

CHERRY HILL MORTGAGE INVESTMENT CORPORATION
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

April 20, 2023

TABLE OF CONTENTS

OUR BUSINESS AND OUR COMMITMENT TO ESG INITIATIVES.....	1
Cherry Hill and its Business and Operations	1
Our Commitment to ESG Initiatives.....	1
ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY	2
SOCIAL RESPONSIBILITY	2
Diversity and Inclusion	3
Employee Well-Being and Benefits.....	3
Employee Engagement	4
Employee Retention and Satisfaction	4
Employee Health and Safety.....	4
Human Rights Statement	5
Non-Discrimination Policy	5
Anti-Harassment Policy	5
Equal Pay	6
GOVERNANCE.....	6
Our Board of Directors	6
Director Diversity	7
Compliance Training	7
Cybersecurity Training	7
Ethics and Integrity	7
Reporting Violations.....	7
Confidentiality	7
Cybersecurity	7
Assessment and Oversight of Our Information Security Program	8

OUR BUSINESS AND OUR COMMITMENT TO ESG INITIATIVES

Cherry Hill and its Business and Operations

Cherry Hill Mortgage Investment Corporation (“Cherry Hill”) is a publicly traded residential mortgage REIT, founded in 2013 and headquartered in Farmingdale, New Jersey. Cherry Hill is focused on proactively managing its portfolio, maintaining a strong balance sheet and preserving book value in multiple interest rate environments with the goal of maximizing stockholder returns.

Cherry Hill’ mission is to consistently generate attractive current yields and risk-adjusted total returns for our stockholders over the long term – primarily through dividend distributions and secondarily through capital appreciation. Cherry Hill seeks to obtain its objectives by selectively constructing and managing a targeted portfolio of residential mortgage assets consisting primarily of mortgage servicing rights (“MSRs”) and Agency RMBS. The mortgage loans underlying our MSRs conform to Fannie Mae and Freddie Mac conforming mortgage loan underwriting guidelines, and the Agency RMBS we invest in are issued by Fannie Mae and Freddie Mac. Cherry Hill believes Fannie Mae and Freddie Mac adhere to strong ESG principles that impact execution of their businesses. Fannie Mae’s discussion of ESG principles can be found at <https://www.fanniemae.com/about-us/esg> and Freddie Mac’s discussion of ESG principles can be found at <http://www.freddiemac.com>

We believe our business model is consistent with ESG principles and broader societal goals. Our investment strategy provides private capital to the US housing market which helps to promote effective, efficient and broadly available mortgage financing and support a vibrant housing market and broad home ownership.

Cherry Hill is externally managed by Cherry Hill Mortgage Management, LLC (“CHMM”). Cherry Hill’s officers are also officers of CHMM. References in this ESG Report to “we,” “our” and “us” refer to Cherry Hill and CHMM collectively unless the context otherwise requires or indicates. Cherry Hill has no employees and all of Cherry Hill’s day-to-day operations are conducted by CHMM, subject to the oversight of Cherry Hill’s Board of Directors.

CHMM is a party to a services agreement with Freedom Mortgage Corporation (“Freedom Mortgage”) that requires Freedom Mortgage to provide CHMM the personnel, services and resources that are needed by CHMM to carry out its obligations under the management agreement between Cherry Hill and CHMM. As of the date of this ESG Report, there are 12 individuals who work in Cherry Hill’s business in offices in Farmingdale, New Jersey and New York City. We refer to these individuals as “our personnel.”

Our Commitment to ESG Initiatives

We are committed to implementing what we believe to be the best ESG practices and policies. We have incorporated many ESG principles into our corporate culture over time. We understand that ESG practices can create value by improving the environment and the lives of our personnel, our stockholders, our financing providers and our other business partners and the community and we recognize and understand that our ESG practices are increasingly important to maintaining

these key relationships. To demonstrate our commitment, in April 2023, the Nominating and Corporate Governance Committee (“NCG Committee”) of Cherry Hill’s Board of Directors amended its charter to assume primary oversight of our efforts in ESG policies, activities, and communications. Together with the members of the NCG Committee, all of whom are independent in accordance with NYSE and SEC standards, we will assess our ESG practices with a goal of meeting or exceeding industry and peer standards over time.

ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

We are committed to environmental responsibility in our business operations. We strive to integrate environmental considerations into our planning and decision-making process, with the goal of promoting sound environmental practices internally and externally.

Our environmental initiatives undertaken to date include the following:

- Recycling paper, glass, plastic and aluminum cans, electronic equipment, batteries and ink cartridges.
- Reducing our carbon footprint through video conferencing as an alternative to business travel.
- Utilizing Energy Star ® certified products, printers and televisions.
- Reducing office paper usage by emphasizing electronic communications, record storage and signing up for e-statements and invoices.

SOCIAL RESPONSIBILITY

Our primary social impact comes from our investment activity. As a provider of housing capital, we can assist and strengthen the US housing market and those seeking homeownership. Through thoughtful investment and risk management, our focus on residential real estate finance can help to support homeownership for a broad and diverse spectrum of Americans. We take this duty seriously, as the benefits of homeownership are wide-reaching and well documented. Homeownership has long been understood as an important part of individual wealth creation and social mobility.

Improving homeownership rates stabilizes communities because homeowners are often engaged in and beneficial to their communities due to their financial and emotional investments in the space. The residential real estate market is an important part of the U.S. economy and investing in home mortgages allows our company to help support and improve this market and the economy as a whole.

We understand our responsibility to our business partners and to our community members. To each of these relationships, we bring a commitment to professional dignity and mutual respect.

Diversity and Inclusion

We believe that fostering an internal climate that is supportive and allows people of all backgrounds to flourish lends itself to the highest levels of team and company performance and facilitates the attraction and retention of best-in-class talent. We also believe it is inherently the right way to conduct business. We support an innovative, creative culture where people can bring their best and most authentic selves to work. Our personnel may hold divergent opinions and we encourage them to voice their views.

Our aspiration is for our workforce to continually reflect the diversity of people and perspectives in today's evolving society. We are committed to equal employment opportunity for all job applicants and service providers, including our personnel. No job applicant or service provider, including our personnel, will be discriminated against by us because of race, religion, color, sex, sexual orientation, gender, sexual/gender identity, age, disability, pregnancy, national origin, military or veteran status, or any other characteristic protected by applicable law.

Decisions regarding staffing, selection, and promotions are made by the officers of Cherry Hill and CHMM on the basis of individual qualifications related to the requirements of the position. We endeavor to select qualified individuals from a diverse pool of candidates derived from broad outreach efforts when we are recruiting.

Employee Well-Being and Benefits

In addition to offering competitive base salaries and discretionary, performance-based cash bonuses for our personnel, we are committed to continuously evaluating and ensuring the competitiveness of our benefits offerings so that we meet the various needs of each of our personnel and their families. As of the date of this ESG Report, our personnel are provided the following benefits:

- Medical insurance covering employee, spouse (including domestic partners) and dependent children;
- Dental insurance covering employee, spouse (including domestic partners) and dependent children;
- Health Savings Account (HSA);
- OC24 Health, which provides 100% of fees paid at no cost to employees or their dependents;
- Term life insurance;
- Leave policy that provides paid vacation, sick and personal days, 10 paid holidays and four paid early close days.
- 401(k) retirement plan, with a company match incentive;

- Flexible work hours and telework optionality;
- Vision insurance;
- Group voluntary term life insurance;
- Short-term disability insurance;
- Long-term disability insurance;
- Voluntary term accidental death and dismemberment coverage;
- Voluntary Met Law;
- Voluntary pet insurance;
- Virta – disease management; and
- Tuition reimbursement program.

