Freddie Mac

2022

Sustainability Report

Letter from the CEO

On behalf of Freddie Mac, I am pleased to present the company's first Sustainability Report, which describes how we bring our mission of Making Home Possible to life. This report also provides details on the company's 2022 Environmental, Social, and Governance (ESG) strategy, activities and performance.

For more than 50 years, Freddie Mac has served America's homebuyers, homeowners and renters by providing liquidity, stability and affordability to the housing market. We do so every day, in every market across all economic conditions.

Freddie Mac's corporate strategy includes four pillars to support our mission: deliver on our affordable housing commitments; identify, assess and manage risk; grow, develop and empower talent; and build financial strength.

ESG-related activities are integrated into each of these corporate priorities in meaningful ways. For example, our work to provide affordable, equitable and sustainable access to housing is a core part of our social responsibility. Our focus on the environment has led to financing for energy and water improvements in single-family and multifamily housing, green bonds and a focus on environmental sustainability in our business and operational practices. Our commitment to governance is evident in our Board and Senior Management oversight. It is also reflected in our concerted efforts to better manage our risks, particularly climate-related risk.

The pages that follow will highlight the progress we have made on these items over the course of 2022. They also illustrate the extraordinary efforts of our dedicated, hard-working employees, who are the embodiment of Freddie Mac's mission.

We know our work to support affordable, sustainable and equitable housing for families and communities across the nation is ongoing and there's much more to do. Our sustainability efforts in 2022 represent progress we will continue to build on to make home possible for all.

Michael DeVito

Michael DeVito
CEO, Freddie Mac

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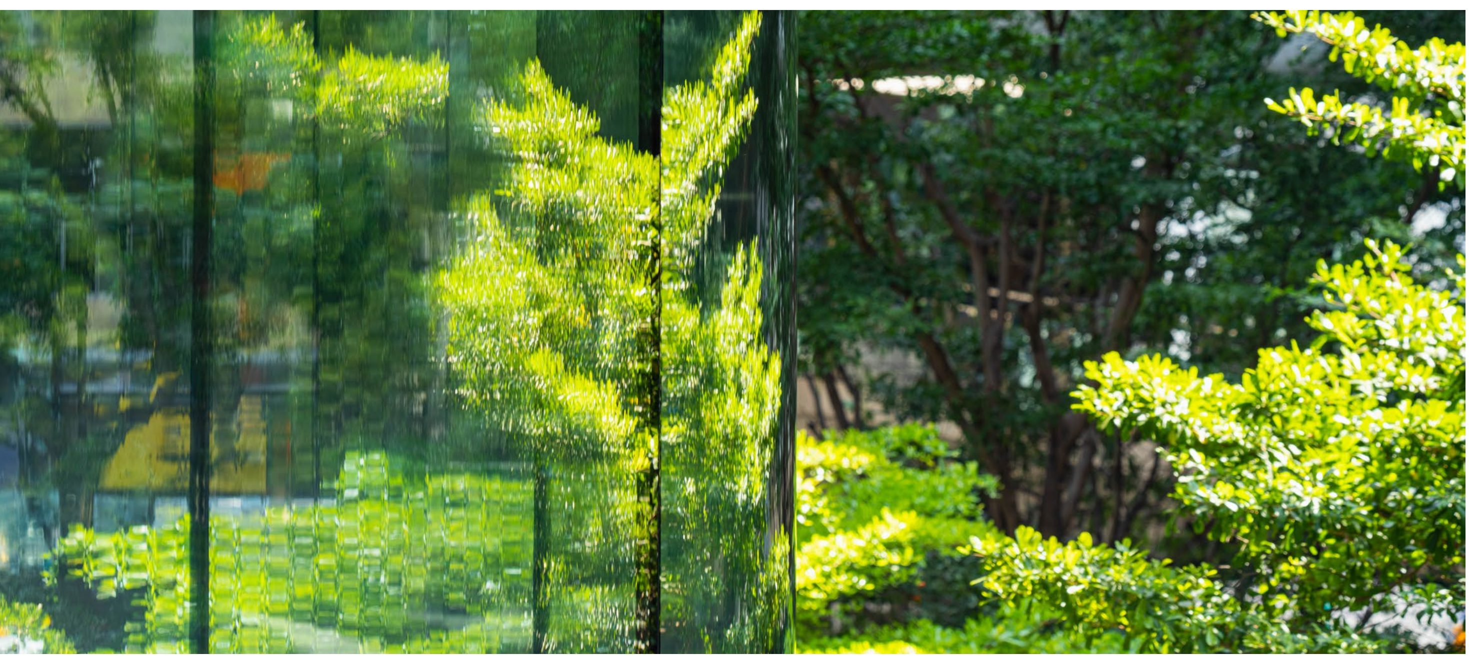
About This Report

The Sustainability Report details information for calendar year 2022, unless otherwise noted. It focuses on the issues Freddie Mac (the company) has determined to be of material importance from an ESG perspective, which is a different standard than that used in our financial disclosures. We identified our ESG priorities through a materiality assessment involving internal and external stakeholder engagement and relevance to investors, ESG reporting standards and ESG ratings organizations.

Some of the information included in this report has been previously disclosed in other voluntary and mandated reporting, including on our website and in our 2022 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC). Please also see ESG Reports and Disclosures on our website.

The report includes information prepared in consideration of the Sustainability Accounting Standards Board (SASB) Standards for Mortgage Finance (our primary SASB industry), Commercial Banks, and Investment Banking and Brokerage. In addition, we have aligned the Environment section with the core elements of the Task Force on Climate-related Financial Disclosures (TCFD) framework. Please see the SASB Index and Metrics, as Modified and TCFD Index in the Appendix of this report for more information.

Our approaches to the disclosures included in this report may be different from those included in mandatory regulatory reporting, and we can provide no representation or assurance that our internal approach is consistent with other investment criteria, taxonomies, standards or guidelines. Any goals presented in this report are aspirational; as such, we make no guarantee or promise that these goals will be met. While this report describes events, including potential future events, and priorities that may be significant from an ESG perspective, any significance does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws.



Our 2022 Impact

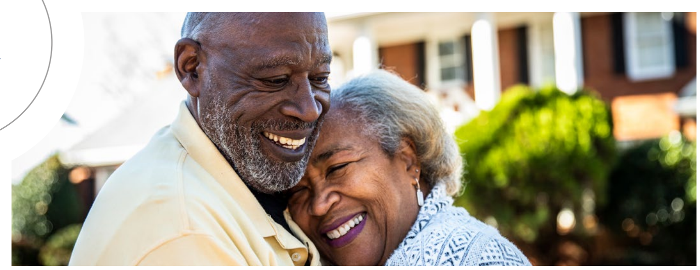
Financed more than **695,000** rental units, 96 percent of which were affordable to families earning no more than 120 percent of area median income (AMI)

Provided **$614 billion** in liquidity to the housing market through more than 1,000 lenders

Helped nearly **2.5 million** families buy, refinance or rent a home, while delivering solid financial results

Mission

Made home possible for **440,000** first-time homebuyers, representing nearly half of primary residence purchase



Provided foreclosure avoidance education and counseling to more than **41,000** households

Met our commitment to issue **$3 billion** in Single-Family affordable housing bonds

Issued more than **$1.3 billion** in Single-Family Mortgage-Backed Securities (MBS) in 2022, as part of our commitment to green and sustainable housing

Multifamily issued **$484.2 million** in Multifamily Green Bonds and **$2 billion** in Multifamily Sustainability Bonds

Environmental

Eliminated over **39 tons** of CO_2 in 2022 through composting efforts, and donated approximately 20,000 meals of leftover food to local food rescue groups

Our employees spent nearly **5,000** hours volunteering

Social

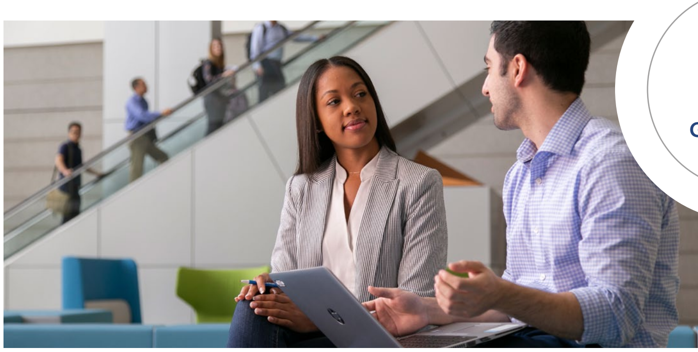
Received **100%** score on Human Rights Campaign Foundation's Corporate Equality Index 2022 Best Place to Work for LGBTQ+ Equality

Freddie Mac is proud to be a majority-minority company, which means more than **50%** of our employees identify as racially or ethnically diverse. Women make up 40% of our workforce

Since its creation in 2016, more than 50 diverse suppliers have completed our Supplier Academy, and new spending with their small businesses totals more than

$109 million

100% of employees completed annual training on Code of Conduct, Insider Trading, Data Privacy & Protection and Anti-Fraud practices



Governance

Formed the **Mission and Housing Sustainability Committee** of the Board of Directors

Awards

Best Places to Work for
LGBTQ+ Equality

HUMAN RIGHTS CAMPAIGN

Innovations in
Diversity Award

PROFILES IN DIVERSITY JOURNAL

Social Bond of the Year Award

Environmental Finance

Women of Influence

HOUSINGWIRE

U.S. Securitization Awards
CMBS/CRE CLO Deal of the Year

GlobalCapital

Textio Leadership Award

textio

Best Places to Stay and Thrive

THE AMERICAN OPPORTUNITY INDEX

Top Workplace for the
Next Generation of Talent

RIPPLEMATCH

Diversity Leader

PROFILES IN DIVERSITY JOURNAL

Campus Forward Award
for Excellence in
Early Career Hiring

RIPPLEMATCH

About Freddie Mac

Freddie Mac's mission is to make home possible for families across the nation. Since 1970, we have helped tens of millions of families buy, rent or keep their home.

What We Do

Freddie Mac is a government-sponsored enterprise (GSE) chartered by Congress, with a mission to provide liquidity, stability and affordability to the U.S. housing market.

Liquidity
We keep mortgage money flowing through the housing market in communities from coast to coast

Stability
Our support for the housing market in good times and bad, helps families rent, buy and keep homes they can afford

Affordability
We are committed to finding new ways of ensuring that quality, affordable housing remains within reach

We do this primarily by purchasing single-family and multifamily residential mortgage loans originated by lenders. In most instances, we package these loans into guaranteed mortgage-related securities, which are sold in the global capital markets, and transfer interest rate and liquidity risks to third-party investors. In addition, we transfer mortgage credit risk exposure to third-party investors through our credit risk transfer programs, which include securities- and insurance-based offerings. We also invest in mortgage loans and mortgage-related securities. We do not originate mortgage loans or lend money directly to mortgage borrowers.

We support the U.S. housing market and the overall economy by enabling America's families to access mortgage loan funding with better terms and by providing consistent liquidity to the single-family and multifamily mortgage markets. We have helped many distressed borrowers keep their homes or avoid foreclosure and have helped many distressed renters avoid eviction.

We conduct business through two business segments that are integral to our ESG strategic framework and our ability to make an impact through our mission: Single-Family and Multifamily.

Single-Family

Our Single-Family business segment provides liquidity and support to the single-family mortgage market through a variety of activities that include the purchase, securitization and guarantee of loans secured by properties with one to four residential dwelling units. Central to our mission is our commitment to helping more families attain affordable and sustainable housing and to increasing equitable access to housing finance.

In 2022, Freddie Mac made home possible for 440,000 first-time homebuyers, representing nearly half of our primary residence purchases. We also purchased tens of thousands of loans through Freddie Mac Home Possible®, our flagship mortgage product that helps low-income homebuyers by offering a down payment as low as three percent. Nearly 40 percent of Home Possible® loans purchased last year supported majority-minority communities.

Multifamily

Our Multifamily business segment provides liquidity and support to the mortgage market for properties with five or more residential dwelling units through a variety of activities that include the purchase, securitization and guarantee of multifamily loans originated by our Optigo® network of approved lenders. Our support of the multifamily mortgage market occurs through all economic cycles and is especially important during periods of economic stress. During these periods, we serve a critical countercyclical role by providing liquidity when many other capital providers exit the market. Central to our mission is our commitment to support greater access to quality, affordable and sustainable rental housing, particularly in underserved markets.

In 2022, our Multifamily business provided financing to preserve affordability for more than 130,000 workforce housing and Targeted Affordable Housing units. These units are subject to government programs with rent or income restrictions or have rents preserved through a Freddie Mac loan agreement. Freddie Mac also enabled approximately 20,000 residents of manufactured housing communities to benefit from a series of tenant protections that go beyond current state and local requirements.

For more information, see "Our Business Segments" on page 23 of our 2022 Annual Report on Form 10-K.

Our Mission and Values

We are Making Home Possible for families across the nation by financing the creation and preservation of more affordable homeownership and rental opportunities. We empower our employees and Board of Directors to act with professional integrity and uphold our corporate values: Mission, Integrity, Excellence and Inclusivity.

We are mission driven

We put the health of the housing finance market at the forefront of our business decisions

And Mission drives everything we do

We do the right thing

We lead the company and our industry with integrity

And we take responsibility for our actions

We perform with excellence

We thoughtfully approach challenges

And we reliably deliver on our commitments

We are inclusive

We embrace our differences

And we engage with respect and positive intent

Corporate Strategy

Freddie Mac has four priorities, each of which was created to ensure we fully serve our mission:

- Deliver on affordable housing
- Identify, assess and manage our risks
- Grow, develop and empower talent for today and tomorrow
- Build financial strength to serve our mission

These strategic priorities help us create a more liquid, stable, affordable and equitable housing finance system that serves lenders, families and the housing market. And, as with any mission-driven company, our people are at the center of all we do.

Our Mission in Action

Make It In Memphis

How One Homebuyer Achieved His Goal of Homeownership

Nicholas Whiteside's homeownership journey began after graduating from Fisk University in 2021, when he purchased his first home in the same Memphis community where he grew up.

While in college, Whiteside was introduced to money management and homebuying resources through a campus program supported by Freddie Mac. Through that program and CreditSmart®, Freddie Mac's free online financial education curriculum, Whiteside saw the resources available to him as a first-time homebuyer and used them to purchase his first home. He qualified for Freddie Mac's Home Possible® mortgage, a loan designed to help low- and very low-income homebuyers by requiring only a 3% down payment.

Whiteside became a homeowner at age 22 and now works to connect young borrowers like him to our free resources as well as Freddie Mac's Borrower Help Center network, offering free assistance that includes a full suite of financial education and mortgage help services.

I want to show the people who grew up with me, the people in my community and those in similar communities who may be looking for rays of hope, that it is possible to build your life to where you want it.

Nicholas Whiteside
Homeowner

Conservatorship

Since 2008, Freddie Mac has been operating in conservatorship, with the Federal Housing Finance Agency (FHFA) as our Conservator. FHFA is also our primary regulator. Being in conservatorship significantly affects our business and activities. For more information, see "Conservatorship and Related Matters" on pages 100-103 of our 2022 Annual Report on Form 10-K.

About Sustainability at Freddie Mac

At Freddie Mac, our ESG priorities reflect our unique role as a GSE chartered by Congress to support the U.S. housing finance system, helping ensure a reliable and affordable supply of mortgage funds across the country. We achieve that mission through our corporate strategy, which is supported by a focus on our most significant ESG risks and opportunities. This includes addressing long-standing issues of inequity in housing; promoting environmentally sustainable housing to reduce climate risks and increase affordability; and promoting greater diversity, equity and inclusion in the housing market.

Freddie Mac established its Corporate Sustainability Office (CSO) in 2020 to serve as an integration point for ESG-related initiatives across the company. As we continue to evolve our ESG priorities, we remain committed to sharing our progress as we believe transparency and accountability are key to success.

Our ESG Priorities

Our ESG priorities were informed by a robust materiality assessment completed in 2020 in partnership with Business for Social Responsibility (BSR). This process involved engagement with internal leaders and external partners, as well as research on relevant industry standards, to identify and prioritize ESG issues of importance to our stakeholders, long-term business and mission. The results of our ESG materiality assessment form the basis of our ESG strategic framework, which describes how we will address our priority ESG issues, supports our focus and guides our reporting.

Leveraging both interviews and survey results, BSR developed Freddie Mac's initial Materiality Matrix and structured it in accordance with a four-quadrant methodology (see the Appendix, which provides a relative view of material ESG issues, all of which are important to Freddie Mac). Ultimately, this effort and the Materiality Matrix led to the development of the ESG strategic framework composed of four thematic pillars: Purpose, Planet, Practices and People. These pillars align to the ESG construct as follows:

Environment	Social	Governance
Purpose, Planet and Practices	Purpose, Planet and People	Practices

In accordance with industry best practice, we have undertaken a refresh of our materiality assessment in partnership with KPMG in 2023. We regularly review our ESG strategic framework to respond to shifting market demands, internal and external stakeholders, and industry changes. **We anticipate that our ESG strategic framework will evolve based on the results of our 2023 materiality assessment refresh.** Updated information about our ESG priorities can be found on our ESG website.

Sustainability and ESG Reporting at Freddie Mac

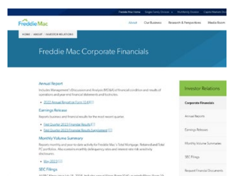
This first annual Sustainability Report supports our vision of responsive and responsible reporting on material ESG-related issues, and is part of a broader focus on providing transparency on our work in support of our ESG priorities. The report builds upon our two previous SASB reports.

We provide additional ESG-related information through the following:

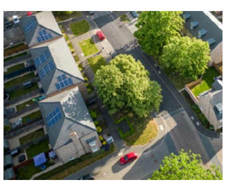
Our Annual Housing Activities Report provides information on how Freddie Mac supports affordable single-family and multifamily housing, serves minority and lower-income borrowers, expands access to credit for first-time homebuyers and underserved communities and promotes sustainable homeownership.

Our Equitable Housing Finance Plan is designed to promote equity and increase sustainable homeownership and rental opportunities for traditionally underserved communities across the nation. The plan, covering 2022-2024, sets ambitious goals, outlines actions to achieve those goals and includes annual progress reports. We published a performance report describing our 2022 progress.

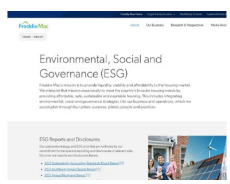
Our Multifamily Impact Bonds website and Report describe the Impact Bonds we have designed to help investors focus on overcoming housing challenges and provide support for environmental and social goals.



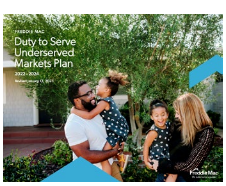
Our corporate financial reporting, including our 2022 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, provide additional information on our business and financial performance.



Our Single-Family Green and Social Mortgage-Backed Security (MBS) website and Green MBS Impact Report describe the ESG MBS program we have designed to help investors address ESG issues, such as energy efficiency and affordability challenges, particularly in underserved markets.



Our online Media Room and external ESG website provide timely updates on ESG initiatives and program-related news and milestones.



Our Duty to Serve Underserved Markets Plan (Duty to Serve Plan) details the ways we are leading the industry in developing innovative solutions for rural housing, manufactured housing and affordable housing preservation that will benefit the nation for generations to come. We deliver progress reports to FHFA on a quarterly and annual basis.

