



ONITY™ GROUP INC.

# Environmental, Social and Corporate Governance (ESG) and Corporate Sustainability

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## About Onity Group Inc.

Onity™ Group Inc. (NYSE: ONIT) (“Onity” or “the Company”) is a leading non-bank mortgage servicer and originator providing solutions through our primary brands, PHH Mortgage and Liberty Reverse Mortgage. PHH Mortgage is one of the largest servicers in the country, focused on delivering a variety of servicing and lending programs. Liberty is one of the nation’s largest reverse mortgage lenders dedicated to education and providing loans that help customers meet their personal and financial needs.

Onity is headquartered in West Palm Beach, Florida, with offices in the United States and the U.S. Virgin Islands and operations in India and the Philippines. At December 31, 2023, the Company had a total of approximately 4,500 employees and serviced 1.3 million homeowners and 113 subservicing clients. Onity has been serving customers since 1988.

Additional information can be found at [OnityGroup.com](https://www.onitygroup.com) or in our annual report on Form 10-K for the year ended December 31, 2023.

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## Our Mission

We are dedicated to creating positive outcomes for homeowners, communities and investors through caring service and innovative solutions.

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## Our Values

### **Integrity: Do What’s Right – Always**

Doing what’s right always is the cornerstone of our success; it is what builds, preserves and protects our reputation. Integrity is the core of our business and essential to every service we perform. We are empowered to act as stewards of the business and practice open, honest communication. We take pride in consistently following a comprehensive compliance and risk management system, which includes robust internal controls and regulatory adherence.

### **Service Excellence: Consistently Deliver on Our Commitments**

By embracing a culture of Service Excellence, we strive to support our customers through caring service and innovative homeownership solutions. The customer is always at the center of what we do, and we strive to win their business each and every day. We aim to exceed our customers’ expectations by delivering services that are accurate, beneficial, responsive, courteous and efficient.

### **People: Develop, Grow and Value All Employees**

We are a team of globally diverse and innovative people who thrive on collaboration and creating value for the Company. We succeed and win together by supporting, developing and inspiring each other to thrive both personally and professionally. We strive to create a work environment that challenges, motivates and rewards everyone, and our achievements are shared by all.

### **Teamwork: Succeed Together as a Global Team**

Diversity, inclusion and teamwork are vital to our success. Our unique backgrounds and experiences allow us to blaze new trails and make a difference for our customers. We actively seek and consider different points of view and treat everyone with respect and dignity.

### **Embracing Change: Value Innovation and New Thinking**

We value innovation and look for new ways to improve our jobs and business operations to remain competitive and meet the evolving needs of the market and our customers. We understand a successful organization is one that actively pursues continuous process improvements and rewards people for embracing change.

Our Board of Directors and our management are committed to ensuring Onity has responsible practices to address the needs of its customers, employees and the communities it serves. While the Board has delegated oversight of management’s ESG initiatives to the Compensation Committee, the full Board is briefed regularly on the Company’s ESG-related activities and metrics. Our comprehensive approach to ESG and corporate sustainability is detailed in our report “Environmental, Social and Corporate Governance (ESG) and Corporate Sustainability” on our website at [OnityGroup.com](https://www.onitygroup.com) in the “Shareholders” section under “Corporate Governance.” Our approach is represented by the following policies and programs:

### Policy on non-discrimination.

Onity’s non-discrimination policy provides equal employment opportunities for all qualified individuals without discrimination based upon the following legally protected characteristics: race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status (including registered domestic partnership status), sex (including pregnancy, childbirth, lactation and related medical conditions), gender (including gender identity and expression), age (40 and over), sexual orientation, Civil Air Patrol status, military and veteran status and any other consideration protected by federal, state or local law (collectively referred to as “protected characteristics”). Underlying this policy is Onity’s culture and values, including employees’ rights to be free from unlawful discrimination, and its commitment to providing a safe, secure and productive work environment.