Employee Engagement

We believe our greatest strength and most important assets are the members of our team, and their overall well-being is paramount. We ensure that our personnel have a rewarding, supportive, and healthy working environment in which to thrive, and we endeavor to support their success in all things. We provide our personnel with opportunities for growth and development, both in the personal and professional spheres, as well as a wide variety of resources to support their work and personal lives. We believe that the compensation and comprehensive benefits provided to our personnel are thoughtfully designed to recognize and reward the professional skills of our personnel, resulting in a low voluntary turnover rate.

- **Average Tenure of Current Personnel:** 7.1 years; 33% of our personnel have a tenure of over 10 years.
- **Average Annual Turnover Rate 2013-2022:** 2%

Employee Retention and Satisfaction

We want our personnel to share and practice our commitment to sustainability. We also want them to be engaged to drive our business forward and to want to work with us for the long term. We care about the employment experience of our personnel and care about them as individuals who are all motivated in different ways.

Employee Health and Safety

We are committed to fostering a safe and healthy working environment for all of our personnel. We maintain a workplace that endeavors to be free from injury in compliance with the Occupational Safety and Health Administration (OSHA) standards and regulations.

Human Rights Statement

Principles. We are committed to the protection and advancement of human rights and to ensuring that our operations function with integrity. The principles outlined in this Human Rights Statement relate to and confirm key commitments and principles in our Code of Business Conduct and Ethics which applies to our officers, directors, and personnel. Our culture and policies establish standards whereby we do not tolerate violations of basic human rights of life, liberty, and security. We do not condone any inhumane treatment, particularly, sexual harassment, sexual abuse, verbal abuse, mental or physical coercion, corporal punishment, forced labor, child labor, human trafficking, and slavery.

Child Labor and Forced Labor. We prohibit the use of child labor. We also reject the use of forced labor in all its forms, including prison or debt bondage labor, trafficking, and the lodging of deposits or identity papers by employers or by outside recruiters.

Discipline. We forbid any form of corporal punishment, mental or physical coercion, or verbal abuse.

Anti-Corruption. We prohibit corruption in all its forms, including extortion and bribery.

Freedom of Association and Right to Collective Bargaining. We also demonstrate our dedication to our personnel through our labor policies. We are committed to protecting our personnel's freedom of association and right to collective bargaining and are guided by the guidelines of the International Labor Organization and Bureau of International Labor Affairs.

Compensation. We are committed to ensuring that all of our personnel are compensated fairly and equitably from the moment they are hired through the milestones of their career.

Non-Discrimination Policy

We advocate fairness and equality of opportunity. CHMM makes employment decisions (for example, hiring, promotions, job assignments, job training, promotions, benefits, terminations) without regard to a person's race, ethnicity, religion, sex, national origin, sexual orientation, gender identity, pregnancy or family status, age, disability, social class, veteran status, or any other status protected by the applicable federal, state or local laws (i.e., "Protected Status").

Anti-Harassment Policy

We are committed to maintaining a work environment free of harassment which is based upon protected characteristics. We foster policies and practices to ensure that all of our personnel work in an environment that is neither hostile nor discriminatory. Actions, works, jokes or comments based upon an individual's race, ethnicity, religion, sex, sexual orientation, gender identity, pregnancy or family status, national origin, age, veteran status, social class, physical or mental disability, or any other legally protected characteristic will not be tolerated. We further believe in and support all federal, state, and local guidelines regarding harassment and discrimination.

Equal Pay

Our policy is “equal pay for equal work” in compliance with applicable state law. It is our understanding that the compensation paid to our personnel is based upon experience, seniority, educational-attainment, individual contribution, and company performance against goals. “Compensation” refers to basic salary, bonuses, long-term equity incentives and other contractual benefits that are provided to our personnel.

GOVERNANCE

Our Board of Directors

Cherry Hill strives to maintain a well-rounded and diverse Board that balances financial industry expertise with independence, and the institutional knowledge of longer-tenured directors with the fresh perspectives brought by newer directors. Cherry Hill’s directors bring to the Board a variety of skills and experiences developed across a broad range of industries, both in established and growth markets, and in each of the public, private, and not-for-profit sectors.