Environment

Introduction

Many people in the United States experience the effects of climate change through the impact it has on their home. Changes in physical hazards could bring more severe or frequent heat waves, droughts and wildfires, increased flooding and stronger hurricanes, which may drive damages and affect the costs and availability of insurance. The transition to a lower-carbon economy to mitigate climate change will require significant improvements to energy efficiency in housing as buildings contribute roughly a third of total emissions in the U.S. These changes will lead to new risks and opportunities for Freddie Mac, presenting challenges but also the prospect of a more sustainable and resilient future for housing.

Our focus on the environment aligns with our corporate strategy, supporting our mission and furthering our commitment to robust risk management. Climate change and increasing attention to climate-related matters may drive or exacerbate the traditional risks we face, including credit risk. We remain vigilant in managing risk and will evolve our approach over time so that we can continue to advance our business and mission.

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board to create a framework for reporting climate-related risks and opportunities. The standards are designed to promote clear, comprehensive disclosure on the impacts of climate change. The principles of TCFD have been widely adopted for climate-related disclosures among our peers and around the globe and are likely to underpin any future regulatory reporting requirements in the U.S.

Here we acknowledge both the risks that climate change presents to our business and the impact that we have on the environment. The sections that follow are structured to align with the core elements of the recommendations of the Task Force on Climate-related Financial Disclosures: Governance, Strategy, Risk Management and Metrics and Targets.

Governance

Freddie Mac continues to establish formal oversight of climate-related risks and opportunities and institute governance processes to promote effective climate risk management and climate risk awareness in business decisions across the company. A full diagram of the 2022 ESG governance is shown on page 61.

Climate-related risks are identified and escalated through the cross-divisional Climate Risk Advisory Group, to the Enterprise Risk Committee and senior management, and to the Risk Committee of the Board of Directors. In 2023, we created a Climate Risk Steering Committee to replace the former Climate Risk Advisory Group. The Climate Risk Steering Committee engages senior management, including the business heads, on climate risk topics and promotes the integration of climate risk into risk management processes and business decisions.

Climate-related opportunities are governed through a similar process. Opportunities identified by the lines of business and the CSO are, where appropriate, raised to senior management in the Mission and Housing Sustainability Management Committee, the ESG Steering Committee and to the Mission and Housing Sustainability Committee of the Board.

Board Oversight

Certain Board committees have specific climate-related oversight responsibilities. The Board receives climate risk training and committees are updated on climate risks and opportunities periodically. The **Risk Committee of the Board** is responsible for reviewing the potential negative impacts of climate change as a driver of other risk types and oversees the identification, assessment and management of climate-related risks across the company. The **Mission and Housing Sustainability Committee of the Board** oversees Freddie Mac's strategies and significant initiatives related to promoting sustainability in housing, including opportunities to reduce our climate impact. Lastly, the **Audit Committee of the Board** has oversight of our climate-related disclosures.

Senior Management Oversight

Senior management oversight of climate-related risks and opportunities is supported by the following committees: the **Enterprise Risk Committee** receives periodic climate risk updates and oversees climate risk as a driver of other risk types; the **Climate Risk Advisory Group** (now the Climate Risk Steering Committee) convenes senior management and key stakeholders across the enterprise on a regular basis to discuss climate risk-related topics and activities at the company; the **Mission and Housing Sustainability Committee** reviews climate opportunities to enhance the sustainability and resilience of the housing stock; and the **ESG Steering Committee** reviews and prioritizes climate-related opportunities and works to increase the awareness of climate-related opportunities. Additional information can be found in the ESG Governance section, starting on page 61.

Resources Across the Enterprise

Freddie Mac is promoting climate risk management and sustainability across the enterprise. The organization created dedicated climate risk and analytics teams within Enterprise Risk Management and the Single-Family business and is building climate risk expertise in the Multifamily business, Economic & Housing Research and Internal Audit.

Enterprise Risk Management, together with the business divisions, is responsible for considering climate risk in governance structures, business decision-making and risk management processes, including how we identify, assess, control, monitor and report on the risks that climate change poses to Freddie Mac.

The climate risk teams and others across the enterprise are working to quantify the company's exposure to physical and transition climate risks, address climate data gaps, advance research initiatives and integrate climate risk into business processes.

Additionally, these resources work alongside the CSO to identify climate-related opportunities to promote resiliency, affordability and sustainability in housing and reduce our climate-related risks. The CSO serves as an integration point for ESG-related initiatives across the company.

Strategy

Climate change could have a significant impact on housing, both through changing physical hazards and the actions taken to mitigate and adapt to climate change. This can impact property values and housing costs, which means climate change intersects with the core of our business and mission. Our climate strategy revolves around reducing our climate impact; advancing our understanding and management of climate-risks; identifying opportunities to secure availability of safe, affordable, sustainable and resilient housing; and reducing our own climate impact.

Climate Risks

We consider climate risk to be a driver of other risk types, and importantly a driver of credit risk. Climate change drives the credit risk of mortgages through its impact on the borrower and the value of the property securing the mortgage loan. Climate-driven increases in the cost of housing may lower the discretionary income of homeowners and the net operating income of multifamily property owners, increasing the likelihood of borrower default. Property values may be adversely impacted by climate change, leading to higher probability of default and loss given default, or potentially affect affordability for renters. Together, these impacts may increase credit losses to Freddie Mac.

The increased risk arising from natural disasters like floods, hurricanes and wildfires, as well as chronic changes like sea level rise and rising temperatures, constitutes our physical climate risk. We also face climate transition risk, which is the negative impact from the transition to a lower-carbon economy. Physical and transition risks are linked in that long-term physical risk is mitigated by an effective transition to a lower-carbon economy. The transition, though ultimately beneficial, comes with the risk of near-term costs. Considering this, we expect transition risks to be highest in the short- to medium-term and physical risks to grow through the medium- to long-term, with the long-term level of physical risk dependent on the lower-carbon transition.

Risk Type		Description
Physical Risk	Acute	Acute physical risks arise from the increased frequency and severity of extreme weather events. These include flood, hurricane, wildfire and drought.
	Chronic	Chronic physical risks build gradually and include shifting temperature and precipitation patterns, sea level rise and water stress.
Transition Risk	Policy and Legal	Policies to mitigate climate change and lower emissions, including carbon taxes and energy efficiency requirements, can impose costs and present financial risk. Legal risk arises from the potential for litigation over climate-related issues.
	Technology	Technology risk includes costs to adopt more energy-efficient technology and penalties for not having energy-efficient technology.
	Market	Market risks arise from changes in homebuyer or renter behavior, which could impact property values, and changes in investor behavior, which could affect demand for mortgage-backed securities.
	Reputation	Reputation risk may arise from the perception that the company is doing too little to address climate change.

Physical Risks

Physical hazards may expose us to credit risk by damaging properties that secure loans in our mortgage portfolio and by increasing the housing costs associated with insurance, repairs and maintenance. The increasing frequency or intensity of physical hazards may also adversely impact the value of a property as risks are priced or property condition is affected.

Physical climate risk overlaps in many ways with natural disaster risk, which we have historically managed effectively for our portfolio. As we consider the risks of climate change, we are working to assess how projected changes in the frequency, intensity and impact of natural disasters will affect our business in the future. The table below lists physical risks, the business impacts and mitigation methods common to most physical hazard types to which our company has exposure, including flood, hurricane and wildfire. Earthquakes are also a natural disaster risk for our business, but it is not included in the hazards associated with physical climate risk.

The Occurrence of Severe Hazard Events

Risk Type: Acute

Risk	• A severe hazard event can cause significant property damage, force temporary or permanent relocation, lead to business disruption and result in costly or deferred repairs. These impacts may be worsened by the effect of the event on the surrounding community. • Climate change is likely to result in more frequent severe events, including floods, hurricanes and wildfires in many locations across the country.
Impact	• The costs of severe hazard events can exceed insurance coverage limits and lead to ***financial strain*** on households, increasing the likelihood that property owners fail to make mortgage payments on time. • Multifamily property owners may experience business disruption and missed or delayed rent payments, which could result in ***lower operating income***. Repair costs and other related expenses passed to tenants can lead to increased rents, ***negatively impacting affordability***. • Repairs that are not made following an event can negatively impact ***property values***. • If a severe hazard event results in default, Freddie Mac could be left with a property that has lost value. An increase in probability of default and decrease in property value increases Freddie Mac's credit risk.
Mitigation	• Insurance coverage pays for repairs to damage caused by severe hazard events, up to a certain amount. Disaster relief, from government or private aid, can help with uninsured repair costs. Both insurance and disaster relief ***lower the exposure*** of borrowers to financial loss and speed the time to recovery. • Freddie Mac's loan workout options, including forbearance, repayment plans and payment deferrals, allow borrowers to spread impacted mortgage bills over future payments and lower the likelihood of default. • Climate risk awareness, including climate risk disclosure, may lead to homeowners and renters being better informed of the risk of severe events and being better prepared. This may result in property owners making resiliency improvements or purchasing additional insurance. • Freddie Mac's credit exposure is further limited by geographic diversification, homeowner equity and our credit risk transfer program.

Changing Expectations of Physical Hazards

Risk Type: Acute Chronic

Risk	• In addition to the occurrence of direct hazard events, we are exposed to the risk that the expected losses associated with physical hazards increase and the property market adjusts to reflect this risk. The timing and extent of this adjustment is uncertain.
Impact	• Expected changes in physical hazards could increase insurance costs and this ***increased cost of housing*** could result in lower borrower income and higher likelihood of default. • A market ***repricing*** could result if property buyers incorporate the costs of climate risk into their bids for housing. The impact to high-risk properties could be abrupt if the market suddenly acknowledges climate risk. Climate risk disclosures, including disclosure of past damages or future exposure, could also raise awareness of climate risk and lead to repricing. • A property could become a ***stranded asset*** if it loses a significant portion of its value. • Together, an increase in default probability and lower property value would increase Freddie Mac's credit risk.
Mitigation	• Properties with ***physical resiliency*** features will have lower expected damages associated with increasing physical hazards. This is often reflected in lower insurance costs, which reduces the burden on property owners and renters. • A stable and reliable ***insurance*** market reassures buyers that increasing expected losses are insurable and that adequate coverage is available. If buyers are uncertain about insurance availability, they may price an even higher premium for climate risk. • Our portfolio benefits from ***geographic diversification***, which means that the properties securing our mortgage loans are exposed to different hazards and experience different timing of impact.

Macroeconomic Impacts of Physical Climate Change

Risk Type: Acute Chronic

Risk	• Municipalities may experience adverse economic impact if hit by a severe natural disaster or by repeated disasters, or if any sector contributing significantly to the local economy is adversely impacted by physical risk. There may be outward migration from impacted areas.
Impact	• Borrowers and renters in sectors impacted by natural disasters may face ***greater risk of job loss*** or low wage growth. • Significant outward migration could ***lower demand for housing*** and could put downward pressure on property values. • Economic downturn where we have exposure could negatively impact ***property values***. • Higher unemployment and a slowing housing market could result in increased credit risk for the company.
Mitigation	• ***Municipal adaptation***, covering a wide range of options from sea walls to emergency preparedness, can limit the damage caused by hazard events. • Municipal ***preparation and disaster response*** can also reduce damages and speed recovery. Disaster relief, including loans to businesses, can help local economies. • ***Geographic diversification*** makes it unlikely that impacts will be widespread across the portfolio.

Physical Risk Mitigation

Historically, the impact of physical hazards on our business has not been significant due to mitigating factors that keep our portfolio losses low, even when major climate disasters hit. Given the current effectiveness of these mitigating factors, it is important to consider the risk that these factors themselves could be impacted by climate change.

The Freddie Mac portfolio is ***geographically diversified***, which makes it unlikely that physical hazard-driven losses occur across the portfolio simultaneously. However, an increasing number of severe events because of climate change may result in aggregate losses greater than what we have observed historically.

Some physical risks are not geographically well-diversified. These include policies related to resiliency, like new insurance standards, which could impact the costs of ownership, and required physical risk disclosures, which could impact property values. Both examples, however, present near- to medium-term risk but are likely to lower overall long-term physical risk.

The ***physical resiliency***, or ability to withstand physical hazards, of buildings is an important mitigant. When severe events occur, physical resiliency limits the damage to the structure. Physical resiliency is achieved primarily through building codes, which vary by state and municipality, but can impose high resiliency standards where exposure is high, as in the case of Florida, which has a strict code for hurricane protection. Increasingly, building codes must consider climate change so that resiliency standards are maintained as hazard risks evolve. Freddie Mac offers specialized financing to support resiliency improvements made by our single-family borrowers, and the company continues working to define best practices to support the physical resiliency of housing.

When properties are damaged by severe events, ***insurance*** plays an important role in mitigating financial losses. For the loans we own or guarantee, we require property insurance, and, in Federal Emergency Management Agency (FEMA) Special Flood Hazard Areas (SFHAs), we require flood insurance. Seller/Servicers are required to review the insurance compliance of each loan annually and directly place required coverage should borrowers fail to maintain compliant insurance. In addition, we conduct periodic reviews of compliance with our flood insurance requirements and observe a very low rate of noncompliance.

The increasing frequency and severity of hazard events expected with climate change suggests changes in insurance pricing or coverage are likely. The trend toward increased premiums and difficulty in obtaining adequate coverage, particularly for single-family homes, is already underway in select high-risk areas exposed to hurricanes, flooding and wildfires; such as Florida, Louisiana and California. As climate change leads to increased insurance costs or lack of availability, borrowers could have insufficient coverage and face high repair costs, or they may leave properties unrepaired; either of these could impact our credit risk.

Freddie Mac is actively engaging with the insurance industry to identify high-risk areas and exploring solutions for homeowners. Challenges are also being addressed by certain state legislatures that are working to bolster private insurer profitably and increasing the availability of state-sponsored plans when coverage is not available through the traditional insurance market.

Lastly, even as physical risk grows and results in higher credit risk, Freddie Mac's ***credit risk transfer*** programs serve as an additional source of risk mitigation.

Natural disaster and physical climate risk mitigation is supported across the enterprise. We research and analyze the impact natural disasters have on housing and our business, we carefully consider and monitor the role of insurance, and when disasters affect areas where we own or guarantee mortgages, we assess our exposure and respond. As climate change impacts natural disaster risk, our methods to assess and mitigate risk will continue to evolve to meet the needs of our industry, our borrowers and our business.

Transition Risks

The transition to a lower-carbon economy may expose us to credit risk by increasing energy prices, which may make cooling and heating and other energy usage more expensive and lower the discretionary income of homeowners and renters and the net operating income for multifamily borrowers. It may also result in expensive energy efficiency investments or non-compliance fines from policies targeting the overall emissions of the housing sector or investments needed to meet changing market preferences for green housing. The tables below lists transition risks, business impacts and key mitigants.

Carbon Prices and Rising Energy Costs

Risk Type: Policy

Risk	• Carbon prices are expected to increase with the transition to a low-carbon economy. This is expected as governments move to align the costs of climate change with the source of emissions. • Carbon price policies, which are most likely to be implemented as carbon taxes, will increase energy prices.
Impact	• Households will pay higher energy prices as a result of carbon price policies. This will ***increase the costs of housing***. • Coupled with the potential for increased energy consumption as a result of rising temperatures and more extreme weather, this could lead to ***financial strain*** on many property owners and renters. • Property buyers may incorporate higher energy costs into their bids for housing, which could adversely affect ***property values***. This would be particularly pronounced for properties with lower relative energy efficiency. • The burden of high energy costs could increase the probability of borrower default. This, with potentially lower property values, increases Freddie Mac's credit risk.
Mitigation	• Utility and other community programs that provide ***energy cost assistance*** can help households burdened by rising energy costs. • ***Grid decarbonization*** with renewable energy lowers the exposure of local electricity generation to carbon price policies, which reduces the impact for property owners and renters. • Property-level ***energy efficiency*** lowers the exposure to rising energy costs by reducing the amount of energy consumed. • ***On-site renewable energy*** reduces the demand for energy and therefore reduces the exposure to carbon price policies and rising energy costs. • Green financing, including green mortgage products, helps property owners make efficiency and electrification updates and supports investment in on-site renewable energy.

Emissions Reduction Policies, Energy Efficiency Policies and Market Preferences

Risk Type: Policy Market

Risk	• Municipalities may impose energy efficiency standards in housing that require expensive retrofits. Some laws may impose fines to enforce policies. The timing and nature of such policies can significantly affect the impact on property owners. Rushed or aggressive policies could lead to expensive unplanned retrofits. • Homebuyers and investors may develop a preference for energy efficiency, which could grow stronger in the climate transition.
Impact	• Efficiency retrofits could be expensive and require property owners to take on ***additional debt***. • Properties not aligned with energy efficiency policies, or not aligned with market preferences, could have lower ***property values***. • We require compliance with all local laws. As laws become more costly to comply with, the pool of eligible mortgages may be reduced. • Increasing property owner debt increases the likelihood of default and lower property value increases the loss we could face in a default event. This increases our credit risk.
Mitigation	• Affordable, accessible ***energy efficiency technology*** reduces the financial burden of improvements. • ***Grid decarbonization*** and clean energy reduce the energy efficiency required to meet emissions targets and may reduce the need for aggressive efficiency policies. • Property-level ***energy efficiency*** can lower exposure to energy efficiency policies and changing market preferences. Properties constructed to more recent, more efficient building codes have lower exposure. • Certain efficiency policies may allow compliance through the addition of ***on-site renewables***, and on-site renewables may be valued by property buyers and renters.

Macroeconomic Impacts of the Transition to a Low-Carbon Economy

Risk Type: Policy Market

Risk	• Certain sectors will be adversely impacted by the transition to a low-carbon economy. Most notably these include fossil fuel industries and industries heavily dependent on fossil fuels. • Where local economies depend on these impacted sectors, there could be higher unemployment, lower economic growth and lower tax revenues to support the community.
Impact	• Borrowers and renters in sectors impacted by the transition to a low-carbon economy may face ***greater risk of job loss*** or low wage growth. • Economic downturn could negatively impact local ***property values***. • Higher unemployment and a slowing housing market could result in increased credit risk for the company.
Mitigation	• ***Economic diversification and investment in new industries and technologies***, particularly those aligned with the transition to a low-carbon economy, can lower the transition risk exposure of a region. • ***Portfolio diversification*** at Freddie Mac limits the concentration of our exposure in any region, and we do not have borrowers concentrated in any one sector.

Transition Risk Mitigation

Housing contributes significantly to overall greenhouse gas (GHG) emissions in the U.S., and because the technology needed to decarbonize housing is generally accessible, housing will likely receive early regulatory attention as cities, states and the country move to a low-carbon economy.

Property-level efficiency is a key mitigant against transition risk as it limits the exposure to rising energy costs and changing efficiency standards. Building codes can require energy efficiency in new construction and significant renovation, which means improvements are made as part of regular maintenance and planned retrofits. Incentive programs that offer tax credits, discounts or favorable financing encourage property owners to invest in efficiency improvements.

Existing property-level energy efficiency is particularly important if policies are introduced that affect existing buildings, where compliance would require expensive retrofits and potentially impact property values. Policies affecting existing multifamily buildings have already been introduced in select cities. Freddie Mac is assessing these policies to understand the risk and how we can best promote energy efficiency and electrification.