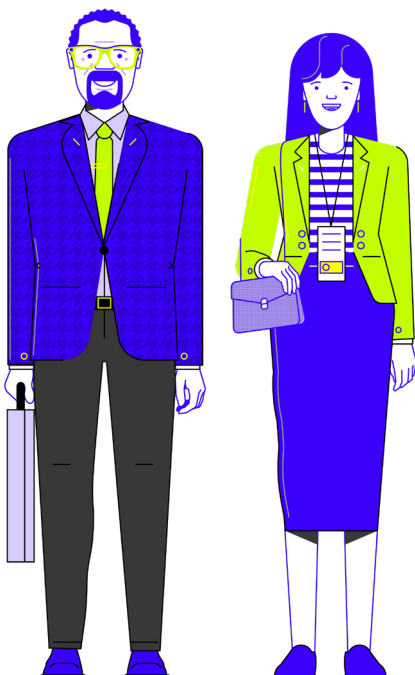
Onity’s hiring, salary administration, promotion and transfer policies are based solely on job requirements, job performance and job-related criteria. In addition,

every effort is made to ensure that Onity’s personnel policies and practices (including those relating to compensation, benefits, transfer, retention, termination, training and self-development opportunities, as well as social and recreational programs) are administered without discrimination on the basis of any legally protected characteristic.

### Promoting equal opportunity and diversity.

Onity is committed to providing equal opportunity in all areas of employment, compensation, training and promotion. Company policies prohibit discrimination of any form in all of the locations in which Onity operates. Onity strives to foster an environment in which all stakeholders can participate and contribute to the success of the organization’s enterprise, taking full advantage of the collective sum of individual differences, life experiences, inventiveness, self-expression and unique capabilities, knowledge and talent. Our Diversity, Equity and Inclusion Council, which was formed in 2015, is comprised of leaders from different areas of the Company including our Chief Diversity and Inclusion Officer and helps guide our approach in key areas including Leadership, Workforce, Vendor Diversity and Community Engagement. Diversity, Equity and Inclusion updates are provided to the Executive Leadership Team on a monthly basis and to the Board of Directors as necessary. Onity’s Global Diversity, Equity and Inclusion Policy is reviewed on an annual basis and diversity, equity and inclusion training is provided to all employees globally.

In 2023, several Onity women leaders were recognized for their contributions to the mortgage industry and furthering homeownership. Our Chief Risk and Compliance Officer was recognized in HousingWire’s 2023 “Women of Influence” list and five women employees were nominated for Five Star’s 2023 Women in Housing Leadership Awards. Additionally, our India team was recognized as one of the 2023 Top Employers for LGBTQ+ Inclusion by the India Workplace Equality Index, an honor that reflects our deep commitment to diversity, equity and inclusion.



Onity utilizes affinity groups, of which more than 2,200 employees are members, to help support employee development and drive inclusion, including 18 employee events globally.

Our women's affinity group supports recruitment, development and retention initiatives for women across the organization, and serves as a sounding board for business insights, and supports the attainment of company goals in diversity, inclusion and talent development. Integrating Diversity, Equity and Inclusion into Onity's culture is critical for our success and allows us to make the most of the full range of our talent.

LEAP, which stands for Leading with Education Action and Purpose, has the mission to educate Onity employees globally about Black culture and the Black experience to increase inclusion across the organization. LEAP also enhances the professional development of Black employees through formal and informal mentoring, networking, learning opportunities and leadership development.

The mission of FREE, which stands for Freedom, Respect, Expression and Equality, is to create a safe, inclusive and affirming office climate that fosters professional and personal growth for employees of all genders and sexualities through education, advocacy, outreach and support. FREE promotes a fully equitable environment that is free of judgment and strives for knowledge, challenges barriers, and seeks to help and empower LGBTQ+ employees and allies.

### Diversity, Equity and Inclusion (DE&I).

We are committed to be a globally diverse and inclusive workplace where every voice is heard and valued. Diversity, inclusiveness and respect are integral parts of our culture and work environment. DE&I training for all employees and unconscious bias training for leaders are parts of our learning programs to increase awareness, and employees at all levels are annually evaluated on sustaining an inclusive work environment. The pillars of our diversity program are:

- **Leadership:** Embrace and foster a culture of inclusion throughout Onity and be held accountable for achieving diversity and inclusion goals and objectives.

- **Workforce:** Attract, develop, retain and advance the best and brightest from all walks of life and backgrounds at all levels of the organization.
- **Vendor Diversity:** Achieve a range of suppliers, vendors and service providers who align with our diversity and inclusion strategies.
- **Community Engagement:** Ensure that Onity has a significant presence in and supports a core group of diverse, community-based organizations and philanthropies.

As of December 31, 2023, 48% of our employees globally are women, and 34% of our U.S. leadership roles (Director and above) are filled by women and 22% are people of color. 61% of our U.S. employees are women and 45% are people of color.

