

Radian Environmental, Social and Governance (ESG) Tear Sheets

For the period of January 1 through December 31, 2019, unless otherwise noted.

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Radian ESG Tear Sheets

The following tear sheets contain disclosure of relevant metrics to Radian’s businesses, as well as those included in the Sustainability Accounting Standards Board (SASB) standards for the Insurance sector and the United Nations Sustainable Development Goals (UN SDGs). We are committed to supporting environmental, social and governance (ESG) initiatives that are integrated into our strategy and culture and continue to drive our corporate responsibility. We believe these initiatives support our employees, customers, local communities and other stakeholders. This 2020 report, which primarily reflects 2019 data, is the second year that Radian is disclosing data using the SASB standards and UN SDGs.




About Us

- Radian is ensuring the American dream of homeownership responsibly and sustainably through products and services that include industry-leading mortgage insurance and a comprehensive suite of mortgage, risk, real estate, and title services. We provide mortgage insurance and products and services to the real estate and mortgage finance industries through our two business segments—Mortgage Insurance and Services.
- Our Mortgage Insurance segment provides credit-related insurance coverage, principally through private mortgage insurance, as well as other credit risk management solutions to mortgage lending institutions and mortgage credit investors. Our Services segment is primarily a fee-for-service business that offers a broad array of mortgage, real estate and title services to market participants across the mortgage and real estate value chain. We are powered by technology, informed by data and driven to deliver new and better ways to transact and manage risk.
- Radian Group serves as the holding company for our insurance and other subsidiaries and does not have any operations of its own.



Radian’s ESG Program Objectives

- Radian’s ESG program is focused on supporting the company’s commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability and other public policy matters relevant to the company and its operations. This program aligns with our company-wide commitments to continue to be responsible corporate citizens with a positive impact in the community and with the people we serve. Our corporate responsibility initiatives and commitments help Radian deliver the brand promise, innovate for the future, create shareholder value, prioritize people, do what’s right and partner to win.







Corporate Responsibility Metrics – Governance & Strategy

#	ASPECT	STATUS	COMMENTARY	SASB CODE	SDG
1	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.		In accordance with Securities and Exchange Commission (SEC) requirements, Radian discloses all material legal proceedings other than ordinary routine litigation incidental to the business, in its Annual Reports on Form 10-K. In 2018, there are no losses attributed to insurance marketing or communications that we are aware of.	FN-IN-270a.1	
2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies		Radian adheres to required state insurance regulation and laws. We derive our portfolio investment strategy at least partially by the safety and soundness-based investment regulations applicable to our insurance affiliates. We also work with our investment managers to highlight ESG factors that influence long term performance and perform independent peer comparison along ESG factors to gauge our investment portfolio.	FN-IN-410a.2	
3	Declassified Board	Yes			
4	Stakeholder Engagement	Yes			
5	Ethics Policy	Yes	See Radian's Code of Conduct and Ethics here .		
6	Anti-Bribery & Corruption Policy	Yes	See Radian's Code of Conduct and Ethics here .		
7	Privacy Policy	Yes	See Radian's Privacy Policy here .		
8	Information Security Policies and Programs	Yes	Radian takes its information responsibilities seriously and is compliant with all regulatory requirements regarding its cyber security program. Radian has mature internal information security policies which are regularly reviewed and updated. Radian's CISO provides regular reports to the Board of Directors regarding the security threat environment and the company's information security program. Ongoing security awareness training, including top threats such as phishing are provided to all employees annually or more frequently.		