Climate Opportunities

Freddie Mac recognizes that the impacts of climate change have been disproportionately borne by the underserved populations we are chartered to serve. We believe that our main opportunities related to climate change are found in the promotion of green and resilient housing. Energy-efficient housing reduces borrowers' exposure to changing energy costs and to the impacts of energy efficiency standards that are likely in a transition to a lower-carbon economy. Resilient housing is less likely to be affected by increasing physical risks. Together these result in more affordable and sustainable housing, which is critical to the success of our business and mission.

Over the last several years, Freddie Mac has implemented initiatives to address the operational carbon footprint at our headquarters in McLean, Virginia and our regional offices. This includes:

- Purchasing renewable energy credits to support renewable energy development and offset our energy consumption
- Installing more than 35 EV charging stations throughout headquarters
- Installing new LED lighting that incorporates daylight harvesting and motion sensors
- Mounting new roofing systems that include reflective materials and insulation barriers to conserve energy
- Implementing extensive recycling programs for batteries, cellphones, eyeglasses, cardboard, paper, commingled materials, yard waste, construction debris and electronic waste collection
- Launching the reusable Ozzi box program in all cafes in 2018
- Composting food waste using the Gaia composting program
- Partnering with Food Rescue USA to deliver 11.8 tons of usable leftover food to local nonprofits since program inception
- Utilizing reusable cups and compostable utensils in cafeterias

Our business has responded to climate change and the transition to a lower-carbon economy primarily through the introduction and continued evolution of our green mortgage products. These products are intended to facilitate an orderly transition to more energy-efficient housing by offering favorable and convenient financing for qualified green properties and supporting greater affordability through reduced utility expenses. Supporting the energy efficiency of existing properties avoids the emissions of new construction, which achieves greater overall emissions reduction in housing when considering both embodied and operational emissions. Since their inception, our green mortgage programs have continually evolved, requiring higher standards, as we seek to increase our impact with a focus on resilience and decarbonization.

Our green programs not only help property owners and renters, they also can lower the transition risk of our portfolio. Energy-efficient properties have less exposure to rising energy costs and new efficiency standards, and energy efficiency may translate into higher property values and lower credit risk.

Both business lines have also developed a framework to offer Green Bonds, collateralized by green mortgages, providing the private market with a way to invest in energy- and water-efficiency improvements in housing and increasing liquidity to the green-mortgage market.

Single-Family Energy Efficiency

Focus on energy- and water-efficiency has sharpened as a means to increase home affordability, comfort and value, as well as to preserve natural resources. Freddie Mac advances energy- and water-efficiency in single-family homes through mortgage financing, appraisal data standardization and the capital markets.

Single-Family GreenCHOICE Mortgages®

Freddie Mac introduced GreenCHOICE Mortgage® under the Duty to Serve Plan program, making it available to all eligible homebuyers and homeowners who may want to finance energy- and/or water-efficiency improvements that lead to utility cost savings. Improvement financed may be as much as 15% of the as-completed property value, and they may include programmable thermostats; replacement windows and doors; low-flow water fixtures; high-efficiency appliances, heating and air conditioning; and installation of solar panels or other renewable energy sources. GreenCHOICE Mortgages® may also be used to pay off existing debt on previous energy- and/or water-efficiency improvements, helping homeowners better manage their debt and benefit from better financing terms and rates. Freddie Mac financed more than $1 billion in GreenCHOICE Mortgages® from 2019 through 2022.

To raise the visibility of energy- and water-efficient home features, Freddie Mac has been working collaboratively across the industry to help standardize the types of related data that appraisers and lenders gather about them. Having access to information highlights the importance of such features and generates greater understanding of their value; in turn, these insights have helped increase lenders' interest and confidence in financing energy- and water-efficiency improvements.

Single-Family Green MBS

As a natural extension of Freddie Mac's role in providing standards and scale to the nation's housing markets, the company began to securitize select GreenCHOICE Mortgages® as part of Single-Family Green MBS and sell the Green MBS in the capital markets in 2021 to increase market awareness and liquidity.

Freddie Mac expanded the Single-Family Green MBS offering in 2022 through the launch of our Single-Family Green MBS Framework, which broadened the criteria of eligible mortgages available for securitization. Mortgages backed by newly constructed homes with a renewable energy source and some mortgages backed by newly constructed homes with a Home Energy Rating System (HERS) score now meet Freddie Mac's requirements for our Green MBS program. This expansion of eligible energy-efficient mortgages will help encourage green construction and energy efficiency home improvements. The expansion of the program is already contributing to the growth of the Green MBS program.

As described in our Single-Family Green MBS Framework, eligible collateral includes:

Homes with Renewable Energy

- Freddie Mac GreenCHOICE Mortgages® where borrowers use refinanced proceeds to finance energy-efficient home improvements. Specifically, the proceeds or portion from each refinanced mortgage paid off existing debt that was used to finance the purchase and installation of a renewable energy source such as solar panels.
- Mortgages backed by newly constructed homes with a renewable energy source such as solar and geothermal.

Homes with an Energy Efficiency Rating

- Mortgages backed by newly constructed homes with a Home Energy Rating System Index score of 60 or less.

Additionally, and in collaboration with a non-profit vendor, we developed a methodology and tools for reporting on Green MBS performance and impact. This enables us to glean important information about the amount of energy and cost savings realized from the renewable improvements facilitated.

Using this methodology, we estimated that the mortgages underlying our 2022 Single-Family Green MBS issuances saved an average of

approximately

$700

in annual utility costs for each homeowner (representing a 31% anticipated average decrease in total annual utility bills for these borrowers)

We also estimated that our 2022 Single-Family Green MBS issuances avoided greenhouse gas emissions equivalent to removing nearly

3,800

cars from the road for a year (representing an estimated 54% decrease in emissions)

Freddie Mac regularly issues Single-Family Green MBS in the capital markets. These continued issuances from our Single-Family Green Bond Program brought visibility and liquidity to the market for financing environmentally sustainable single-family homes that help reduce climate risks and increase affordability.

Multifamily Energy Efficiency

By carefully studying factors that contribute to current housing challenges, we identified opportunities to improve and finance workforce rental housing that benefits tenants and borrowers through lower monthly expenses, and simultaneously supports the environment through reduced energy and water consumption. In 2016, we launched the Freddie Mac Multifamily Green Advantage® program, including our Green Up® and Green Up Plus® loans, which finances property improvements that make multifamily housing more energy- and water-efficient. Since then, we have been a market leader in providing capital to improve workforce housing.

Green Up® / Green Up Plus®

Borrowers who commit to reduce whole property energy and/or water consumption by at least 30% with at least 15% reduction from energy can receive better pricing to make these improvements. Green Up® requires a Green Assessment® (American Society of Heating, Refrigerating and Air-Conditioning Engineers [ASHRAE] Level I Energy Audit plus some additional requirements) and Green Up Plus® requires a Green Assessment Plus® (ASHRAE Level II Energy Audit). These assessments provide a property analysis with recommended improvements to reduce water and energy consumption. Borrowers select improvements from the Green Assessment® or Green Assessment Plus®, as applicable, that will meet the required savings thresholds. Borrowers are required to engage with a third-party consultant for utility data tracking and annual reporting.

Green Retrofits

This program is for affordable properties with energy- and/or water- efficiency improvements already made within the current calendar year or the previous two calendar years from when the borrower completes Form 1209: Green Retrofits certification.

Green Certified

We give discounted loan pricing for properties that have affordable rental units with any of the following nine industry-standard green building certifications.

1. EarthCraft, Greater Atlanta Home Builders Association & South Face
2. ENERGY STAR® for Multifamily Existing Buildings, High Rise, New Construction, EPA
3. Green Communities, Enterprise Community Partners
4. Green Globes, Green Building Initiative
5. GreenPoint Rated, Build It Green
6. Leadership in Energy and Environmental Design (LEED), US Green Building Council
7. National Green Building Standard (NGBS), Home Innovation Research Labs
8. Passive House Institute US (PHIUS) Certified
9. Passive House Institute (PHI) Certified

Green Rebate

Borrowers who do not pursue any other Green Advantage® options can receive a Green Rebate of $5,000 from Freddie Mac for delivering an EPA ENERGY STAR® Score with a Green Rebate.

Multifamily Green Bonds

As described in our Multifamily Green Bonds Framework, Multifamily Green Bond proceeds are used to finance Green Up® and Green Up Plus® loans, designed to support water- and/or energy-efficiency improvements in workforce housing, helping the environment while lowering monthly expenses for tenants and borrowers. We publish an annual Impact Bonds Report, which highlights the impact from our Green Bonds, as well as additional details about our community partnerships that are helping to benefit our investors, tenants and property owners.

Since the program started in 2019, we have issued

in Multifamily Green Bonds supporting energy- and water-efficiency improvements across

189

properties

Risk Management

We continue to develop and expand our climate risk management processes with a focus on incorporating our climate risk research and analysis and integrating climate risk into our existing risk management framework.

Climate Risk Identification and Assessment

Freddie Mac sees climate risk as a horizontal risk driver, meaning that we identify its impacts on other risk types rather than treating it as a stand-alone risk type. For example, climate change could adversely impact property values, which would affect credit risk.

Risk Type	Examples of Climate Drivers
Credit	• Climate change could adversely impact property values. • Climate change could adversely impact the ability of borrowers to pay their mortgages. • Climate change could negatively impact the businesses and financial condition of Seller/Servicers and increase credit exposures to those counterparties.
Market	• The market could impose a premium for the perceived climate risk of our securities. • We could also see an impact on spreads for our bonds depending on the demand for green securities.
Liquidity	• We may see higher borrowing costs as the result of a climate risk premium. • Climate change could affect the value and liquidity of assets.
Operational	• The increasing frequency and intensity of physical hazard events could lead to business disruption. • Climate risk disclosures could introduce reporting risk.
Compliance	• The mitigation of and adaptation to climate change is likely to result in increased regulation, including new laws and governmental agency requirements. This could increase the potential for legal and compliance risk.
Reputational	• Climate change may introduce reputational risk if the company is perceived to be behind in addressing climate change mitigation or adaptation.
Strategic	• Climate change can affect housing affordability and property values, which can challenge our business and mission. • Strategic risk arises if the company's policies and offerings do not evolve in response to climate risks.

To facilitate climate risk identification and assessment across the company, including in the review of significant business changes, Freddie Mac has a central climate risk classification that lists climate risk drivers. This includes specific physical hazards and transition risk channels with examples of their impact on various aspects of our business. This resource, along with targeted training, familiarizes employees with common climate risk types and where they tend to appear.

As we develop and implement climate risk measurement, our quantitative metrics will also help to identify risks by indicating where climate risks are concentrated, allowing us to determine the characteristics and location attributes of borrowers and properties that bear the greatest risk. Moreover, we are developing physical and transition risk scenarios to assess our climate risk.

Climate Risk Management and Integration

We continue to integrate climate risk into business processes and existing risk management structures. A central part of our climate risk strategy is confirming that climate risk is considered in decisions throughout the business and that climate risks are addressed in a manner that supports our business and mission and considers the impact of climate change on underserved and minority communities. To support this, Freddie Mac has promoted climate risk expertise across the enterprise and prioritized climate research and product development within each of the business lines.

Our climate risk framework also calls for climate risk training across the company. To date, our training has included seminars, panels with outside experts, tactical risk assessment training and several high-level presentations designed for broad appeal and understanding. We are developing a formal enterprise-wide training.

Metrics

We are currently working to build our understanding of the impact climate change may have on housing, the factors that will worsen or improve outcomes and the effectiveness of actions that we can take to address climate risk and realize climate opportunity. We are dedicating resources to conduct research, obtain and analyze data and develop methodologies, including scenario analysis, to measure our climate risk.

In the SASB Index, as Modified section of this report are metrics for the flood zone concentration of our portfolio and metrics for our green program participation. For flood zone concentration, see pages 82-83. Our green program participation metrics reflect climate opportunity. For green programs, see the Green Bonds Issuance table on page 99.

Flood zone concentration is one measure of our physical risk exposure and flood zone designation determines whether we require flood insurance for a property. Monitoring this metric over time allows us to see if the concentration of loans within FEMA SFHAs is increasing.

Social

We are Making Home Possible for families across the nation by financing the creation and preservation of more affordable homeownership and rental opportunities.

Freddie Mac's commitment to affordable housing is central to who we are. Our continuous support – in all economic conditions and for traditionally underserved markets – distinguishes us from private funding sources. We promote access to housing and housing affordability in many ways, including programs and activities that support the achievement of our affordable housing goals, our Duty to Serve Plan, the Equitable Housing Finance Plan, contributions to national affordable housing funds, consumer education, market research and insights and partnerships with stakeholders across the housing industry.

Home is the foundation of our lives. Research shows that having a safe, affordable home has positive impacts on, among other things, children's development, health and the economy overall. A home is affordable if a homeowner or renter spends 30 percent or less of their income on monthly rent or mortgage payment plus utilities according to the U.S. Department of Housing and Urban Development (HUD). But finding an affordable home is a challenge for millions of households nationwide. Below we highlight work we did to support equitable, affordable and sustainable housing in 2022.

How Freddie Mac Promotes Sustainable Homeownership

Expanding sustainable homeownership is, and has always been, at the core of our mission. To further our mission, Freddie Mac has deployed a number of activities designed to bolster our intentionality around expanding sustainable and affordable single-family credit for low- and moderate-income families. With these activities, we look for innovative opportunities to not only support more qualified borrowers in achieving homeownership but also help homeowners stay in their homes through economic cycles, life stages and financial hardships. Our work focuses on the following strategic priorities:

- Enabling borrowers to reach sustainable homeownership
- Expanding credit access by reducing barriers to qualify for a mortgage
- Preserving sustainable homeownership through economic cycles and life stages
- Simplifying the home lending process and reducing costs for lenders, counselors, buyers and others
- Addressing housing supply challenges and climate change impacts to housing

Freddie Mac regularly evaluates market conditions, the credit environment and the performance of our mortgage purchases to help align our underwriting standards, business practices, repurchase requirements, pricing, fees and procedures with our mission to provide liquidity, stability and affordability to the conforming mortgage market and to promote equitable, affordable housing and access to credit.

In 2022, Freddie Mac made home possible for 440,000 first-time homebuyers, representing nearly half of our primary residence purchases. We also purchased tens of thousands of loans through Freddie Mac Home Possible®, our flagship mortgage product that helps low-income homebuyers by offering a down payment as low as three percent.

Home Possible® and HFA Advantage®

These mortgage products are well established, providing financing for first-time homebuyers. In 2022, approximately 80 percent of Home Possible® and HFA Advantage® mortgages were attributable to first-time homebuyers.

Nearly 40 percent of Home Possible® loans purchased last year supported majority-minority communities.

During 2022, Freddie Mac continued to take steps consistent with prudent risk management to provide mortgage leadership in the marketplace and help lenders make mortgage financing available for homeowners on terms intended to sustain successful homeownership. In doing so, Freddie Mac made credit policy changes and enhancements to help serve very low-, low- and moderate-income households, including the following:

Accessory Dwelling Unit (ADU) expansion

ADUs offer many benefits, particularly in geographic areas experiencing housing shortages. ADUs may provide more space for a homeowner or extended family or serve as a source of rental income. To support the growing popularity of ADUs and their role in increasing housing affordability, we have updated our requirements to provide more flexibility for mortgages secured by properties with ADUs.

We enhanced features by:

- Updating our Single-Family Seller/Servicer Guide (Guide) to expand the ADU eligibility requirements in response to recent zoning and ordinance changes in many geographic areas. We now allow one ADU on 2- and 3-unit properties, where previously a mortgage secured by a property with an ADU was eligible for sale to Freddie Mac only if the property was a 1-unit dwelling.
- Updating our requirements to allow rental income generated from an ADU on a subject 1-unit primary residence to be considered when qualifying the borrower for a purchase or a "no cash-out" refinance mortgage, provided that certain requirements are met. Previously, rental income generated from an ADU on a 1-unit primary residence could be considered for mortgage qualification only when the borrower had a disability and the rental income was from a live-in aide, or when the mortgage was a Home Possible® mortgage.

- Clarifying the Guide on the allowance of a "no cash-out" refinance mortgage to help finance ADU construction or renovation. Our existing CHOICERenovation® mortgage offering provides an option to use a "no cash-out" refinance mortgage to pay off short-term financing that financed ADU renovations, including the addition or renovation of an ADU, that is completed prior to the note date.

Refi Possible℠ Mortgage Enhancement

The Freddie Mac Refi Possible℠ mortgage offers more options and greater credit flexibility to assist very low-, low- and moderate-income borrowers in refinancing their home.

Home Possible® Mortgage Enhancements and Adjustments

Home Possible® offers more options and credit flexibility to help very low- to low-income borrowers attain the dream of owning a home, with a down payment requirement of as little as three percent.

Manufactured Housing Mortgage Enhancements

Our enhancements to manufactured housing mortgages support an affordable source of housing, particularly in underserved rural markets, and expand homeownership opportunities to more borrowers, including allowing the sale of manufactured homes on leasehold estates as provided in the new Guide Chapter 5706.

Resale Restriction Enhancements – Community Land Trusts (CLT) and Income-Based Resale-Restricted Properties

Resale-restricted mortgages can provide permanently affordable homeownership opportunities for households with very low-, low-, and moderate-incomes through a shared equity model. These are typically established and managed by nonprofits, or by state or local governments, and help improve communities through investment, empowerment and lasting affordability. Our Guide enhancements include an allowed 2-unit property as a CLT mortgage.

Single-Family Affordable MBS

In October 2021, we announced a commitment to offer at least $3 billion in Single-Family affordable housing MBS by the end of 2022. The program was designed to have a positive social impact, supporting affordable homeownership and serving historically underserved markets by including loans purchased through our Home Possible®, Freddie Mac Refi Possible℠ and/or HFA Advantage® affordable lending solutions. Each of these offerings has embedded benefits to borrowers.

We exceeded our $3 billion affordable housing bond issuance commitment by offering a total of $3.4 billion by year-end 2022

Our Mission in Action

Unhoused In Hollywood

How Supportive Housing is Combating Homelessness in LA

The Residences on Main, a permanent supportive housing development in the Skid Row neighborhood of Los Angeles, offers safe, sustainable housing and services to people who are unhoused. The Freddie Mac-financed project provides services to help residents become self-sufficient through job counseling, career support and an array of mental and physical supportive services.

Ruth Campbell found herself caring for her six grandchildren, between the ages of 7 and 17, as well as her adopted daughter with special needs. Campbell could no longer make ends meet until she discovered The Residences on Main, where she found stability for the first time in years. With that newfound stability, Campbell now gives back by volunteering at homeless shelters and empowering those around her.

The funding that goes into project-based buildings is pivotal for people experiencing homelessness.

James Battee
Housing Counselor

How Freddie Mac Supports the Affordable Rental Market

Freddie Mac Multifamily provides liquidity to the multifamily housing finance market and works to ensure the stability of that market through all economic cycles. We are working to foster conditions that make home affordable and advance opportunities for millions of renters throughout the country.

A Stable Multifamily Housing Finance Market

Freddie Mac purchases loans that support affordable and workforce housing in every corner of the rental market through all economic cycles. We leverage a robust capital markets platform to deliver continuous investment in multifamily housing and appropriately distribute risk. This work ensures minimal disruption to rental housing even in times of significant economic stress and provides a necessary condition for affordable housing to grow and thrive. In providing liquidity to the market, Freddie Mac works to meet Affordable Housing Goals and mission-driven requirements established by the FHFA scorecard.