Our women's affinity group, LEAP Black professionals network, FREE affinity group for LGBTQ+ employees and mentoring programs, when coupled with a culture of appreciation, help provide a comprehensive ecosystem for diversity to flourish.

We also take action to support the recruitment, development and retention of our diverse talent. These programs include ensuring diverse candidate slates as part of our hiring process, tracking minority hiring, promotion, retention and representation at all levels, and assessing diverse talent as part of our succession planning.

Pay equity is an important component of Onity's employment value proposition, commitment to DE&I and legal and regulatory compliance. We regularly evaluate our performance management, merit increase incentive award and promotion processes for race and gender equality, and remediate any identified compensation gaps.

Onity supports several organizations focused on promoting diversity in the mortgage industry, including the Five Star Institute's American Mortgage Diversity Council and the National Housing Conference's Black Homeownership Collaborative Workstream.



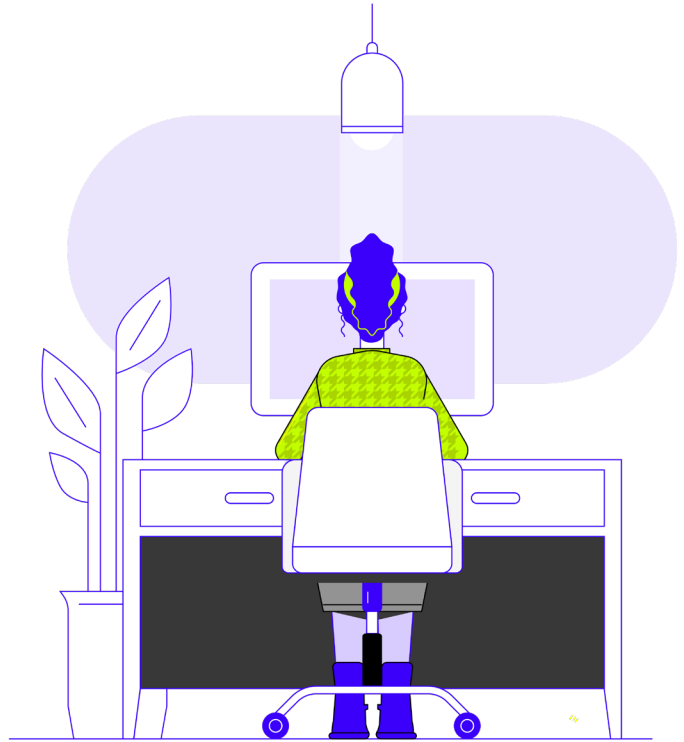
## Commitment to Ethics.

We have adopted a robust Code of Business Conduct and Ethics that applies to all employees and our Board of Directors, as well as an additional Code of Ethics for Senior Financial Officers that applies to our Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer. We provide multiple anonymous methods for any employee or other person to report a suspected ethical violation, including whistleblower complaints relating to accounting, internal controls, audit matters or securities law, and our policies prohibit retaliation against any person for making a good faith complaint. We also provide methods for interested individuals to contact the members of our Board of Directors and communicate directly with the Chair of our Audit Committee. Our General Counsel serves as our Chief Ethics Officer and works with members of our Internal Audit function to ensure every ethics complaint and communication to our Board is addressed in accordance with our company policies.

## Employee Benefits.

Onity's benefits programs strive to keep employees productive and engaged at work by serving the total wellbeing of employees' and their families' physical, mental and financial health. In the U.S., our comprehensive benefits plan includes company-sponsored medical, dental and vision; company-paid basic life, accident and disability coverage; 401(k) with company match; and supplemental group coverage for critical illness, accident, auto, home, pet, legal, identity protection, childcare/eldercare and tutoring. The medical plans include 100% coverage for all preventive care services and all generic preventive medications.

Our wellness programs offer incentives for completing preventive health screenings, participating in online and telephonic health coaching, improving or reaching targeted health scores, and increasing physical activity. Additionally, we provide employees with a comprehensive employee assistance program that includes virtual counseling, personalized health coaching for diabetes and other chronic conditions, stress management and financial planning workshops, online guided meditation and yoga, and more. Onity also provides a generous paid time off (PTO) program to support employees' need to rest and recharge. Our medical and family leave programs offer paid disability absences and paid parental/adoption leave, in addition to FMLA required schedule flexibility and job



security. Outside the U.S., our employee benefit programs provide comparable and market appropriate benefits focused on supporting our employees well-being and retirement needs.