Corporate Responsibility Metrics – Social

#	ASPECT	STATUS	COMMENTARY	SASB CODE	SDG
1	Total invested assets, by industry and asset class	\$5,658,747	For additional information and discussion of our investment portfolio, please see Management’s Discussion and Analysis of Financial Condition and Results of Operations – Investment Portfolio in our Annual Report on Form 10-K.	FN-IN-410a.1	
2	Customer Retention Rate: Mortgage Insurance Business	84%		FN-IN-270a.3	
	Customer Retention Rate: Services Business	73%			
3	Description of approach to informing customers about products		We communicate with our existing and potential customers directly through our employees and indirectly through our agent and broker partners. Currently, Radian employs 80+ account managers who engage with our customers (primarily mortgage lenders) on a day-to-day basis regarding Radian’s Mortgage Insurance product suite. We also use other channels to communicate with our customers, such as our website, social media, and advertising and promotional materials. Our website houses a majority of this information, which includes our training department. Radian’s training department provides webinars and in-person training on the value of mortgage insurance and mortgage insurance product details. For additional information, Radian offers its Customer Care portal to answer any questions.	FN-IN-270a.4	
4	Female Global Workforce	56%			
5	Female Leadership	33%	Direct reports to the CEO.		
		44%	Senior management (defined as holding senior-level supervisory responsibilities and reporting within two levels from the CEO).		
		41%	Middle/other management (defined as holding middle or lower-level supervisory responsibilities and reporting three or more levels from the CEO).		

Corporate Responsibility Metrics – Social (continued)

#	ASPECT	STATUS	COMMENTARY	SASB CODE	SDG
6	Equal Employment Opportunity Policy	Yes	See Radian's Code of Conduct and Ethics here .		
7	Employee Access to Education and Training	Yes	<p>Radian makes tuition reimbursements available to all full-time employees with at least 12 months of continuous service. This program enables Radian employees to improve their knowledge and skills through participation in courses offered by accredited educational institutions. In 2019, Radian provided \$52,691.50 in tuition reimbursements.</p> <p>All Radian employees have access to hundreds of on-demand and live training programs, inclusive of professional, technical, management and leadership skills development. In 2019, 8,863 hours of training were conducted by Radian employees, devoted to the following:</p> <ul style="list-style-type: none"> • Professional development/technical: 92.63% • Management development: 2.61% • Business/industry: 4.3% • Leadership development: 0.43% 		 
8	Philanthropic Contributions	Yes	Radian's Matching Gifts Program contributed \$87,565 in 2019 supporting employee charitable gifts, while corporate charitable contributions totaled \$128,725. See Radian's Code of Conduct and Ethics here for our Corporate Citizenship Policy.		
9	Strategic Partnerships	Yes	For the past 5 years, Radian has cultivated strategic partnerships with the top diverse/multicultural real estate trade associations (AREAA, NAHREP, NAMMBA and NAREB) to support the mission of increasing homeownership amongst the diverse segments including first time homebuyers. Through these partnerships, we have focused on providing education and resources to mortgage and real estate professionals of diverse backgrounds so they are in a better position to educate prospective homebuyers		 

Corporate Responsibility Metrics – Environmental

#	ASPECT	COMMENTARY	SASB CODE	SDG
1	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	See Page 7	FN-IN-450a.3	
2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	Radian participates in Fannie Mae and Freddie Mac credit risk transfer programs. In participating in these transactions, we assume incremental risk (beyond that which we typically cover in our traditional mortgage insurance business) associated with the risk of defaults caused by physical damage, including natural disasters such as hurricanes and wildfires, which is not covered by the underlying primary mortgage insurance. We regularly evaluate this risk, including the geographic diversity of the loans included in these transactions and our remote risk position, in assessing our participation in these transactions.	FN-IN-410b.2	
3	Description of actions to conserve natural resources through reductions in water, waste and energy efficient programs	Radian engages in sustainability activities generally accepted across corporate facilities. This includes the collection of recyclables, installation of LED lighting, the purchase of energy-conserving appliances, and the use of low water consumption plumbing fixtures. In addition, the company is evaluating enterprise-wide changes regarding waste, along with water and energy usage. These may include switching plastic straws and eating utensils with biodegradable options and recycling of coffee packets and grounds. The recycling and reuse of building materials (carpet, ceiling tiles and other construction-related items) to which Radian has been committed for some time, will be measured for future reporting in conjunction with other environmental practices.		 

