Name	Alignment to MGIC	Report Section(s)
	Good Health and Wellbeing	We place a strong focus on health and wellness of our co-workers. We offer our employees comprehensive benefits to promote their physical and mental well being including a free onsite fitness center, mental health seminars, prevention programs, and more. In 2021, we offered 598 virtual health coaching sessions for our co-workers.	See Labor Practices and Co-Worker Wellbeing section on <a href="#">page 33</a> .
	Gender Equality	We celebrate our differences and endeavor to foster a diverse and inclusive company culture because it leads to better business outcomes and it is the right thing to do. We made great strides to increase representation in our board and workforce. 59% of our co-worker base is women, 62% of managers are women, and 31% of board members are women.	See Diversity, Equity and Inclusion section on <a href="#">page 27</a> .
	Decent Work and Economic Growth	We have 711 employees, and we work with several organizations to promote career opportunities at the company. Our products are also meant to help homebuyers access affordable housing which helps the economy grow in a sustainable way. Our total insurance in force in 2021 enabled over 916,000 households to purchase a home.	See Co-Worker Engagement and Development section on <a href="#">page 30</a> .
	Sustainable Cities and Communities	We exceeded the goal set forth by the Better Building Challenge to reduce our energy footprint and our recent remodel of our Headquarters was done with sustainability in mind. We also promote healthy and productive communities by being actively engaged through sponsorship, partnerships and volunteering.	See Energy Management section on <a href="#">page 36</a> and Community Engagement section on <a href="#">page 24</a> .

# Task Force on Climate-Related Financial Disclosures (TCFD)

In 2015, the G20’s Financial Stability Board (FSB) appointed the Task Force on Climate-related Financial Disclosures (TCFD) to develop a framework for companies to provide investors and other stakeholders with relevant information about their climate-related risks and opportunities.

Below, we have provided a table mapping TCFD’s disclosure recommendations to the relevant sections in this report.

Pillar	Recommendation	MGIC Alignment in Report
Governance	a. Describe the board’s oversight of climate-related risks and opportunities	See ESG Oversight section on <a href="#">page 9</a> .
	b. Describe the management’s role in assessing and managing climate-related risks and opportunities	See ESG Oversight section on <a href="#">page 9</a> ; Risk Management section on <a href="#">page 14</a> and Impacts of Climate Change section on <a href="#">page 15</a> .
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	See Risk Management section on <a href="#">page 14</a> and Impacts of Climate Change section on <a href="#">page 15</a> .
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	See Risk Management section on <a href="#">page 14</a> and Impacts of Climate Change section on <a href="#">page 15</a> .
Risk Management	a. Describe the organization’s processes for identifying and assessing climate-related risks	See Risk Management section on <a href="#">page 14</a> and Impacts of Climate Change section on <a href="#">page 15</a> .
	b. Describe the organization’s processes for managing climate-related risks	See Risk Management section on <a href="#">page 14</a> and Impacts of Climate Change section on <a href="#">page 15</a> .
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	See Risk Management section on <a href="#">page 14</a> and Impacts of Climate Change section on <a href="#">page 15</a> .