Our total rewards (compensation and benefits) programs are developed to attract, motivate and retain employees.

They demonstrate the value the employee provides to the organization, are designed to be competitive to the marketplace, and connect directly to key business strategies. Our compensation programs, including salaries and short- and long-term incentives, are centered on our pay-for-performance philosophy, aligning the interests of employees and stakeholders by rewarding both individual and overall company performance. Onity's health and welfare benefit programs strive to keep employees productive and engaged at work by serving the total wellbeing of employees and their families. We are committed to and regularly evaluate our practices to ensure pay is fair and equitable, and competitive to the marketplace.

## Talent Development.

We continue to foster an environment in which every team member has the opportunity to grow and achieve his or her professional goals, with support and encouragement. We regularly measure employee engagement – our employees' pride, energy and optimism that fuels their effort – and implement action plans that respond to employee feedback.

Our most recent employee survey indicated strong engagement levels of 82% favorable. Our training platform focuses not only on the technical domain skills essential to role success but includes competency-based programs to develop leadership capabilities and skills needed for the future. Succession planning occurs annually and is reviewed by the CEO and the Compensation and Human Capital Committee. Strategic talent reviews to identify, develop and promote top talent are part of our performance management processes. The Aspire mentoring program provides aspiring women leaders at mid-level with a platform to build skill, knowledge and expertise while achieving professional development goals through focused guidance and insight from a network of mentors.

### **Training and development.**

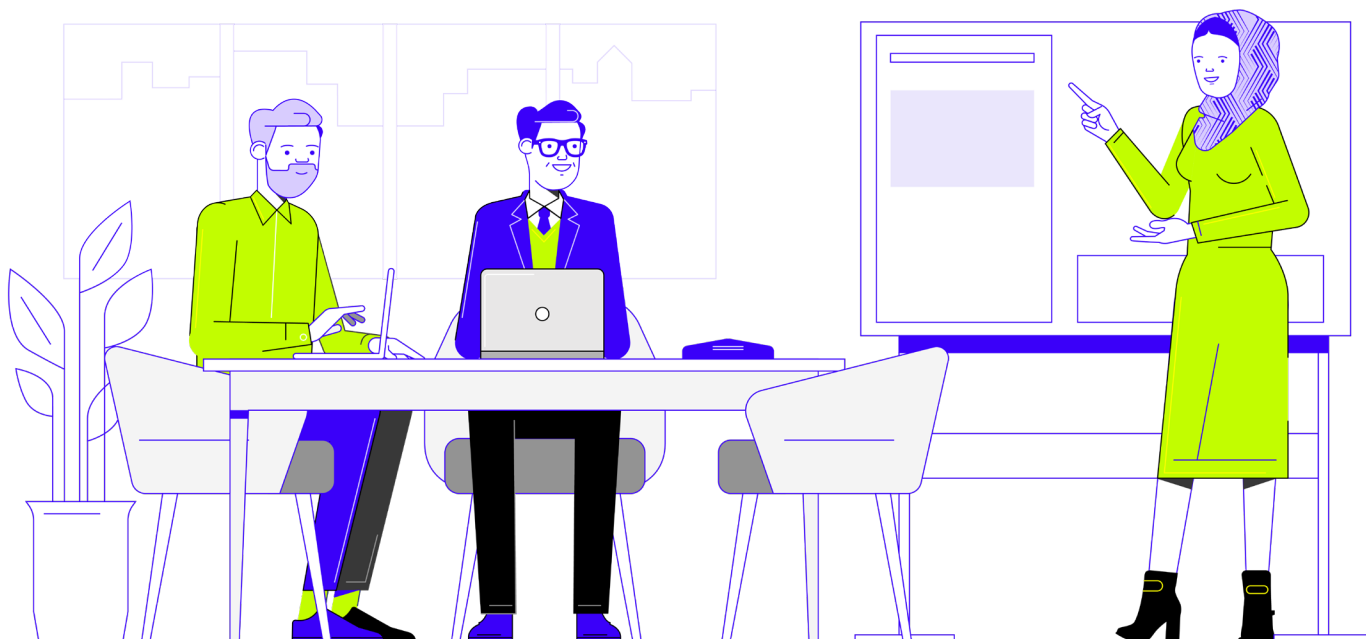
Onity is committed to providing our employees with high-quality training and learning experiences targeted to increase industry knowledge levels, improve process efficiency and promote personal growth, which in turn helps improve customer experience, reduce foreclosures and contribute to our success as an organization. Onity facilitates professional development through the lifecycle of employees through functional business training, regulatory and compliance training, and skill and competency development programs. We also provide individualized one-on-one coaching to help customer-facing staff guide customers to positive experiences. In addition to learning programs designed to build functional and leadership competency for all levels of

leadership throughout the organization, Onity offers a Leadership Development Training curriculum specifically designed to prepare employees at the Supervisor level and above with the competencies to make them successful in their roles as leaders. Training courses are housed in our continuously reviewed and updated learning management system.