Create, Rehabilitate, Preserve

The current shortage of affordable housing is driven by a shortage in all types of housing, from single-family homes to large multifamily developments. Although much of the existing housing stock is aging, it is also becoming more expensive. Freddie Mac is using its place in the market to support the creation of new supply, the rehabilitation of existing supply and the preservation of affordability. In 2022, the company committed to funding more than 20,000 units through forward commitments, exceeding the goal of 15,000 units. We exceeded our 1,000-unit goal for preservation with more than 4,200 units. The company more than doubled its 2022 goal of 5,000 rehabilitated units and has committed to greater impact in future years.

Opportunities for Renters

We are using our position in the secondary mortgage market to encourage activities that benefit renters. Whether it is through a novel credit building program that has improved the credit scores of tens of thousands of renters or encouraging the use of financial empowerment tools that set renters up for success, we are encouraging activities in the market that can advance renters' interests.

A More Diverse, Inclusive and Equitable Multifamily Industry

Freddie Mac is working to build connections that encourage opportunities for diverse and emerging borrowers and lenders. In 2022, we established a Correspondent Lender Program to provide small financial institutions with greater access to Freddie Mac capital. We expanded our Develop the Developer Academy to multifamily borrowers, providing a new pathway to our resources. The Develop the Developer program provides training and resources to real estate developers interested in developing affordable and sustainable housing. We also established a diverse and emerging borrower steering committee which we regularly convene to promote partnership and connections and inform how our business can advance inclusivity within the multifamily industry.

This work is also reflected in our Equitable Housing Finance Plan, Duty to Serve Plan and other corporate initiatives, which are described below.

Multifamily Social and Sustainability Bonds

We confront persistent, affordable and workforce housing challenges through innovative re-thinking that helps expand access to housing by involving all areas of financing. To increase our impact and attract capital to support social impact initiatives, we introduced Multifamily Social Bonds in 2020 to target opportunities that go deeper into our mission of supporting affordable housing. Also in 2020, we introduced Multifamily Sustainability Bonds, which are intended to attract capital to support economic mobility for residents and economic growth for communities.

Social Bonds

As described in the Multifamily Social Bonds Framework, Social Bond proceeds are used to:

- Provide liquidity to social impact financial institutions (i.e., Community Development Financial Institutions (CDFIs), Housing Finance Agencies (HFAs) and Small Financial Institutions (SFIs) operating in underserved markets); or
- Finance loans for specific multifamily properties, including:
  - » Affordable to underserved population
  - » Owned and operated by Minority, Women, Disability-Owned Business (MWDOB) sponsors
  - » Transitional housing
  - » Extremely low-income housing
  - » Supported by the Rental Assistance Demonstration (RAD) program

During times of market turbulence, access to liquidity is critical. One of the goals of our Social Bonds is to better support social impact institutions, such as CDFIs, HFAs and SFIs. These institutions need more support in economic downturns so they can continue addressing affordability housing challenges in their often underserved communities. One notable example from 2022 was a $92.8 million Social Bonds transaction supporting 1,500 units across four seniors housing properties in Arizona. More than half of the units were affordable to seniors with incomes at or below 50% of area median income (AMI). Transactions like these are important, because there is an acute shortage of rental housing for low- to moderate-income seniors with fixed incomes that are not adjusted for inflation.

Sustainability Bonds

The availability of affordable and workforce housing is fundamental to sustainable communities. A safe and decent place to live provides the foundation for creating economic opportunity for residents and communities alike. We have a long history of supporting sustainable communities through our financing for affordable and workforce housing in markets across the country. To support sustainable communities and attract capital to support economic mobility for residents and economic growth for communities, we issue Sustainability Bonds. The proceeds are used to finance multifamily properties that:

- Provide affordable housing to low- to moderate-income families;
- Have features and/or are located in areas that further economic opportunity for residents; and
- May include certain environmental impact features

The environmental features include properties:

- Meeting a high level of required energy- and/or water-efficiency building standards;
- Receiving a nationally recognized Green Building Certification;
- Having existing energy- and/or water- efficiency improvements; or
- That are transit-oriented developments, i.e., located within half a mile of public transportation

A component of Sustainability Bonds is financing mixed-income housing. For the purposes of our Impact Bonds offerings, we consider mixed income properties to be those that have a mix of units affordable to renters earning up to 50% AMI and those earning above 80% AMI. Mixed-income housing can help to deconcentrate poverty and/or provide access to neighborhoods of opportunity for low- and moderate-income residents. This type of housing creates economic diversity and expands the availability of quality, affordable housing throughout an area.

In accordance with our Social Bonds and Sustainability Bonds Frameworks, we publish an annual Impact Bonds Report. The report highlights each of our Impact Bonds as well as many additional details about our community partnerships that are helping to benefit our investors, tenants and property owners.

How Freddie Mac Supports Underserved Markets

A primary way Freddie Mac reaches the nation's most underserved regions is through its Duty to Serve Plan. Freddie Mac's first Duty to Serve Plan spanned 2018-2021. It targeted the needs of very low-, low- and moderate-income households in three key areas: manufactured housing, rural housing and affordable housing preservation.

In 2022, the company released an updated plan that will carry these activities through to 2024. By the end of this plan cycle, Freddie Mac estimates that its overall Duty to Serve Plan efforts will have helped make home possible and affordable for nearly one million households, provided tens of billions of dollars in liquidity to historically underserved markets and prepared tens of thousands of individuals to become homeowners.

Manufactured Housing

From 2018 to 2021, Freddie Mac provided nearly $3.7 billion in liquidity to support the financing of more than 27,000 manufactured homes. In support of this work, we made conventional mortgage financing more accessible for manufactured homes titled as real property. We also expanded support for single-section homes and introduced CHOICEHome®, which provides conventional financing for homes known in the industry as CrossMod™ that look much like site-built homes. To support renters, the company deployed a slate of groundbreaking tenant protections that are now required for all new manufactured housing community transactions. Freddie Mac also created one of the industry's first Resident-Owned Community offerings, giving tenants who wish to purchase or refinance their own communities a clear debt financing option.

During this 2022-2024 plan cycle, our Single-Family business, in addition to purchasing loans to support affordable access to credit, is undertaking initiatives to expand the supply of energy-efficient manufactured homes and to make it easier to finance homes, including for members of federally recognized Native tribes living on tribal lands. The Multifamily business is working to reach more manufactured homeowners and renters by scaling up efforts to purchase loans for those communities that agree to implement lease protections.

Rural Housing

In the first plan cycle, Freddie Mac invested more than $550 million in Low-Income Housing Tax Credit (LIHTC) equity in rural areas, supporting more than 4,000 units at 69 separate properties. The company also provided nearly $12 billion in liquidity to support financing for nearly 90,000 single-family homes in rural areas. Freddie Mac also expanded our outreach to rural areas through homebuyer education programs, including those that target Native American communities.

For the 2022 to 2024 plan, Freddie Mac enhanced its commitments to provide liquidity to rural America. Specifically, the business is targeting some of the hardest to serve markets in the country with programs that support homeownership among federally recognized tribe members in tribal areas and the efforts of CDFIs to originate mortgages in high-needs rural regions. Single-Family is continuing to support affordable mortgage lending to homebuyers and homeowners and Multifamily is scaling up LIHTC equity investments in rural areas.

Affordable Housing Preservation

By the end of 2022, Freddie Mac provided nearly $42 billion in multifamily liquidity through its Duty to Serve Plan efforts in support of affordable housing preservation, impacting nearly 328,000 rental units. The company also provided over $1.8 billion in liquidity to support lending by small financial institutions to support their efforts to serve their communities. Freddie Mac also advanced opportunities for homeownership through shared equity arrangements that maintain long-term affordability by promoting industry standardization and introducing financing solutions. We also expanded support for financing home energy- and water-efficiencies that lower costs of homeownership.

Building on this success, Freddie Mac purchases loans that complement federal, state and local affordable housing programs. The business is also increasing its support for small financial institutions, which are a key source of financing for smaller, affordable rental housing properties. Moreover, Freddie Mac is expanding efforts in support of shared equity homeownership and home energy- and water-efficiency. Freddie Mac is also leveraging its loan offerings to protect and prepare properties to withstand growing climate risks.

2022 Duty to Serve Plan By the Numbers

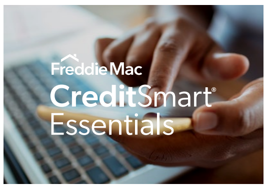
Nearly **20,000**	rural single-family homes financed through loan purchase activities, including purchases from rural SFIs
Around **11,000**	manufactured homes titled as real property financed through loan purchase activities
More than **125**	shared equity homes financed through loan purchase activities, mainly in high-cost areas
Approximately **59,000**	LIHTC multifamily rental units supported through loan purchase activities
Close to **33,000**	Section 8 multifamily rental units supported through loan purchase activities
Almost **$190M**	in LIHTC Equity investments in rural areas, supporting affordable multifamily units in 16 states
Approximately **20,000**	multifamily manufactured housing community pads with tenant protections delivered through nearly 150 loan purchases

To learn more about Freddie Mac's efforts in these underserved markets, visit the Duty to Serve Plan on FreddieMac.com.

How Freddie Mac Supports Financial and Homeownership Capability

CreditSmart®

For more than 20 years, Freddie Mac has been at the forefront of borrower education with our CreditSmart® suite of financial capability and homeownership education resources. The multilingual courses and guides help people across the United States learn how to build good credit, manage money and access sustainable housing opportunities with a wealth-building mindset. The suite includes:

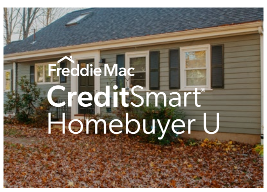


Revamped in 2021

A financial capability curriculum for consumers

Revamped in 2021

An interactive financial capability train-the-trainer program for practitioners. Provides resources to community-based organizations and housing professionals who wish to enhance their consumer outreach and financial education activities



Launched in 2019

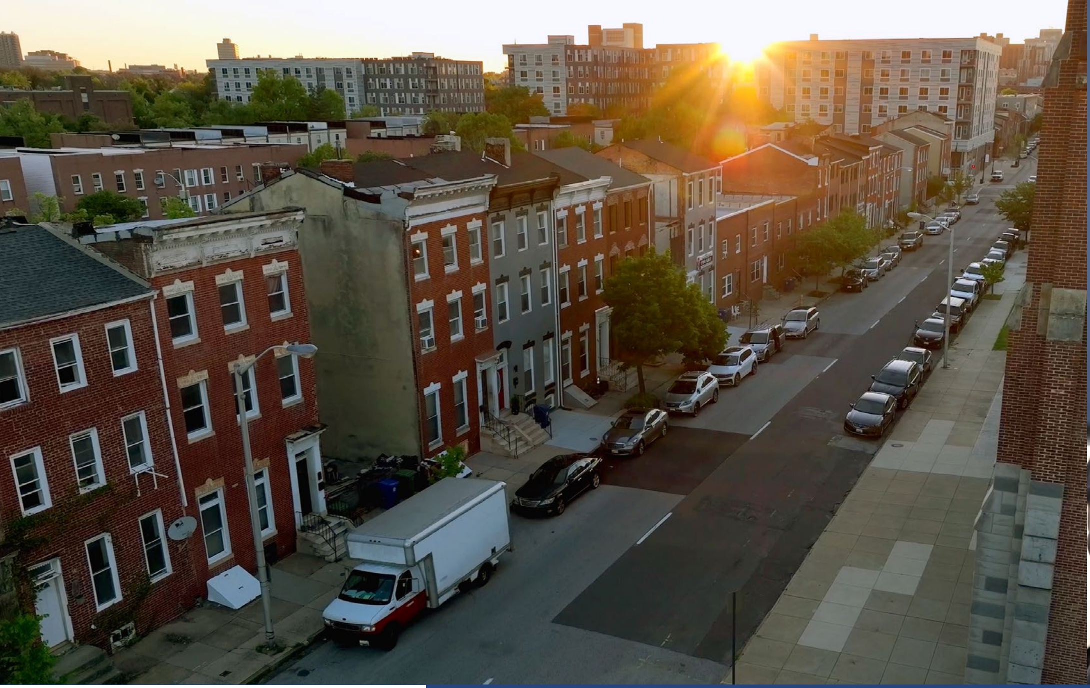
A comprehensive homeownership education course to help guide first-time homebuyers

Completion of Homebuyer U satisfies the homeownership education requirement for our low down payment products and is available in English and Spanish. Additional resources include the Military Readiness module. In the coming year, our new bilingual curriculum will reach even more consumers in underserved communities.

Borrower Help Centers and Borrower Help Network

Freddie Mac continues to maintain its Borrower Help Centers & Borrower Help Network (BHC/N) with selected HUD-approved nonprofit organizations in several metropolitan areas, as a single source of mortgage-related help with professional and tenured housing counselors. Along with the BHC/N, we work with more than 50 local and national nonprofit intermediaries to support Freddie Mac's ongoing commitment to preparing prospective buyers for responsible homeownership and helping struggling borrowers avoid foreclosure. Given the impact of the pandemic, the BHC/N has been working with many clients needing to take advantage of a forbearance arrangement in order to temporarily reduce their monthly mortgage payment. While the need for foreclosure prevention counseling has begun to increase, the demand for front-end homebuyer education remains high.

Through these initiatives, we served over 300,000 consumers in 2022, nearly 80% of whom were people of color.



Our Mission in Action

Block-By-Block In Baltimore

Raising Home Values by Investing in Overlooked Communities

Supported by Freddie Mac's Block-by-Block initiative, HomeFree-USA purchases blocks of neglected homes to remodel and sell at affordable prices. This increases much-needed supply by improving the values of other homes in the neighborhood. Through the initiative, 14 aging homes have been purchased on a single block in Baltimore.

After Block-by-Block's work was complete, one of the renovated homes sold for more than five times a neighboring home's recently appraised value. On top of the wealth-building benefits of the initiative, investments in often overlooked areas can make a difference in the lives of current and prospective homeowners.

This being my grandparent's home, I was eager to take a chance. When you see work being done, and then people actually buying the houses and moving in — it was worth it for us to stay.

Yvonne Gunn
Homeowner

How We Address Racial Equity in Housing Finance

At Freddie Mac, diversity, equity and inclusion (DEI) is more than a business imperative – it's a mindset. We are steadfast in our commitment to eliminate abusive and unfair lending practices. Most importantly, we are committed to encouraging equitable and sustainable homeownership and rental opportunities.

Equitable Housing Finance Plan

In Freddie Mac's 2022-2024 Equitable Housing Finance Plan, we laid out a comprehensive strategy to advance equitable homeownership and rental opportunities, particularly for underserved communities of color. Throughout 2022, we undertook concrete, meaningful actions—working alongside industry partners, trade organizations and community stakeholders—to begin executing on the Plan's tactics.

Single-Family Equitable Housing Finance Initiatives

Freddie Mac is working to help close the homeownership gap by improving borrowers' access to credit and reducing mortgage costs for homebuyers. This work includes implementing a Special Purpose Credit Program (SPCP) framework to expand access to mortgage funding, as well as other offerings for underserved borrowers delivered through an SPCP or offered separately. We are further engaging borrowers and the housing ecosystem through educational outreach and industry leadership.

SPCPs to Address the Homeownership Gap

We are applying a two-pronged approach in using SPCPs to make home possible for those living in or purchasing homes in underserved communities. First, we are partnering with lenders to purchase loans originated through their SPCPs. By providing liquidity to the market for these programs, lenders are able to expand their impact. We have purchased nearly 1,800 loans through lender SPCPs to date.

We have also developed an SPCP of our own, Freddie Mac BorrowSmart Access℠, that helps overcome one of the largest obstacles to homeownership: funding down payment and closing costs. The program is available through specific Freddie Mac Sellers for first-time homebuyers in 10 major metropolitan areas: Atlanta; Chicago; Detroit; Memphis; Miami; Philadelphia; St. Louis; and Houston, El Paso and McAllen, Texas.

Our SPCP strategy is an important part of Freddie Mac's mission-driven work to create a more affordable, sustainable and equitable housing finance system.

Responsibly Expanding Access to Credit

We have worked to increase fairness and expand access to credit, particularly for historically underserved borrowers. For example, our automated underwriting system, which is currently used to verify assets, income and employment, can now look at bank account data to identify a history of on-time rent payments and positive cash flow activity as part of the company's financing decisions.

After this capability became available in November 2022, Freddie Mac was able to upgrade nearly 500 loan applications that initially received a Caution rating to an Accept rating by considering the applicant's positive cash flow in the credit decision. In considering on-time rent payments, we were able to upgrade nearly 250 loan applications that had received a Caution rating to an Accept rating from launch in July 2022 until the end the year.

In 2023, we will continue enhancing these efforts, which should result in approximately 17,000 additional Black and Latino borrowers.

Outreach and Industry Engagement

Through our affirmative outreach initiatives, we served over 300,000 consumers in 2022, nearly 80 percent of whom were people of color, through education and counseling. We also used our social media and digital communications channels to promote our equity-based solutions to industry partners, engaging and educating consumers and leveraging thought leadership to expand knowledge of the housing landscape.

Freddie Mac has continued to work with industry partners on appraisal and valuation equity concerns and solutions to ensure fair valuation and mitigate the potential for discrimination. We work as a core sponsor of the Appraiser Diversity Initiative to help increase the diversity of appraisers in the profession through education scholarships and mentorship. We also collaborate with the Office of the Comptroller of the Currency's Project REACh and other industry stakeholders to improve lender appraisal disclosure language and appraisal support materials.

Multifamily Equitable Housing Finance Initiatives

Freddie Mac Multifamily emphasizes three priorities: supporting the creation, preservation and rehabilitation of multifamily affordable and workforce housing; increasing opportunities for renters; and increasing opportunities for emerging and diverse multifamily borrowers and lenders.

Supporting the creation, preservation and rehabilitation of multifamily affordable and workforce housing

The prolonged shortage of multifamily housing and the aging nature of the current multifamily housing stock disproportionately harms underserved communities. To address this problem, Freddie Mac is using its position in the housing market to deliver financing that supports the creation, preservation and rehabilitation of new affordable and workforce rental housing.

In 2022, we supported the creation of more than 20,000 new workforce and affordable housing units, preserved affordability through our loan terms for more than 4,000 housing units and funded the rehabilitation of nearly 11,000 workforce and affordable housing units. Freddie Mac also conducted research examining the risk and impact properties face as they exit the LIHTC program.

Increasing Opportunities for Renters

Within the multifamily housing industry, Freddie Mac is providing renters opportunities to increase social and economic mobility. In 2022, we supported the enrollment of more than 184,000 renters in our novel credit building initiative, helping more than 27,000 of those enrolled establish credit scores for the first time. To further empower renters, we proactively marketed CreditSmart® Essentials and Coach to multifamily properties and enrolled five partner corporations in CreditSmart® Coach training.

To expand access to tenant support services, we provided direct support to four Renter Resource Organizations. We also conducted a first-of-its-kind comparative analysis of state-based tenant protections to help guide our future efforts to support the availability of those protections.

Increasing Opportunities for Emerging and Diverse Multifamily Borrowers and Lenders

Freddie Mac has worked to address challenges facing emerging and diverse multifamily borrowers. We have worked to close the knowledge gap by enhancing the borrower-facing section of our website, and by expanding the Develop the Developer Academy curriculum to include 5+-unit properties.