			Committee Memberships		
Name	Age ¹	Director Since	AC	CC	NGC
Jeffrey B. Lown II President and CEO	59	2013			
Robert C. Mercer, Jr. Independent Director	75	2017	✓ (Chair)	✓	✓
Joseph P. Murin Lead Independent Director	73	2013	✓	✓	✓ (Chair)
Sharon Lee Cook Independent Director	62	2023	✓	✓ (Chair)	✓

- **Average Tenure of Directors:** 7 years
- **Average Age of Directors:** 67
- **Diversity of Directors by Gender:** 25%
- **Diversity of Directors by Race:** 25%

¹ As of January 1, 2023.

Director Diversity

In April 2023, Cherry Hill amended its Corporate Governance Guidelines to formalize its practice of seeking out highly qualified candidates of diverse gender, race and ethnicity, as well as taking into account other factors that promote principles of diversity and ensuring that women and other underrepresented candidates are included in each pool of Board candidates.

Compliance Training

All of our personnel upon hire are required to acknowledge and certify the CHMM Compliance Manual, which includes CHMM's Code of Ethics, Insider Trading Policy and Whistleblower Policy. We conduct on-going training and require all our personnel to recertify annually.

Cybersecurity Training

Our personnel have been taking mandatory cybersecurity training since 2019. The courses in this program are designed to help personnel identify and avoid common computer and network security risks, understand how security breaches can affect the company, remain vigilant and understand how to utilize available computer and network security resources.

Ethics and Integrity

We are committed to upholding the highest ethical standards in all business activities and transactions. This includes issues of anti-corruption, money-laundering and compliance with all applicable laws and regulations pertaining to the US Patriot Act and other national security related issues. The Cherry Hill Code of Business Conduct and Ethics is available for viewing on Cherry Hill's website at www.chmireit.com.

Reporting Violations

All of our personnel are strongly encouraged to report misconduct and potential infractions in accordance with the procedures outlined in Cherry Hill's Code of Business Conduct and Ethics and Whistleblower policies.

Confidentiality

We will not retaliate or tolerate retaliation by any director or officer of Cherry Hill or any of our personnel, directly or indirectly, against any person or group who, in good faith, makes a report or provides assistance to our management or any other person or group, including governmental, regulatory or law enforcement agency, investigating the allegations.

Cybersecurity

We are committed to the protection of our computer systems, software, networks, and other assets and devote significant resources to maintain a high level of security against cybersecurity threats. In order to address cybersecurity risks associated with our increasing reliance on technology, we have implemented a wide range of processes, procedures, and internal controls to

help mitigate cybersecurity risks and cyber intrusions which are periodically reviewed by Cherry Hill's Chief Financial Officer.

Making Cherry Hill and CHMM a more cyber-secure environment is the responsibility of everyone with authorized access to our network. Training is a key component of our information security program. Throughout the year, all authorized users of our network are required to complete various online information security training modules to help them detect data security threats and malicious activity. Each module engages the user and drives knowledge retention through embedded assessment activities. In 2022, all of our personnel completed assigned training modules focused on topics such as Security Essentials, Personally Identifiable Information Fundamentals, Phishing and Email Security, Insider Threat Overview and Mobile Application Security.

In addition, our information security team regularly highlights threat trends and shares data protection best practices. Through targeted messaging, our information security team disseminates security awareness content and continuously reminds our personnel to remain diligent in protecting our data and systems.

We maintain policies to set expectations and have implemented procedures for monitoring, reporting, mitigating and escalating information security risk. We require users of our internal information technology resources to proactively report cybersecurity incidents. We also have a robust incident response plan to handle suspected loss of, or unauthorized access to, information.

Assessment and Oversight of Our Information Security Program

We regularly evaluate the effectiveness of our information security program. This assessment, which includes social engineering and vulnerability scanning, is conducted by our information security team and third-party industry experts. The program is further subject to internal audit, with results reported to our Board.