Our training and development programs are important contributors to our ability to deliver industry-leading customer service. Over the past few years, PHH has been recognized for servicing excellence through Freddie Mac's SHARP<sup>SM</sup> and Fannie Mae's STAR<sup>TM</sup> awards and HUD's Tier 1 ranking.

### **Community development.**

At Onity, we believe homeownership is an important part of achieving financial independence, and our philosophy in this regard is "helping homeowners is what we do." This philosophy is what guides us in our commitment to the communities we serve. We organize a variety of community outreach programs and events with local and national organizations around the country to assist homeowners, particularly in communities of color. Our outreach events began during the 2008 mortgage crisis and have continued since then. In 2023, we hosted 41 borrower outreach events across the country in partnership with the NAACP and seven HUD certified housing counseling agencies. In addition, Onity partners with several local municipalities around vacant and abandoned properties to mitigate blight in communities.





To better serve our stakeholders and communities, Onity created a Community Advisory Council in 2014, consisting of 15 leaders from a diverse group of national non-profit organizations, consumer advocacy groups and civil rights organizations, as a platform to collaborate and share ideas on how to help homeowners. Onity provides grants and sponsorship funding to local and national nonprofit organizations each year, in support of the work they do to help distressed communities and homeowners. Over the past four years, Onity has contributed over \$6 million to these organizations, and nearly \$28 million since 2012.

Additionally, Onity's subsidiary PHH Mortgage formed a community partnership with the National Association of Mortgage Brokers (NAMB) to develop and provide a new reverse mortgage certification program to NAMB's members. The success of this training program resulted in PHH Mortgage being named a 2023 Affiliate Company of the Year by NAMB.

### **Charitable activity.**

Onity continues to find meaningful ways to give back to the communities where we live and work. The charitable events at our office locations around the globe included distributing meals and supporting local food banks, helping economically disadvantaged children and at-risk youth, helping schools for hearing-impaired children, holding toy drives and back-to-school supply drives, helping the homeless, supporting victims of crimes, providing financial assistance to families impacted by cancer, making donations to first responders, helping communities impacted by the pandemic with donations and medical equipment,

hosting blood drives through the American Red Cross and making donations to the Mortgage Bankers Association's (MBA) Opens Doors Foundation to help families with a critically ill or injured child.

### **Responsible information security management.**

Onity maintains a comprehensive information security program designed to safeguard the confidentiality, integrity and availability of its data and information systems. Onity's Board of Directors is consistently updated on information security risks, which are managed through a strategic blend of policies, advanced tools and technologies, and continuous staff awareness initiatives. Onity's cybersecurity controls are structured around a multi-layered defense-in-depth strategy designed to protect the integrity of the network against potential breaches.

Our workforce undergoes regular training to recognize, avert, and report cybersecurity risks and incidents. In parallel, Onity's third-party risk management program assesses and supervises the information security practices of our vendors. It is mandatory for all third-party vendors who handle data processing on our behalf to uphold a well-documented information security program that aligns with our strict security standards.

Onity's readiness for and responsiveness to cyber threats are regularly evaluated through various assessments. These include both internal and external vulnerability assessments, penetration testing, incident response table-top exercises, and breach readiness and response drills. For more detailed information regarding Onity's approach to information security risk management, see "Item 1. Business - Risk Management."

### **Environmental Impact.**

In 2023, Onity continued its commitment to operate through a primarily remote working model, reducing the percentage of employees commuting daily to the office. Fewer associates in the offices afforded the opportunity to reduce our office footprint in several markets. As office space footprints were reduced, improvements were made to retrofit lighting and equipment to lower our use of natural resources. Recycling of office and paper products in all U.S. facilities continues to be a priority, which reduces our imprint on the local landfills. In addition, we continue to reduce paper mailings to customers through our digital mailing service, electronic notice delivery and process automations.