We have also worked to close the relationship gap. In addition to co-hosting a virtual event on the subject, we convened a Diverse and Emerging Borrower Steering Committee to inform how our business can advance inclusivity within the multifamily industry.

Finally, we are working to close the financing gap. In 2022, Freddie Mac expanded its offerings to increase opportunities for smaller borrowers to grow their portfolios. Freddie Mac also launched a new correspondent relationship program that leverages our existing multifamily lender network to support SFIs, minority depository institutions and CDFIs. In 2023, we expect all Optigo® lenders to pursue an agreement with at least one correspondent.

Realizing Fairer and More Equitable Opportunities for Borrowers and Renters

Expanding housing opportunities to all communities requires long-term planning and prudent execution. These equitable housing finance initiatives are part of Freddie Mac's commitment to work across the industry to create opportunities for Black and Latino families who have historically lacked equitable access to sustainable and affordable housing. We will continue to work with our partners and stakeholders to create more positive housing outcomes for underserved borrowers and renters of color.

Business Practices and Fair Lending

Freddie Mac is a leader in developing and promoting responsible mortgage lending practices. We work with responsible lenders and servicers to enhance access to affordable home mortgage financing. We have instituted a set of measures to protect consumers from discriminatory or predatory lending practices. These measures include our corporate policies, fair lending analytics, targeted fair lending reviews of policy changes and targeted mortgage products.

The efforts we undertook to promote affordable housing, support fair lending and advance equity in our business practices and the real estate finance industry this year include:

Affordable Housing

Freddie Mac made several updates to Loan Product Advisor® (LPA), our automated underwriting system, to further promote affordability, fair lending and equity. Our enhancements included:

- Incorporating upgrades to LPA that employ state-of-the-art techniques such as generative adversarial networks to search for less discriminatory alternatives in the data and increase fairness in credit decisions. These techniques mitigate fair lending risk by attempting to reduce disparities in accept-rate ratios while maintaining responsible risk parameters.
- Modifying LPA in July 2022 to consider bank data to ensure that on-time rent payments are factored into its loan purchase decisions. Incorporating consideration of rent payment history into LPA enabled Freddie Mac, through its Sellers, to upgrade more than an estimated 250 loan applications that initially received a Caution rating to an Accept rating.
- Expanding LPA's credit decision parameters in November to include the review, through its Sellers, of a borrower's bank transaction data to look for a history of positive cash flow in their bank account month-over-month. The addition of this capability resulted in Freddie Mac upgrading more than an estimated 500 loan applications that initially received a Caution rating to an Accept rating.
- Taking action to eliminate fees for certain first-time homebuyers, low-income borrowers and mission-related loan programs, in order to make homeownership more affordable.
- Continuing to explore incorporating additional alternative credit information within LPA.

Fair Lending

Freddie Mac continued to build on its fair lending program to effectively identify, assess, monitor and mitigate fair lending risk; prevent the occurrence of fair lending violations; and remediate fair lending issues. Our program promotes fair lending across the enterprise and covers all aspects of residential real estate-related business practices for Freddie Mac's fair lending activities and its divisions, departments, employees and agents. Highlights of our progress included:

- Implementing an enterprise-wide fair lending program to effectively identify, assess, monitor and mitigate fair lending risk, and prevent the occurrence of fair lending violations.
- Assigning mandatory fair lending training to all divisions that engage in fair lending business activities.
- Publishing enterprise and divisional Fair Lending Policies.
- Enhancing the enterprise Fair Lending Risk Assessment methodology to prioritize fair lending reviews of identified policies, models, practices and procedures.

Valuation Equity

Freddie Mac implemented several strategies to address potential undervaluation of properties in traditionally underserved minority communities and the potential for implicit bias in appraisals. Our efforts included:

- Creating and staffing a new Appraisal Quality Monitoring team.
- Deploying an enhanced undervaluation rule within Loan Collateral Advisor®, Freddie Mac's automated tool that analyzes appraisal reports and provides lenders with feedback on appraisal quality and valuation risk.
- Designing text detection capabilities to identify potentially discriminatory or otherwise inappropriate language in appraisal reports.
- Updating the Single-Family Seller/Servicer Guide to clarify Seller responsibilities for appraisals and establishing new requirements for Servicers to maintain certain fair lending data elements. The requirements are effective for all mortgages originated after March 1, 2023.
- Updating our Multifamily Seller/Servicer Guide in June 2022 to define prohibited factors and potential words that could indicate bias in appraisals and adding a requirement that the appraiser's certification include a statement that the appraisal was conducted in compliance with all relevant laws, including the Fair Housing Act and Equal Credit Opportunity Act.

Diversity, Equity and Inclusion at Freddie Mac

A strong commitment to DEI creates a stronger Freddie Mac – better positioned to serve our mission and advance equity in the housing industry. DEI makes us a stronger company to make home possible.

In 2022, we promoted DEI in all aspects of our business and at all levels of the organization. The DEI program transitioned from a department in Human Resources (HR) to a stand-alone division. Wendell Chambliss, a 20+ year veteran of the company, was selected as chief diversity and inclusion officer (CDIO) to lead the division in March 2022, reporting directly to the CEO. The division created a new Board-approved 2023 – 2025 DEI Strategic Plan and Policy while delivering on commitments associated with the 2020 – 2022 DEI Strategic Plan.

Diversity, equity and inclusion is part of who we are and what we do, and DEI makes us a stronger company to make home possible.

Wendell Chambliss,
SVP and Chief Diversity and Inclusion Officer

Our Workforce

Attracting Talent for Today and Tomorrow

Freddie Mac's workforce aims to reflect the people we are chartered to serve. We attract and sustain a pipeline of diverse candidates by partnering with various organizations, including Hispanic Serving Institutions and Historically Black Colleges and Universities that create career opportunities for underrepresented talent.

Anti-Discrimination Policy

We are committed to equal employment opportunity regardless of race, color, national origin, ethnicity, gender, gender identity/expression, sexual orientation, marital status, pregnancy, religion, age, disability, veteran status, genetic information and other characteristics protected by law. Freddie Mac's Employee Code of Conduct as well as our Equal Employment Opportunity (EEO), Anti-Harassment and Reasonable Accommodation policy prohibit discrimination and harassment of any type. All employees are required to complete bi-annual anti-harassment training.

We provide employees and applicants with multiple avenues to report concerns. All EEO complaints are taken seriously and investigated by qualified investigators in an objective and timely manner, without bias or prejudice. Freddie Mac strictly prohibits retaliation against employees or applicants who file a complaint under our EEO Policy or who participate in an investigation of potential violations of such policy.

Reflecting the People We Serve

Our DEI efforts are reflected in the composition of our workforce, leadership and Board of Directors. For example, we are a majority-minority company, which means more than 50 percent of our workforce identifies as racially or ethnically diverse. Freddie Mac's Senior Operating Committee is comprised of the senior-most leader of each of our divisions and responsible for the daily management of the company. It is made up of 15 members; 40 percent (six) are racially or ethnically diverse, and 20 percent (three) are women. Our Compliance, DEI, Enterprise Risk Management, HR and Single-Family Acquisitions and Portfolio & Servicing functions are led by executives who are people of color. Our HR, Internal Audit and Legal divisions are led by women. Freddie Mac has a 13-person Board; 38 percent (five) are racially diverse, and 23 percent (three) are women. The chair of our Board of Directors is a racially and ethnically diverse woman.

Pay Equity

Freddie Mac has long been committed to equitable pay practices, helping ensure employees are paid similarly for similar work. In 2019, we stopped asking for salary history for job seekers. We also do not disclose the salary history for internal candidates. We regularly evaluate our compensation practices and each year we conduct a formal pay equity study to determine whether any pay disparities are apparent based on gender, race or ethnicity, after accounting for factors such as role, level and experience. We have enhanced our pay equity best practices by implementing company-wide pay range transparency for all job postings and employees. All these efforts ensure that employees are paid similarly for similar work regardless of gender or race or any other protected trait.

Building Community

Freddie Mac's 10 business resource groups (BRGs) foster a culture of community, collaboration and professional development while advancing the company's mission and our DEI Strategy. These voluntary employee-led groups cultivate unique development, learning and networking opportunities that create a sense of "home" at Freddie Mac.

The BRGs offer over 150 leadership roles. They partner directly with business lines to develop initiatives, host high-impact events and produce mission-driven results while giving back to our communities through service projects and donation drives.

BRGs evolved from an Employee Resource Group structure to forge an even stronger link between DEI and business results. This evolution connects a network of talent across the company allowing BRG teams to work with colleagues, other BRGs and senior leaders beyond core daily responsibilities.

In 2022, BRGs delivered over 40 programs and community service events to help drive and embed DEI in our culture. Our current groups include:

Abilities

ARISE

Green

HOLA

InspirASIAN

Military Appreciation

Pride

Rising Leaders

WIN: Women's Interactive Network

Working Parents

Employee Engagement and Well-Being

Mental Health Management

Our goal is for our workforce to perform at their best. We offer a suite of industry-leading benefits that support our employees' total well-being: physical, mental and financial. We want our employees and their loved ones to have support when facing a physical, mental and/or financial concern. That is why we offer: medical and dental insurance, financial, fitness center and extensive mental health benefits through our healthcare plans; an Employee Assistance Program that provides free and confidential 24/7 support for certain personal or professional problems; and three events throughout the year designed to increase mental health awareness and support. We have also partnered with the National Alliance on Mental Illness (NAMI) by joining its StigmaFree campaign to have policies, education and training that promote a mentally healthy and supportive workplace.

Employee Learning & Development

Employee learning and development is a cornerstone of Freddie Mac's corporate priorities and strategy to empower our employees to expand their perspectives and opportunities while advancing our mission. Our philosophy is to offer and promote learning and development opportunities for all employees through a comprehensive learning management system (FMYou); it offers virtual and instructor-led classes. We also offer all employees an Education Assistance Program that supports more tailored learning needs.

Through LinkedIn Learning, our primary on-demand content vendor, employees have access to 8,500+ courses, including 62 microlearning videos and 16 full-length courses on a variety of ESG topics. Our CSO also curated ESG-related content entitled *Environmental, Social, and Governance (ESG) Playlist*, which is housed in FMYou. This playlist includes recordings of in-house sessions, roundtables, resource documents and LinkedIn Learning on-demand content.

Growing Talent

At Freddie Mac, we provide mentorship opportunities for employees at every stage in their career.

ASCEND Greater Washington

InspirASIAN partners with ASCEND to nominate a member for a high touch, 3-month mentoring program from a pan-Asian executive in the greater Washington area. The program includes practical "how-tos," hands-on training and a safe environment to speak freely, exchange ideas and solicit feedback.

Ellevate

WIN partners with Ellevate, a global professional women's network dedicated to building up women through education, inspiration and opportunity. WIN offers three Ellevate memberships — one for young professionals, one for mid-career professionals and one for upper-level managers. This partnership provides access to valuable career-building resources such as leadership training, interactive webinars, networking events and mentorship "Squads."

Finance Mentor Program

Freddie Mac's Finance division offers a 12-month mentorship program to connect early career professionals with higher-level mentors to help guide their career paths.

HOLA Professional Advisors Program

HOLA started the Professional Advisors Program to foster professional development, problem solving and networking opportunities, while increasing exposure to insights and perspectives from various divisions. The program is open to all HOLA BRG members, as well as participants outside the BRG if space allows. Each mentee is assigned an advisor they meet with on a regular basis.

I...Circle

I...Circle was created to promote personal and professional development, encourage a culture of knowledge sharing and foster community between mentors and mentees. The program is open to all InspirASIAN members and provides a yearlong mentoring relationship in either a one-on-one or group setting.

Legal Division Mentorship Program

The Legal Division's Mentorship Program is designed to encourage and accelerate the growth of any Legal employee while also facilitating the transition and acclimation of new employees into the Division. Pairings match mentees with more tenured company attorneys or employees and focus on mentee-driven goals.

Level Up
Created by ARISE, this formal mentoring program matches mid-career professionals (i.e., manager through senior director level) with senior executives and provides a personalized, confidential forum for career development discussions.

Latinos in Transition (L.I.T.)
L.I.T. is a development program for all entry level HOLA members. L.I.T. empowers analysts through the transition from college to their new corporate careers, greatly considering the first-generation Latino/a/x experience. It includes a series of formal training and workshops.

Multifamily Coaching Program
Since 2020, more than 250 employees in Freddie Mac's Multifamily division have participated in its formal career coaching program. The program offers different approaches tailored to the skillsets and goals of its three groups: people leaders, women and minority employees and other employees interested in maximizing their careers.

Polaris
Created by ARISE, the three-month Polaris program provides entry to mid-level ARISE members with a customized curriculum, mentoring and coaching for career growth and development.

Propel and Excel
An enterprise-wide mentoring initiative, this program equips participants with skills needed to perform at their highest capability while building a culture of mentorship in the company.

Rising Leaders
In addition to the mentorship programs offered within InspirASIAN and WIN, Freddie Mac offers a BRG specifically focused on professional development. The Rising Leaders BRG offers programming designed to empower early- and mid-career professionals, including an annual Leadership Summit, a Business Case Competition and other BRG co-sponsored events throughout the year.

Single-Family College Cohort Mentor Program
All Single-Family college analysts are given a mentor to guide them through the transition of starting their first job. The mentors are volunteers from the prior year's cohort and serve as resources whom the college analysts can relate to and confide in.

Supplier Diversity

At Freddie Mac, we attract and develop diverse suppliers, while encouraging our primary suppliers to use diverse suppliers in support of Freddie Mac business engagements. We actively promote diverse suppliers during competitive bidding events leveraging robust technology solutions to identify new sources of diverse suppliers to meet demand.

In 2022, diverse suppliers accounted for nearly 15 percent of our total supplier spend. In addition, we established a Tier 2 supplier diversity program that encourages our primary suppliers to use diverse suppliers as part of their business engagements with us. We are also committed to helping diverse suppliers succeed through our development and outreach program. For example, through our Supplier Academy, we help diverse suppliers strengthen their business to be more competitive for opportunities with Freddie Mac and other companies.

From its inception in 2016 through 2022, Freddie Mac has paid $109 million to diverse Supplier Academy graduates.

Financial Transactions

We engage MWDOBs in Freddie Mac's capital markets transactions and mortgage purchase transactions. Through our capital markets programs, we provide training, access and opportunities to win business. These activities better position diverse firms for future opportunities by familiarizing them with our capital markets programs and facilitating relationship building with investors. In addition, we raise awareness of, and encourage and assist participation in, Single-Family and Multifamily products, programs and services among current and potential MWDOB Seller/Servicers and Lenders. Last year, our credit risk transfer teams acquired credit protection on more than $50 billion in unpaid principal balance of mortgage loans sub-brokered by a certified minority-business enterprise.

Governance

Good governance is the foundation of everything we do. It is woven into our values and drives our work. We believe strong governance goes beyond legal and regulatory compliance to acting with integrity. We are striving to build an environment where empowerment and accountability go hand in hand and we provide stability to the housing industry through outstanding risk management.

Regulatory Engagement

As a GSE, Freddie Mac's operations are subject to a range of regulatory requirements to ensure safe and sound operations. Since 2008, FHFA has been our primary regulator, responsible for the supervision, regulation and housing mission oversight of Freddie Mac. We are also subject to requirements established by a number of additional regulatory agencies including HUD for fair lending and the SEC for financial and current event reporting. Our Senior Preferred Stock Purchase Agreement with the Department of Treasury also sets limits on our business.

Corporate Governance

Conservatorship

Since September 2008, we have been operating in conservatorship, with FHFA as our Conservator. The conservatorship and related matters significantly affect our management, business activities, financial condition and results of operations. For more on FHFA's Conservatorship, see our 2022 Annual Report on Form 10-K.

As our conservator, FHFA has defined a number of Conservatorship Scorecard metrics for Freddie Mac to support a range of ESG-related initiatives.

Board of Directors

We are committed to best practices in corporate governance. Our Board of Directors has adopted the Corporate Governance Guidelines (the Guidelines), which embody many of our long-standing practices, policies and procedures; they are available on our website.

Our Board of Directors reviews the Guidelines annually and regularly assesses them against the regulatory and legislative environment in which we operate, as well as evolving best practices.

The Guidelines are designed to provide for effective collaboration between management and the Board of Directors. We have instituted the following specific corporate governance practices:

- Our Board of Directors has an independent Non-Executive Chair, whose responsibilities include presiding over Board meetings and executive sessions of the non-employee or independent directors.
- Each of our directors is independent, except for the CEO.
- Each of the Audit, Compensation and Human Capital (CHC), Nominating and Governance, Mission and Housing Sustainability, Operations and Technology and Risk Committees consists entirely of independent directors.

- Each committee operates pursuant to a written charter that has been approved by the Board of Directors.
- Independent directors meet regularly without management.
- The Board of Directors and each of the committees conduct an annual self-evaluation.
- New directors receive a full orientation regarding the company and issues specific to the committees to which they have been appointed.
- All directors are provided with access to, and are encouraged to utilize, third-party continuing education.
- Management provides the Board of Directors and its committees with in-depth technical briefings on substantive issues affecting the company.
- The CHC Committee reviews management talent and succession planning at least annually.

Codes of Conduct

We have separate codes of conduct for our employees and Board members. The Employee Code of Conduct serves as the code of ethics for all employees and sets critical expectations for the actions we take and competencies we demonstrate. It outlines the responsibilities that we have to each other, our business partners, our competitors and our customers. Our Code of Conduct reinforces ESG integration into our business and operations. Freddie Mac is not just a leader in the industry, we are also good stewards of the resources entrusted to us. All employees, including senior executives and financial officers, are required to sign an annual acknowledgment that they have read the Employee Code of Conduct and agree to abide by it and will report suspected deviations.

Those who manage people at Freddie Mac – all people managers, including senior management and executives – have a special responsibility to lead the way. We expect all people managers to:

- Act as role models
- Champion a culture of integrity and compliance
- Promote high ethical standards
- Recognize and reward behaviors that exemplify our Values and our Code of Conduct
- Make sure employees are appropriately trained and competent
- Assist in enforcing the Code of Conduct
- Report potential violations of the Code in a timely manner

When joining our Board of Directors, our directors acknowledge that they have reviewed and understand the Board of Directors Code of Conduct and agree to be bound by its provisions, and each director re-executes such confirmation annually.

Copies of our Employee and Board of Directors Codes of Conduct are available, and any amendments or waivers that would be required to be disclosed are posted on our website.