SASB Code FN-IN-450a.3 - 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

1) Individual Contracts:











- Mortgage Insurance Underwriting - underwrites to lender's guidelines, which considers environmental risk. Radian's MI Policy generally excludes coverage for any cost or expense related to the repair or remedy of any physical damage to the property. More information may be found on page 19 of [Radian's Master Policy](#).
- GSE Credit Risk Transfer - Radian participates in Fannie Mae and Freddie Mac credit risk transfer programs. In participating in these transactions, we assume incremental risk (beyond that which we typically cover in our traditional mortgage insurance business) associated with the risk of defaults caused by physical damage, including natural disasters such as hurricanes and wildfires, which is not covered by the underlying primary mortgage insurance. We regularly evaluate this risk, including the geographic diversity of the loans included in these transactions and our remote risk position, in assessing our participation in these transactions
- MI Quality Control - monitors Early Payment Defaults, reported defaults related to hurricanes (or other significant natural disasters) separately and monitor them when no longer in default.
- Title - Title insurance does not cover claims resulting from environmental risks, such as hurricanes or other natural disasters, so these are not factored into the underwriting of the title insurance product

2) Management of firm-level risks and capital adequacy:

- IT Disaster Recovery and Business Continuity programs protect Radian properties/personnel against environmental risks. The Enterprise Risk Management (ERM) Council, ERM Executive Steering Committee, Asset Liability (ALCO) and other enterprise-wide committees are used to discuss the various types of risks across the organization. ERM reviews those risks that are determined to be the highest risk to the company and uses a scoring methodology that incorporates both the likelihood and impact of the risk occurring.

Aligning with the Sustainable Development Goals

In 2015, world leaders adopted the 2030 Agenda for Sustainable Development. This agenda included 17 Sustainable Development Goals (SDGs), with 169 targets, to address economic growth, social inclusion and environmental protection. Radian contributes to the SDGs through our business operations and initiatives as outlined below.

Sustainable Development Goal	Radian's support for this goal
 <p>End poverty in all its forms everywhere</p>	<p>Radian Group's partnerships with diverse real estate trade associations, which backs the mission of increasing homeownership among underserved communities, support SDG Target 1.4: <i>Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property (financial services).</i></p>
 <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>Radian's employee wellness efforts, which include career training programs and health & well-being initiatives, support SDG Target 3.8: <i>achieving universal health coverage, financial protection, and access to healthcare services for all.</i> For more information, visit Radian's website and view Benefits.</p>
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Radian's tuition reimbursement policy offers full time employee's opportunities to access higher education and training programs. This supports SDG Target 4.3 <i>to expand educational opportunities for men and women in the workforce.</i> For more information, visit Radian's website and view Benefits.</p>
 <p>Achieve gender equality and empower all women and girls</p>	<p>Radian's initiatives to promote a diverse and inclusive workplace, including its recognition on the 2019 Bloomberg Gender Equality Index, supports SDG Target 5.5: <i>ensuring opportunities for women's participation in leadership</i></p>
 <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>Radian's initiatives to promote lender efficiency programs and reduce energy consumption through corporation-wide reduction efforts support SDG Targets 7.2: <i>By 2030, increase substantially the share of renewable energy in the global energy mix.</i></p>
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Radian has formed strategic partnerships with leading diverse/multicultural real estate trade associations in the last 5 years, which supports SDG Target 8.10: <i>strengthening the capacity of financial institutions to expand access to financial services.</i></p>
 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>Radian's efforts to expand access to our product offerings to underserved communities support SDG Target 9.3: <i>increasing the access of small-scale enterprises to financial services and their integration into markets.</i></p>
 <p>Reduce inequality within and among countries</p>	<p>Radian's efforts to promote diversity and inclusion throughout their organization support SDG Targets 10.2: <i>Empower and promote their social, economic and political inclusion of all, irrespective of age, sex, disability, race ethnicity, religion, or other status</i> and 10.4: <i>Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.</i></p>
 <p>Ensure sustainable consumption and production patterns</p>	<p>Radian's corporate reporting initiatives support SDG Target 12.6: <i>encouraging companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</i></p>
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p>	<p>Radian's programs which promote and maintain an ethically diverse and inclusive culture support SDG Target 16.6: <i>developing accountable and transparent institutions.</i></p>

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