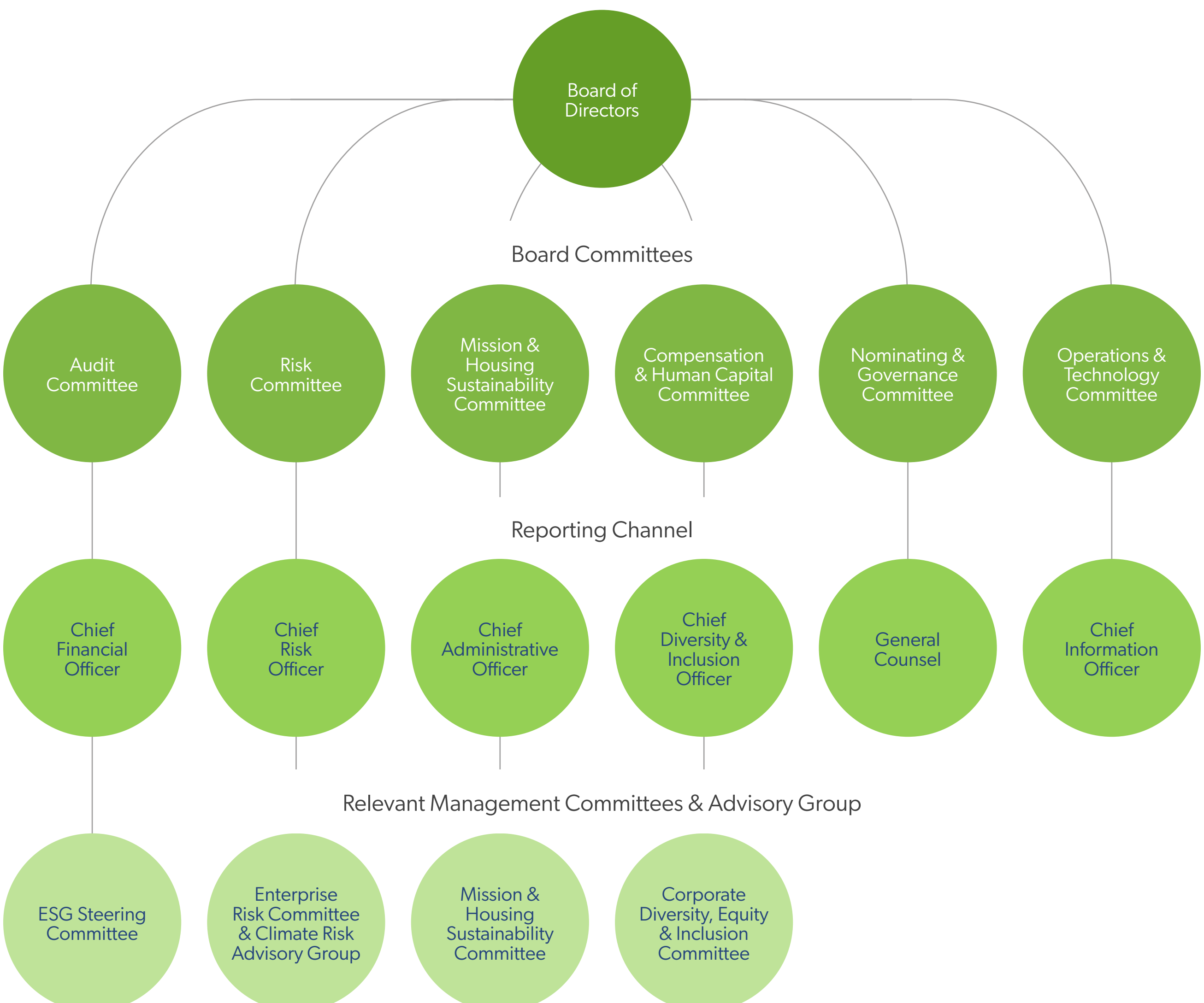
ESG Governance

The Chief Financial Officer (CFO) oversees the CSO, including the development of our corporate ESG strategic framework. The CFO regularly reports on ESG priorities and progress to the Board of Directors.

Board Governance

The effective management of ESG-related risks and opportunities supports our mission and helps create long-term value for our stakeholders. Our ESG governance structure is designed to promote accountability, transparency and ethical behavior, consistent with our corporate values and priorities. As our ESG strategic framework evolves, the governance structure also evolves.

Our current ESG governance structure reflects the integration of our ESG priorities across the company and includes the following Board committees that oversee various aspects of our work.



Board Committees

Audit Committee	Oversees significant ESG reporting and disclosures, as well as assists the Board in its oversight of Freddie Mac's Compliance program, including the Code of Conduct.
Risk Committee	Oversees Freddie Mac's enterprise-wide risk management framework, including exposure to the potential negative impacts of climate change, and oversees the development and implementation of Freddie Mac's climate risk framework.
Mission and Housing Sustainability Committee	Oversees the development, planning, implementation, performance and execution of Freddie Mac's strategies and significant initiatives related to delivering on its commitment to promote affordability, equity and sustainability in housing. Responsibilities include the review of sustainability initiatives with climate change implications or impacts.
Compensation and Human Capital Committee	Oversees Freddie Mac's programs, strategies and initiatives related to diversity, equity and inclusion; talent development; and executive compensation.
Nominating and Governance Committee	Oversees corporate governance matters.
Operations and Technology Committee	Oversees information, operations and technology strategies and information; operational resiliency; and supplier third-party programs, including implementation of technology initiatives critical to Freddie Mac's achievement of its mission, strategy and business objectives.

Management Committees

While all the divisions are responsible for implementing ESG strategic initiatives, the company has four specific management committees and an advisory group that regularly discuss and influence various aspects of our ESG work:

ESG Steering Committee	Reporting through the CFO, the ESG Steering Committee is an officer-level, cross-functional committee that was formed to define ESG strategic objectives, identify and prioritize ESG-related activities, determine our target ambition and increase awareness of ESG impacts and opportunities.
Enterprise Risk Committee	Reporting through the Chief Risk Officer, this management committee was created to review and discuss business-specific and enterprise-wide risks, mitigation actions and risk matters.
Climate Risk Advisory Group	Reporting to the Enterprise Risk Committee chaired by the Chief Risk Officer, this group was created to engage senior leadership on climate risk topics and facilitate cross-divisional collaboration and decision-making around climate risk-related activities. In 2023, we created a Climate Risk Steering Committee to replace the Climate Risk Advisory Group. The Climate Risk Steering Committee is chaired by the Chief Risk Officer and continues to engage senior management, including the business heads, on climate risk topics and promotes the integration of climate risk into risk management processes and business decisions.
Mission and Housing Sustainability Committee	Reporting through the Chief Administrative Officer up to the Board committee of the same name, this management committee was created to enhance discussions of significant affordable housing-related issues in a forum of cross-functional executives.
Corporate Diversity, Equity and Inclusion Committee (CDEIC)	Led by the CDIO, the CDEIC serves as a forum for senior management to review the performance of the DEI program with particular focus on workforce diversity, supplier diversity and financial transactions. The CDEIC provides guidance and advice to help facilitate the integration of diversity, equity and inclusion in all aspects of our business and activities.

ESG Ties to Compensation

We hold leadership accountable for advancing the company's ESG-related efforts. Compensation decisions for all employees factor in performance against the ESG goals on our corporate scorecard (including climate risk management and sustainability, DEI and mission-related goals).

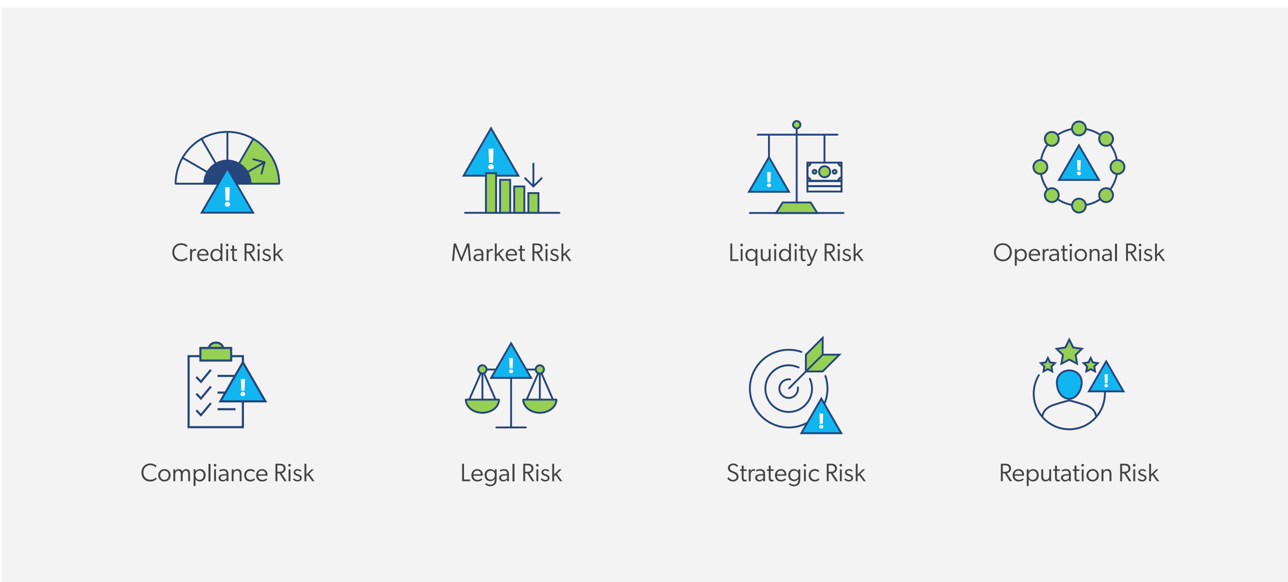
In addition, compensation decisions for senior executive officers reflect FHFA's assessment of our company's performance against the Conservatorship Scorecard, which contains FHFA's priorities for promoting sustainable and equitable access to affordable housing, as well as energy- and water-efficient housing.

To further align compensation with our company's ESG-related efforts, all officers have an annual individual objective to advance equitable and sustainable housing. Each officer's performance and other objectives are considered when making compensation decisions.

Risk Management

To achieve our mission of providing liquidity, stability and affordability to the U.S. housing market, we take risks as an integral part of our business activities. Risk is the possibility that events will occur that adversely affect our financial strength, safe and sound operations and ability to achieve our mission, strategic and business objectives. Risk can manifest itself in many ways and the responsibility for risk management resides at all levels of the company. We seek to take risks in a safe and sound, well-controlled manner to earn acceptable risk-adjusted returns on a corporate-wide, divisional, and, where applicable, transaction basis. Our goal is to maintain an effective risk culture where employees are risk aware, collaborative, transparent and individually accountable for their decisions, and to conduct business in an effective, legal and ethical manner.

We utilize a risk taxonomy to define, classify and report risks that we face in operating our business. These risks have the potential to adversely affect our current or projected financial and operational resilience. Risks are classified into the following categories:



These risks are factored into our business decisions, as appropriate, with legal, strategic and reputation risks managed outside of the three lines of defense. For more discussion of these and other risks facing our business, see our 2022 Annual Report on Form 10-K.

The enterprise risk framework (the Framework) defines how we manage risk to achieve our mission, strategic and business objectives. By serving as the basis for managing risk in a consistent, effective and efficient manner, the Framework supports our financial strength and safe and sound operations through a range of stressful conditions. The Framework is implemented through Freddie Mac's enterprise risk management (ERM) program, which consists of our enterprise-wide risk management practices and processes.

The Framework includes the following components:

- **Risk Culture** - Risk culture is the set of corporate values, competencies and behaviors related to risk taking and risk management at Freddie Mac. Management supports an effective risk culture by establishing clear risk objectives, assigning accountability and setting a tone at the top so that employees feel empowered to challenge business decisions without fear of negative consequences. An effective risk culture promotes an environment where employees who take and manage risks for the company are risk aware, collaborative and transparent.

- **Risk Governance** - Risk governance is the set of corporate requirements and processes that must be followed to make and implement risk decisions across the company. Effective risk governance establishes a reporting and escalation path for risks and issues across the enterprise. Freddie Mac's risk governance structure provides forums for transparent communication of risks and issues, as well as risk management and control activities.

- **Risk Appetite** - Risk appetite is the level of risk, both in aggregate and by risk type, within the company's risk capacity that the Board of Directors and management are willing to assume to achieve the company's strategic goals. The risk appetite is integrated and aligned with the strategic plans for the company and each business division. The risk appetite is approved by the Board of Directors and then by FHFA as Conservator and consists of qualitative risk appetite statements and quantitative metrics with limits.

- **Risk Identification, Assessment, Control and Monitoring Processes** - Our ERM Program supports risk management through enterprise-wide practices and processes designed to identify, assess, control, monitor and report on all risks, including emerging, significant and top risks.

- **Risk Reporting** - Our risk management framework requires accurate and timely reporting needed for managing risks. Regular reporting is provided to senior management and to the Board of Directors, or appropriate Board committees, at an aggregate level to provide a comprehensive view of the company's risk position; its adherence to established Board limits and management thresholds; risk drivers; emerging, significant and top risks; internal control deficiencies; issues and their remediation status; and stress testing and scenario analysis.

FHFA has increased supervisory expectations related to how risk is managed and overseen by management and the Board of Directors, and specifically the role of ERM to effectively challenge and provide independent risk oversight. As a result, we must continue to invest in our risk management practices to meet these expectations.

Data Security

Our operations rely on the secure, accurate and timely receipt, storage, transmission and other processing of confidential and other information (including personal information) in our systems and networks and in those of our customers, counterparties, service providers and financial institutions.

Cybersecurity risks for companies like ours have increased significantly in recent years. Like many companies and government entities, from time to time we have been, and expect to continue to be, the target of attempted cyberattacks and other information security threats, including those from nation-state and nation-state supported actors. We continue to invest in the cybersecurity area to strengthen our capabilities to prevent, detect, respond to and mitigate risk, and protect our systems, networks and other technology assets against unauthorized attempts to access confidential or other information (including personal information) or to disrupt or degrade our business operations. We have obtained insurance coverage relating to cybersecurity risks. However, this insurance may not be sufficient to provide adequate loss coverage, or the insurer may deny coverage for a particular claim, and such insurance may not always be available to us on commercially reasonable terms or at all. Although to date we have not experienced any cyberattacks resulting in significant impact to our company, there is no assurance that our cybersecurity risk management program will prevent cyberattacks from having significant impacts in the future.

Insider threats also remain a significant risk as the workforce diversifies to include contractors, remote workers and part-time employees. Our third-party vendors and their supply chain connections remain another significant risk. Although we have strengthened our capabilities over critical third-party monitoring and surveillance with continued focus on detecting deliberate actions such as malicious exploitation, theft or destruction of data (including personal information), as well as the compromise of our systems or networks, our control over the security posture of our third-party vendors and their supply chain connections remains limited.

Helping protect data and information is a responsibility that is shared by everyone at Freddie Mac. Our Employee Code of Conduct and related policies and standards establish clear expectations, procedures and other requirements for how we help protect and manage information.

Potential cybersecurity threats are changing rapidly and advancing in sophistication. We may not be able to protect our systems and networks, or the confidentiality of our confidential or other information (including personal information), from cyberattacks and other unauthorized access, disclosure and disruption. For additional information, see Risk Factors - Operational Risks in our 2022 Annual Report on Form 10-K.

Appendix

Scope of SASB Alignment and Reporting

Freddie Mac is issuing this report in consideration of Industry Standards Version 2018-10 issued by the SASB and additional criteria defined by management for presenting the disclosures. The metrics are as of or for the years ended December 31, 2022, 2021, and 2020, other than certain qualitative metrics, denoted by an * in the SASB Index and Metrics, as Modified table, which reflect information for 2022, unless otherwise indicated. In some instances, totals may not sum due to rounding. Where a metric represents some amount greater than zero, but less than one, we have used the "—" for clarity.

SASB encourages entities to use the standards to guide disclosures even in the event that certain disclosure topics and/or associated metrics are omitted or modified. Our disclosures, with respect to those standards, are based on the industry within the Financials sector that is most closely aligned with our business: Mortgage Finance. Additionally, within the Financials sector, we have responded to relevant metrics within the Commercial Banks and Investment Banking and Brokerage industries standards. Where applicable, Freddie Mac has made certain modifications to SASB metrics to align with our operations in the secondary mortgage market. These modifications are described in the SASB Index and Metrics, as Modified table below and are further explained in footnotes on the respective disclosure page. Furthermore, Freddie Mac has omitted certain SASB Mortgage Finance metrics. The nature and rationale for each omitted metric is described in further detail in the table below.

Management Assertion

Management of Federal Home Loan Mortgage Corporation (Freddie Mac) is responsible for the completeness, accuracy and validity of the Freddie Mac Metrics (metrics) referenced in the Sustainability Accounting Standards Board (SASB) Index and Metrics, as Modified table and included in the SASB Metrics, as Modified section of this Freddie Mac Sustainability Report (excluding the number of rental units financed metrics presented as part of the FN-IB-410a.2 metric) as of or for the years ended December 31, 2022, 2021, and 2020, other than certain qualitative metrics, denoted by an * in the SASB Index and Metrics, as Modified table, which reflect information for 2022, unless otherwise indicated. Subsequent to the issuance of Freddie Mac's SASB Report 2021 / 2020, Freddie Mac changed the criteria related to the FN-MF-270a.1 metric. Freddie Mac retrospectively updated the 2020 and 2021 metrics included herein based on the updated criteria. The change in criteria is described within the applicable footnote. All hyperlinks included herein were effective prior to the issuance of this Report. Due to rounding, totals may not foot or add up to 100%. Where a metric represents some amount greater than zero, but less than one, we have used the "—" for clarity.

Management asserts that the metrics are presented in accordance with the assessment criteria set forth on pages 69 to 72 and the footnotes to the metrics presented on pages 73 to 99. Management is responsible for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics.

SASB Index and Metrics, as Modified

SASB Criteria		Management Defined/Specified Metric	
SASB Code	**SASB Metric**	**Modified, Not Applicable, or Omitted**	**Freddie Mac Metric**
FN-MF-270a.1	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660	Modified to define "Higher Rate"to conform with the Truth in Lending Act and to also include "FICO not available"	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, and (d) Total, by FICO scores above or below 660, and FICO not available, including as a percentage of total population
FN-MF-270a.2	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deed in lieu of foreclosure, by FICO scores above and below 660	Modified to also include "FICO not available" We define "foreclosures" to include only completed foreclosures	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deed in lieu of foreclosure, by FICO scores above and below 660, and FICO not available
FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Omitted, as Freddie Mac does not originate mortgage loans	
FN-MF-270a.4*	Description of remuneration structure of loan originators	Not applicable, as Freddie Mac does not originate mortgage loans	Although we do not originate mortgage loans, we include context regarding requirements for our Seller/Servicers that may affect remuneration practices for loan originators
FN-MF-270b.1	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	Modified to increase transparency by providing granularity aligned with the Home Mortgage Disclosure Act (HMDA) demographic naming conventions Modified to also include "FICO not available"	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages purchased and acquired by (a) American Indian or Alaska Native, (b) Asian, (c) Black or African American, (d) Native Hawaiian or Other Pacific Islander, (e) Hispanic or Latino, (f) White - non-Hispanic or Latino, (g) Total Minority Borrowers, (h) Race not reported, (i) Ethnicity not reported, and (j) Minority not reported, by FICO scores above and below 660, and FICO not available

SASB Criteria		Management Defined/Specified Metric	
SASB Code	**SASB Metric**	**Modified, Not Applicable, or Omitted**	**Freddie Mac Metric**
FN-MF-270b.2*	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	Modified to: (1) replace "mortgage lending" with "mortgage practices" because Freddie Mac does not originate mortgage loans or lend money directly to borrowers, and (2) establish a threshold of $100,000 for monetary losses, which are defined as settlements, judgments or fines	Settlements, judgments, or fines exceeding $100,000 as a result of legal proceedings associated with discriminatory mortgage practices
FN-MF-270b.3*	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	Not applicable, as Freddie Mac does not originate mortgage loans	Although we do not originate mortgage loans, we include context regarding our policies and procedures to promote nondiscriminatory mortgage origination practices
FN-MF-450a.1	(1) Number and (2) value of mortgage loans in 100-year flood zones	Modified to (1) contextualize data and increase transparency by including single-family and multifamily mortgage loans as well as Real Estate Owned (REO) properties and book value for each category and (2) include mortgages held for sale We define "mortgage loans in 100-year flood zones" and "properties in 100-year flood zones" as loans with buildings or properties that are located in areas designated by FEMA as special flood hazard areas and that require flood insurance at origination	(1) Number and (2) value of mortgage loans or properties in 100-year flood zones by (a) single-family and (b) multifamily, including as a percentage of total mortgage loans or properties in the population
FN-MF-450a.2*	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region	Modified to address data availability	Description of how weather-related natural catastrophes are considered in determining total expected loss and loss given default
FN-MF-450a.3*	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	Not applicable, as Freddie Mac does not originate mortgage loans	Although we do not originate mortgage loans, we include context regarding requirements for our Seller/Servicers with respect to homes located in areas with higher environmental risk

SASB Criteria		Management Defined/Specified Metric	
SASB Code	**SASB Metric**	**Modified, Not Applicable, or Omitted**	**Freddie Mac Metric**
FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	Omitted, as Freddie Mac does not originate mortgage loans	
FN-MF-000.B	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	Modified to increase transparency by including multifamily mortgage purchase information The portion of the metric related to commercial mortgages is not applicable We do not purchase commercial mortgages	(1) Number and (2) value of mortgages purchased by category: (a) single-family and (b) multifamily
FN-CB-230a.2*	Description of approach to identifying and addressing data security risks	No modification	Description of approach to identifying and addressing data security risks
FN-CB-240a.4*	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	Modified to focus on: the CreditSmart® program and the Borrower Help Centers and Borrower Help Network	Number of participants in the CreditSmart® program and supported by the Borrower Help Centers and Borrower Help Network
FN-CB-550a.2*	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	No modification	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities
FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals and (4) all other employees	Modified to map categories to EEO-1 job classifications	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, (4) all other employees and (5) all (total) employees
FN-IB-510a.2*	Description of whistleblower policies and procedures	No modification	Description of whistleblower policies and procedures

SASB Criteria		Management Defined/Specified Metric	
SASB Code	**SASB Metric**	**Modified, Not Applicable, or Omitted**	**Freddie Mac Metric**
FN-IB-510b.4*	Description of approach to ensuring professional integrity, including duty of care	No modification	Description of approach to ensuring professional integrity, including duty of care
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	Modified to replace "investments and loans" with "bonds issued and number of mortgage loans backing social, sustainability, and green bonds," and to increase transparency by including single-family and multifamily information	(1) Value of social, sustainability, and green bonds issued, (2) number of mortgage loans backing social, sustainability, and green bonds issued, and (3) number of Single-Family green bonds issued [Note: Freddie Mac also presents the number of rental units financed which were not subject to the procedures applied in PricewaterhouseCoopers LLP's (PwC) limited assurance engagement]

Assurance Scope

PwC performed a limited assurance engagement on the metrics in the SASB Index and Metrics, as Modified table, unless specifically noted in the table and footnotes to the metrics presented on pages 73 to 99. (See PwC's Report of Independent Accountants on page 101).

SASB Metrics, as Modified

Lending Practices

FN-MF-270a.1

(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate and (d) Total, by FICO scores above or below 660, and FICO not available, including as a percentage of total population

	Number			Unpaid Principal Balance ($ in millions)		
	2022	**2021**	**2020**	**2022**	**2021**	**2020**
Hybrid or Option ARM[1]	**30,552**	**37,335**	**48,020**	**$3,561**	**$4,516**	**$6,181**
FICO ≤ 660	5,159	6,236	7,935	$607	$756	$1,010
As % of Total	17%	17%	17%	17%	17%	16%
FICO > 660	24,540	29,624	38,057	$2,932	$3,727	$5,120
As % of Total	80%	79%	79%	82%	83%	83%
FICO not available	853	1,475	2,028	$22	$33	$51
As % of Total	3%	4%	4%	1%	1%	1%
Higher Rate (Higher Priced)[2]	**182,234**	**166,738**	**166,276**	**$32,843**	**$29,294**	**$24,694**
FICO ≤ 660	33,260	29,829	32,083	$5,206	$4,386	$4,776
As % of Total	18%	18%	19%	16%	15%	19%
FICO > 660	148,722	136,645	133,873	$27,610	$24,883	$19,886
As % of Total	82%	82%	81%	84%	85%	81%
FICO not available	252	264	320	$27	$25	$32
As % of Total	—%	—%	—%	—%	—%	—%
Total Residential Mortgages	**13,365,426**	**12,877,393**	**11,727,391**	**$2,945,069**	**$2,748,296**	**$2,282,279**
FICO ≤ 660	722,226	711,392	722,798	$114,617	$107,323	$100,238
FICO > 660	12,627,560	12,146,271	10,978,984	$2,829,140	$2,639,646	$2,180,339
FICO not available	15,640	19,730	25,609	$1,312	$1,327	$1,702

Table represents Single-Family mortgage loans on our consolidated balance sheet, which includes:

- Loans held in the consolidated trusts
- Loans held in the retained portfolio
- Loans held for sale

We discontinued purchases of Prepayment Penalty loans in 2014. As a result, any loan previously acquired with a prepayment penalty has seasoned beyond the effective date of the penalty. As a result, we exclude these loans from our reporting.

FICO score is as of loan origination. For certain loans, FICO is not available and is presented as a separate category.

One loan can be in multiple categories. For instance, one loan can be in both the hybrid or option ARM category and higher rate category.

None of the approximately 47,000 mortgage loans originated prior to 2000 that remain in our active portfolio as of December 31, 2022 are identified as having a Treasury rate spread of greater than or equal to 300 basis points. In addition, prior to 2010, Sellers were only required to report Treasury rate spreads of greater than or equal to 300 basis points. We have identified approximately 10,000 mortgage loans of the approximately 678,000 mortgage loans originated between 2000 and 2009 that have a Treasury rate spread of greater than or equal to 300 basis points. Of the total higher-priced mortgage loans, 11,481 have been modified as of December 31, 2022, and represent 6.3% of the total higher-priced mortgage loans.

To obtain the relevant APOR, we use the "Borrower Price Lock Date" as provided in the Uniform Loan Delivery Dataset as the date of the rate lock date to look up the relevant comparable APOR.

Footnote:

1 "Hybrid or Option ARM" loans include hybrid ARMs with initial rate resets of less than 5 years and ARMs with initial rate resets of 5 years or more that have interest only (IO) or negative amortization options. For example, 5/1, 7/1 and 10/1 hybrid ARMs are excluded unless they have an IO or option ARM feature, but if they have an IO or option ARM feature, they will be included. IO product type and the term are based upon purchase information. We entirely discontinued purchases of loans with these features in 2010.

2 "Higher Rate" has the same meaning as Higher-Priced mortgages under the Truth in Lending Act. Accordingly, loans with a Treasury rate spread of greater than or equal to 300 basis points (loans originated from 2000 - 2009) and loans with an Average Prime Offer Rate (APOR) spread of greater than or equal to 150 basis points (loans originated after 2009) are considered higher-priced mortgages. These spreads are consistent with the Home Mortgage Disclosure Act (HMDA) rate spread that were delivered by the Seller. We updated the criteria in 2022 to use the Treasury rate spread of greater than or equal to 300 basis points to determine higher-priced loans for loans originated from 2000 to 2009 instead of a APOR spread of greater than or equal to 150 basis points, which was used in last year's reporting.

FN-MF-270a.2

(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures and (c) short sales or deed in lieu of foreclosure, by FICO scores above and below 660, and FICO not available

	Number			Unpaid Principal Balance[1] ($ in millions)		
	2022	2021	2020	2022	2021	2020
Modifications/Payment Deferrals (Total)[2]	**106,049**	**210,986**	**187,092**	**$24,988**	**$48,271**	**$40,606**
FICO ≤ 660	21,259	36,922	30,116	$3,990	$6,757	$5,327
FICO > 660	84,540	173,510	156,574	$20,974	$41,458	$35,241
FICO not available	250	554	402	$24	$57	$38
Foreclosures (Total)[3]	**3,489**	**2,965**	**4,005**	**$408**	**$325**	**$478**
FICO ≤ 660	976	851	1,201	$109	$93	$143
FICO > 660	2,476	2,084	2,765	$296	$231	$333
FICO not available	37	30	39	$2	$2	$2
Short Sale/Deed in Lieu (Total)[4]	**208**	**649**	**1,174**	**$43**	**$131**	**$241**
FICO ≤ 660	55	186	347	$11	$37	$74
FICO > 660	153	463	820	$31	$94	$166
FICO not available	0	0	7	$0	$0	$1

Table represents Single-Family mortgage loans on our consolidated balance sheet, which includes:

- Loans held in the consolidated trusts
- Loans held in the retained portfolio
- Loans held for sale

FICO score is as of loan origination. For certain loans, FICO is not available and is presented as a separate category.

Additionally, not included in the above table, there were:

- 17,400 loans with $2,725M in UPB in process of foreclosure as of December 31, 2022.
- 8,623 loans with $1,389M in UPB in process of foreclosure as of December 31, 2021.
- 14,695 loans with $2,384M in UPB in process of foreclosure as of December 31, 2020.

Footnote:

[1] Unpaid Principal Balance (UPB) is as of the month the loan entered into Modification/Payment Deferral/Foreclosure/Short Sale/Deed in Lieu.

[2] "Modifications/Payment Deferrals" includes settled modifications and payment deferrals during the reporting year.

[3] "Foreclosures" includes completed foreclosures during the reporting year.

- Note that in rare situations foreclosed loans may return to delinquent status. The number reported above is not adjusted for subsequent reversals of foreclosure.
- Note that third-party sales of foreclosures (loans that went to third-party sale during the reporting year) that did not incur losses to Freddie Mac are excluded. There were 361, 120, and 151 third-party sales that did not incur losses in 2022, 2021, and 2020, respectively.

[4] "Short Sale/Deed in Lieu" includes loans that went to either short sale or deed in lieu of foreclosure (settled liquidation workouts) during the reporting year.

FN-MF-270a.4

Description of remuneration structure of loan originators

Freddie Mac does not originate mortgage loans. Although we do not originate mortgage loans, our Single-Family and Multifamily Seller/Servicer Guides include requirements that may affect remuneration practices for loan originators.

Freddie Mac Sellers are required to comply with all applicable federal, state and local laws, ordinances, regulations, orders and regulatory guidance.

Single-Family Sellers must ensure that their loan originator compensation practices comply with the loan originator compensation provisions of the Truth in Lending Act and Regulation Z, and that loan originators comply with these requirements when presenting loan options to consumers. (See Single-Family Seller/Servicer Guide, Chapter 1301.2(a) and Chapter 4202.1)

Multifamily Sellers must charge a Minimum Origination Fee in connection with the origination and sale of a mortgage to Freddie Mac. (See Multifamily Seller/Servicer Guide, Chapter 17.1(f))

Discriminatory Lending

FN-MF-270b.1

(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages purchased and acquired by (a) American Indian or Alaska Native, (b) Asian, (c) Black or African American, (d) Native Hawaiian or Other Pacific Islander, (e) Hispanic or Latino, (f) White - non-Hispanic or Latino, (g) Total Minority Borrowers, (h) Race not reported, (i) Ethnicity not reported and (j) Minority not reported, by FICO scores above and below 660, and FICO not available

	Number			Unpaid Principal Balance ($ in millions)			Weighted Average (LTV)		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
American Indian or Alaska Native	**14,866**	**30,056**	**22,698**	**$4,231**	**$8,206**	**$6,154**	**76%**	**73%**	**73%**
FICO ≤ 660	1,275	1,875	910	$290	$426	$198	68%	68%	70%
FICO > 660	13,583	28,180	21,785	$3,940	$7,780	$5,955	77%	73%	73%
FICO not available	8	1	3	$2	$—	$1	74%	90%	85%
Asian	**157,576**	**369,681**	**342,334**	**$60,280**	**$133,936**	**$123,252**	**76%**	**69%**	**68%**
FICO ≤ 660	4,076	6,826	4,363	$1,315	$2,127	$1,284	70%	69%	70%
FICO > 660	153,415	362,823	337,946	$58,935	$131,798	$121,962	76%	69%	68%
FICO not available	85	32	25	$29	$11	$6	75%	77%	76%
Black or African American	**114,172**	**197,221**	**129,659**	**$31,926**	**$52,790**	**$34,431**	**78%**	**76%**	**77%**
FICO ≤ 660	12,283	15,428	7,342	$2,792	$3,496	$1,637	69%	70%	73%
FICO > 660	101,840	181,770	122,294	$29,121	$49,290	$32,790	79%	76%	78%
FICO not available	49	23	23	$13	$4	$4	72%	73%	78%
Native Hawaiian or Other Pacific Islander	**6,440**	**15,486**	**13,653**	**$2,195**	**$5,085**	**$4,440**	**75%**	**71%**	**71%**
FICO ≤ 660	487	820	425	$138	$229	$117	65%	67%	71%
FICO > 660	5,950	14,663	13,227	$2,055	$4,855	$4,323	75%	71%	71%
FICO not available	3	3	1	$1	$1	$—	80%	78%	80%

	Number			Unpaid Principal Balance ($ in millions)			Weighted Average (LTV)		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Hispanic or Latino	**220,684**	**444,513**	**339,555**	**$67,219**	**$128,875**	**$97,337**	**77%**	**73%**	**74%**
FICO ≤ 660	16,505	24,098	12,833	$4,079	$5,935	$2,997	67%	68%	71%
FICO > 660	204,031	420,351	326,657	$63,097	$122,922	$94,324	77%	73%	74%
FICO not available	148	64	65	$42	$18	$16	76%	83%	78%
White - Non-Hispanic or Latino	**1,036,600**	**2,514,327**	**2,361,514**	**$298,194**	**$693,676**	**$646,445**	**75%**	**71%**	**72%**
FICO ≤ 660	53,772	86,918	52,318	$11,957	$19,492	$11,338	67%	68%	71%
FICO > 660	982,212	2,427,070	2,308,847	$286,081	$674,109	$635,033	75%	71%	72%
FICO not available	616	339	349	$156	$75	$74	73%	73%	75%
Total Minority Borrowers	**488,360**	**1,006,130**	**811,028**	**$157,393**	**$312,751**	**$253,832**	**77%**	**72%**	**72%**
FICO ≤ 660	32,797	46,321	24,569	$8,124	$11,495	$5,896	68%	69%	71%
FICO > 660	455,286	959,689	786,348	$149,187	$301,224	$247,910	77%	72%	72%
FICO not available	277	120	111	$82	$32	$26	75%	80%	78%
Race not reported	**278,766**	**682,126**	**573,387**	**$85,376**	**$204,460**	**$175,483**	**73%**	**69%**	**69%**
FICO ≤ 660	20,361	30,674	15,646	$4,808	$7,404	$3,721	65%	66%	69%
FICO > 660	258,270	651,385	557,672	$80,530	$197,040	$171,746	73%	69%	69%
FICO not available	135	67	69	$38	$16	$16	72%	75%	74%
Ethnicity not reported	**258,721**	**653,502**	**579,238**	**$79,472**	**$196,143**	**$177,411**	**73%**	**69%**	**69%**
FICO ≤ 660	17,904	27,945	14,911	$4,234	$6,759	$3,561	65%	66%	69%
FICO > 660	240,702	625,491	564,257	$75,205	$189,368	$173,833	73%	69%	69%
FICO not available	115	66	70	$32	$16	$17	71%	74%	74%

	Number			Unpaid Principal Balance ($ in millions)			Weighted Average (LTV)		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Minority not reported	**277,543**	**698,432**	**609,504**	**$85,340**	**$209,760**	**$186,377**	**73%**	**69%**	**69%**
FICO ≤ 660	19,207	29,662	15,652	$4,547	$7,171	$3,741	65%	66%	69%
FICO > 660	258,213	668,700	593,779	$80,758	$202,572	$182,618	73%	69%	69%
FICO not available	123	70	73	$35	$17	$18	72%	74%	74%

Table represents Single-Family mortgage loans purchased and acquired (excluding Long-Term Standby commitments [LTSB]) during the reporting year.

Borrowers are asked to report both race and ethnicity on their loan application. We rely on our Sellers to provide the information presented at the time of purchase and acquisition of the loan by Freddie Mac. For all protected class groups, in cases where there are more than two borrowers, only the first two borrowers are considered. Note that:

- A loan is considered Hispanic or Latino if a borrower is Hispanic or Latino
- A loan is considered Black or African American, Asian, American Indian or Alaska Native, or Native Hawaiian or Other Pacific Islander if a borrower lists one of those races
- The same loan can be counted as multiple races and Hispanic or Latino at the same time
- A loan is counted as White - non-Hispanic or Latino only when a borrower lists race as White and ethnicity as non-Hispanic or Latino. A loan is not counted as White- non-Hispanic or Latino and another race or ethnicity category at the same time
- A loan is classified as race, ethnicity or minority not reported if neither of the borrowers list a race, ethnicity or minority, respectively.
- A loan may be included in multiple 'not reported' categories simultaneously depending on the race and ethnicity information provided by a borrower

Whenever possible, protected class group names align with HMDA demographic naming conventions.

Unpaid Principal Balance (UPB) and Weighted Average (LTV) use information provided at origination. FICO refers to the FICO score used for loan application decisioning. For certain loans, FICO is not available and is presented as a separate category.

FN-MF-270b.2

Settlements, judgments or fines exceeding $100,000 as a result of legal proceedings associated with discriminatory mortgage practices

Freddie Mac discloses material legal and regulatory proceedings in its Annual Report on Form 10-K. For the years ended December 31, 2022, 2021, and 2020, Freddie Mac has not identified any monetary losses exceeding $100,000 incurred through settlements, judgments or fines as a result of legal proceedings associated with discriminatory mortgage practices.

FN-MF-270b.3

Description of policies and procedures for ensuring nondiscriminatory mortgage origination

Under Section 305(a) of our Charter, Freddie Mac is not permitted to originate mortgage loans. Accordingly, we do not originate mortgage loans or lend money directly to mortgage borrowers.

Although Freddie Mac does not originate loans, we require all Seller/Servicers with whom we do business to abide by all applicable laws and practice the principles of equal opportunity and non-discrimination in all business activities. Specifically, our Single-Family and Multifamily Seller/Servicer Guides prohibit Seller/Servicers from discriminating on the basis of race, color, religion, sex, age, marital status, disability, veteran status, genetic information (including family medical history), pregnancy, parental status, familial status, national origin, ethnicity, sexual orientation, gender identity or other characteristics protected by law. Our Single-Family and Multifamily Seller/Servicer Guides also require Seller/Servicers to comply with all applicable federal, state and local laws and regulations, including non-discrimination and fair lending laws. For more information on our selling and servicing requirements, see Single-Family Seller/Servicer Guide Chapters 1301.2 and 1301.12 and Multifamily Seller/Servicer Guide Chapter 3.17.

Freddie Mac has fair lending staff and management professionals in all three lines of defense (i.e., our business, risk management and internal audit divisions) as well as the legal division. These professionals conduct quantitative and qualitative reviews concerning our credit policies, Seller/Servicer Guide requirements, underwriting and valuation, and otherwise support Freddie Mac's commitment to fair lending and compliance with all applicable federal, state and local laws and regulations, including non-discrimination and fair lending laws. In addition, the company has created dedicated fair lending programs in each division.

The Single-Family Fair Lending Program identifies, assesses, monitors, and mitigates fair lending risk and seeks to prevent the occurrence of fair lending violations in Freddie Mac's Single-Family division. This Single-Family Fair Lending Program includes fair lending specific policies and procedures applicable to relevant business departments to ensure controls are in place to properly manage fair lending risk and further the purposes of fair lending laws and regulations.

Multifamily's Fair Lending Policy provides the fair lending framework for the Multifamily division by establishing requirements and providing divisional expectations to maintain controls to mitigate fair lending risk, prevent the occurrence of fair lending violations and further the purposes of fair lending laws. Multifamily's control environment specifically includes, but is not limited to, procedures to conduct a periodic fair lending review of the Multifamily Seller/Servicer Guide, fair lending reviews for relevant FHFA submissions and reviewing selected third-party appraisal reports for use of discriminatory words. In addition, training, cooperative engagement with regulators, and timely fair lending reporting to both management and external stakeholders, are key components of Multifamily's fair lending approach.

Environmental Risk

FN-MF-450a.1

(1) Number and (2) value of mortgage loans or properties in 100-year flood zones by (a) single-family and (b) multifamily, including as a percentage of total mortgage loans or properties in the population

	Number of Mortgage Loans			Unpaid Principal Balance ($ in millions)		
	2022	2021	2020	2022	2021	2020
Single-Family[1] - Total	**13,365,426**	**12,877,393**	**11,727,391**	**$2,945,069**	**$2,748,296**	**$2,282,279**
Mortgage loans in 100-year Flood Zones	386,462	377,273	360,922	$84,964	$79,340	$68,907
% of total mortgage loans	3%	3%	3%	3%	3%	3%
	Number of Properties			**Book Value ($ in millions)**		
	2022	**2021**	**2020**	**2022**	**2021**	**2020**
Single-Family Real Estate Owned (REO)	2,218	1,615	1,766	$278	$176	$198
Properties in 100-year Flood Zones	140	127	131	$17	$14	$15
% of total REO properties	6%	8%	8%	6%	8%	8%

	Number of Mortgage Loans			Unpaid Principal Balance ($ in millions)		
	2022	2021	2020	2022	2021	2020
Multifamily[2] - Total	**3,981**	**3,123**	**3,267**	**$68,433**	**$52,125**	**$56,499**
Mortgage loans in 100-year Flood Zones	271	222	235	$5,181	$4,040	$4,387
% of total mortgage loans	7%	7%	7%	8%	8%	8%
	Number of Properties			**Book Value ($ in millions)**		
	2022	**2021**	**2020**	**2022**	**2021**	**2020**
Multifamily REO	0	0	0	$0	$0	$0
Properties in 100-year Flood Zones	0	0	0	$0	$0	$0
% of total REO properties	0%	0%	0%	0%	0%	0%

We define "Mortgage loans in 100-year flood zones" and "properties in 100-year flood zones" as loans with buildings, or properties, that are located in areas designated by FEMA as Special Flood Hazard Areas (SFHAs) and that require flood insurance at origination.

Flood zone status is based upon information received at the time of loan origination. Flood zone classification is reported based on information provided by our Seller/Servicers.

REOs are real estate properties that we have acquired through a foreclosure sale or through a deed in lieu of foreclosure.

Footnote:

[1] Table represents Single-Family mortgage loans on our consolidated balance sheet, which includes:

- Loans held in the consolidated trusts
- Loans held in the retained portfolio
- Loans held for sale

[2] Table represents unsecuritized mortgage loans (including mortgage loans designated as held-for-sale), securitized mortgage loans held by consolidated trusts and other mortgage-related guarantees (i.e., guarantees of Housing Finance Agency issued bonds not on the balance sheet) in our Multifamily mortgage portfolio, as this represents Multifamily's exposure to first loss on properties located in these 100-year flood zones.

As of December 31, 2022, 2021, and 2020, Multifamily did not have any REO properties in the portfolio.

FN-MF-450a.2

Description of how weather-related natural catastrophes are considered in determining total expected loss and loss given default

The unpredictability of natural disasters and the complexity of forecasting the long-term effects of climate change negatively impact our ability to forecast losses from such events.

Freddie Mac generally does not attribute mortgage loan default and delinquency to weather-related natural catastrophes in determining total expected loss and loss given default. We apply assumptions to estimate losses that could be attributable to weather-related natural catastrophes. Historically, such estimated economic losses have not been material.

We continue to make progress on understanding, measuring and mitigating the impacts of climate change.

FN-MF-450a.3

Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting

Under Section 305(a) of our Charter, Freddie Mac is not permitted to originate mortgage loans. Accordingly, we do not originate mortgage loans or lend money directly to mortgage borrowers.

Our Single-Family division does not underwrite or re-underwrite loans. We require all homes collateralizing single-family mortgages in our portfolio to have homeowners insurance coverage throughout the life of the loan. In addition, for homes located in SFHAs designated by FEMA, borrowers must have flood insurance coverage. Sellers are required to determine whether homes collateralizing single-family mortgages are located in a SFHA and, if so, to ensure that flood insurance coverage exists at the time the loan is sold to Freddie Mac. Servicers are required to ensure that flood insurance on these homes is maintained throughout the life of the loan and is in the amount needed to comply with federal government and Freddie Mac requirements. If a borrower fails to obtain and maintain required flood insurance coverage, Servicers must directly place such coverage. (See our Single-Family Seller/Servicer Guide, including Chapters 3401.22, 4703.1, 4703.3, 6302.8, 8202.3, and 8202.12)

Although we do not originate mortgage loans, the Multifamily division does re-underwrite the mortgages we purchase. Sellers are required to provide third-party environmental and property condition reports, as well as FEMA Flood Zone Determinations, that help identify environmental risks associated with loans that are candidates for purchase. Our Multifamily Seller/Servicer Guide dictates requirements for borrowers to maintain insurance covering the loan collateral against all relevant perils such as fire, wind/hail, hurricane, flood and earthquake. (See our Multifamily Seller/Servicer Guide Chapter 31- Insurance Requirements).

Activity Metric

FN-MF-000.B

(1) Number and (2) value of mortgages purchased by category: (a) single-family and (b) multifamily

	Number			Unpaid Principal Balance ($ in millions)		
	2022	2021	2020	2022	2021	2020
Single-Family	1,802,503	4,218,889	3,782,046	$540,472	$1,215,275	$1,085,907
Purchase Loans	1,039,305	1,376,812	1,128,840	$339,489	$429,156	$323,989
Refinance Loans	763,198	2,842,077	2,653,206	$200,983	$786,119	$761,918
Multifamily				$72,833	$69,999	$82,534
Units Financed[1]	693,193	654,539	802,953			
Loan Count	4,436	4,885	5,335			

Single-Family

Table represents Single-Family mortgage loans purchased during the reporting year. It does not include long-term standby commitments (LTSBs). Our Single-Family purchases include mortgages collateralized by residences with one to four units.

Multifamily

Table represents Multifamily mortgage loans purchased during the reporting year. Our Multifamily purchases include mortgages collateralized by residences with five or more units or by a manufactured housing community. We do not purchase commercial mortgages.

Footnote

[1] Cooperative mortgage loans are not included in unit count.

Data Security

FN-CB-230a.2

Description of approach to identifying and addressing data security risks

Freddie Mac maintains a cybersecurity program that aligns with industry standards, including the National Institute of Standards and Technology (NIST) 800-53 control framework. Our Freddie Mac Code of Conduct reinforces the importance of data privacy and protection. Our program continues to evolve based on the changing needs of our business, the evolving threat environment and FHFA regulatory guidance.

The Board and the Risk Committee engage in discussions throughout the year with senior leadership on cybersecurity risk matters and receive periodic reports from our Chief Information Security Officer and other senior officers, including updates on our cybersecurity program, the external threat environment, and the steps we are taking to address and mitigate risks associated with the evolving cybersecurity threat environment. Freddie Mac has procedures to escalate information regarding certain cybersecurity incidents to the Risk Committee of the Board in a timely fashion.

We also require annual training regarding the use of information for new and existing employees including contractors and consultants who have access to Freddie Mac technology assets. Our training covers protecting Freddie Mac information, privacy, policy and standards, security best practices, and the identification and reporting potential cyber threats.

For each of the three years ended December 31, 2022, 2021, and 2020, we have not experienced any material losses related to cyberattacks.

Financial Inclusion and Capacity Building

FN-CB-240a.4

Number of participants in the CreditSmart® program and supported by the Borrower Help Centers and Borrower Help Network

2022 participation in the CreditSmart® program included approximately:

- 7,000 users of the CreditSmart® Essentials curriculum
- 160 industry professionals certified through CreditSmart® Coach
- 74,000 aspiring homebuyers completed CreditSmart® Homebuyer U

In 2022, the Borrower Help Centers and Borrower Help Network and other partners provided approximately 40,000 individuals with one-on-one prepurchase counseling, homebuyer education to more than 104,000 consumers, financial capability education to approximately 161,000 individuals, referred more than 13,000 potential homebuyers to lenders for homeownership opportunities and provided foreclosure avoidance education and counseling to more than 41,000 households.

Systemic Risk Management

FN-CB-550a.2

Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities

Stress Testing

Pursuant to an FHFA rule on stress testing of regulated entities, Freddie Mac is required to conduct annual stress tests using scenarios specified by FHFA to determine whether the company has sufficient capital to absorb losses as a result of adverse economic conditions. Under the rule, we must publicly disclose the results of the stress test under the "severely adverse" scenario. In accordance with FHFA guidance, in August 2022, we disclosed the results of our 2022 "severely adverse" scenario stress test.

Enterprise Regulatory Capital Framework (ERCF) Rule

In 2020, FHFA formally established the ERCF, which requires the GSEs to hold substantially more regulatory capital than prior capital requirements. Our current capital levels are significantly below the levels that would be required under the final ERCF framework.

The ERCF rule has a transition period for compliance. In general, the compliance date for the regulatory ERCF capital requirements will be the later of the termination date of the company's conservatorship and any compliance date provided in a transition order. The compliance date for regulatory buffer requirements in the ERCF will be the date of termination of the conservatorship.

The ERCF rule requires us to submit annual capital plans to FHFA and provide prior notice for certain capital actions. It also incorporates the determination of the stress capital buffer, an element of the ERCF, into the capital planning process. We submitted our first capital plan to FHFA in May 2023.

Employee Diversity and Inclusion

FN-IB-330a.1

Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, (4) all other employees and (5) all (total) employees

Representation of Racial or Ethnic Groups and Gender as a Percentage of Job Category by Year

	Executive Management			Non-Executive Management			Professionals			All Other Employees			All Employees		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Asian	**20.2%**	**22.4%**	**21.4%**	**33.1%**	**31.7%**	**29.0%**	**39.1%**	**39.5%**	**39.9%**	**9.7%**	**12.4%**	**11.4%**	**37.5%**	**37.6%**	**37.4%**
Women	8.1%	7.1%	5.9%	13.1%	13.1%	12.0%	17.5%	18.1%	18.0%	8.8%	10.7%	9.3%	16.6%	17.1%	16.7%
Men	12.1%	15.3%	15.5%	20.0%	18.6%	17.0%	21.6%	21.4%	21.8%	0.9%	1.7%	2.1%	20.9%	20.5%	20.6%
Black or African American	**5.8%**	**5.3%**	**5.3%**	**5.6%**	**5.6%**	**5.4%**	**14.7%**	**14.0%**	**13.6%**	**26.5%**	**26.4%**	**30.0%**	**13.5%**	**12.9%**	**12.6%**
Women	2.3%	2.4%	2.7%	3.4%	3.1%	3.3%	7.7%	7.3%	7.3%	23.9%	24.0%	26.4%	7.3%	6.9%	7.0%
Men	3.5%	2.9%	2.7%	2.2%	2.5%	2.1%	7.0%	6.7%	6.3%	2.7%	2.5%	3.6%	6.2%	5.9%	5.6%
Hispanic or Latino	**2.9%**	**3.5%**	**4.3%**	**4.0%**	**3.8%**	**4.0%**	**6.2%**	**5.8%**	**5.5%**	**12.4%**	**11.6%**	**11.4%**	**5.9%**	**5.6%**	**5.4%**
Women	0.6%	0.6%	1.1%	1.3%	1.0%	1.0%	2.8%	2.7%	2.6%	9.7%	10.7%	10.0%	2.7%	2.5%	2.5%
Men	2.3%	2.9%	3.2%	2.7%	2.8%	3.0%	3.4%	3.1%	2.9%	2.7%	0.8%	1.4%	3.3%	3.0%	2.9%
White	**69.4%**	**67.1%**	**67.4%**	**55.9%**	**57.7%**	**60.6%**	**37.5%**	**38.3%**	**38.6%**	**50.4%**	**48.8%**	**46.4%**	**40.8%**	**41.8%**	**42.4%**
Women	18.5%	18.8%	20.3%	22.5%	22.9%	23.4%	15.1%	15.6%	15.4%	41.6%	40.5%	37.1%	16.6%	17.1%	17.0%
Men	50.9%	48.2%	47.1%	33.3%	34.8%	37.2%	22.4%	22.7%	23.2%	8.8%	8.3%	9.3%	24.3%	24.7%	25.4%
Native Hawaiian or Other Pacific Islander	**0%**	**0%**	**0%**	**0.1%**	**0.1%**	**0%**	**0.1%**	**0.2%**	**0.2%**	**0%**	**0%**	**0%**	**0.1%**	**0.2%**	**0.2%**
Women	0%	0%	0%	0%	0%	0%	0%	0.1%	0.1%	0%	0%	0%	0%	0.1%	0.1%
Men	0%	0%	0%	0.1%	0.1%	0%	0.1%	0.1%	0.1%	0%	0%	0%	0.1%	0.1%	0.1%

Representation of Racial or Ethnic Groups and Gender as a Percentage of Job Category by Year															
	Executive Management			Non-Executive Management			Professionals			All Other Employees			All Employees		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
American Indian or Alaska Native	**0.6%**	**0.6%**	**0.5%**	**0.1%**	**0%**	**0%**	**0.2%**	**0.2%**	**0.1%**	**0%**	**0%**	**0%**	**0.2%**	**0.2%**	**0.2%**
Women	0%	0%	0%	0%	0%	0%	0.1%	0.1%	0.1%	0%	0%	0%	0.1%	0.1%	0.1%
Men	0.6%	0.6%	0.5%	0.1%	0%	0%	0.1%	0.1%	0.1%	0%	0%	0%	0.1%	0.1%	0.1%
Two or More Races	**1.2%**	**1.2%**	**1.1%**	**1.2%**	**1.1%**	**1.0%**	**2.2%**	**2.1%**	**2.1%**	**0.9%**	**0.8%**	**0.7%**	**2.0%**	**1.9%**	**1.9%**
Women	0%	0%	0%	0.6%	0.5%	0.3%	1.0%	0.9%	1.0%	0%	0%	0%	0.9%	0.8%	0.8%
Men	1.2%	1.2%	1.1%	0.6%	0.6%	0.7%	1.2%	1.1%	1.1%	0.9%	0.8%	0.7%	1.1%	1.1%	1.0%
Total Employees	**173**	**170**	**187**	**1,020**	**971**	**901**	**6,408**	**5,975**	**5,650**	**113**	**121**	**140**	**7,714**	**7,237**	**6,878**
Women	51	49	56	418	394	361	2,832	2,676	2,505	95	104	116	3,396	3,223	3,038
Men	122	121	131	602	577	540	3,576	3,299	3,145	18	17	24	4,318	4,014	3,840

Freddie Mac aligns its workforce to EEO-1 job categories as defined by EEO-1 Component 1 Job Classification Guide.

- Those included in the Executive Management category include those aligned with the EEO-1 category Executive/Senior Level Officials and Managers
- Those included in the Non-Executive Management category include those aligned with the EEO-1 category First/Mid-Level Officials
- Those in the Professionals category include those aligned with the EEO-1 category Professionals
- Those in the All Other Employees category include those aligned with the EEO-1 categories, which include Sales Workers and Administrative Support Workers

The data provided represents the employee population as of the end of the respective reporting year.

Gender and race/ethnicity is self-reported by the employee and recorded in our Workforce Management system.

Business Ethics

FN-IB-510a.2

Description of whistleblower policies and procedures

Seeking Advice and Reporting Concerns at Freddie Mac

Freddie Mac's Codes of Conduct set critical expectations for our behavior, with separate versions that apply to employees and members of the Board of Directors. Copies of our Employee Code of Conduct and our Code of Conduct for Members of Freddie Mac's Board of Directors are available, and required disclosures of any amendments or waivers are posted on our website.

At Freddie Mac, each of us is accountable for strong individual and team performance. All companies — even those with strong cultures and good intentions — may experience episodes of misconduct. Our Values define who we are as a company and expectations for our business conduct. It is important that we speak up – even when uncomfortable — if there are questions or concerns. If employees or stakeholders suspect that something isn't right, they may use our resources to help make sound decisions, ask questions, seek guidance or report questionable conduct. Employees are encouraged to contact the following:

- Their manager or another manager in their division
- The Ethics Office
- The Compliance & Ethics Helpline
  Phone: (877) 301-CODE (2633)
  Internet: FreddieMacEthicsHelpline.com
- HR Connect or Employee Relations
- The Chair of the Audit Committee of the Board of Directors

Individuals can seek advice or report suspected wrongdoing confidentially or anonymously by contacting the Helpline, 24 hours a day, 365 days a year. We are so serious about the need to seek advice or report concerns, our Helpline number and web address appear on every single page of our Employee Code of Conduct.

We also realize that non-employee stakeholders from time to time may have concerns to address. External parties may also utilize Freddie Mac's Compliance & Ethics Helpline to report suspected employee misconduct. And our Employee Code of Conduct provides a means to report mortgage concerns via Freddie Mac's Customer Service Department at (800) FREDDIE (373-3343), or REO property questions via HomeStep's Customer Support Department at (800) 972-7555.

We maintain the confidentiality of investigations consistent with a business Need to Know. If required, other participants in an internal investigation are asked to maintain the confidentiality of the investigation, which includes the fact of the investigation itself as well as any information relating thereto. Nothing in our policies precludes employees from reporting information about alleged wrongdoing (such as accounting irregularities) to government agencies such as the Securities & Exchange Commission or the Equal Employment Opportunity Commission. Employees may report information to government agencies without notifying Freddie Mac or obtaining its consent.

What to Expect When Using Freddie Mac's Compliance & Ethics Helpline

The Compliance & Ethics Helpline is administered by a third party. When an individual places a call to the Compliance & Ethics Helpline, a call center specialist will capture their question or report, asking them to provide detailed information. The specialist will forward the question or report to Freddie Mac Corporate Compliance staff. The call center specialist cannot provide the individual advice or resolve their issue over the phone. The call center specialist will provide them with the information necessary for them to follow up on their call on the Compliance & Ethics Helpline website where they can check the status or resolution of the matter they reported.

When using the Compliance & Ethics Helpline web forms, individuals can ask questions, seek pre-approval for business courtesies, disclose potential conflicts of interest and report concerns by answering the questions on the relevant form. Once submitted, the information from the form is forwarded to Freddie Mac Corporate Compliance staff. The Compliance & Ethics Helpline website will provide the reporter with the information necessary for them to follow up on their submission so they can check the status or resolution of the matter they reported.

Continued follow-up on a matter is particularly important for anonymous reports, where the Corporate Compliance staff has no other means to communicate with the employee. If the employee has identified themself by name, staff or a designated subject matter expert will contact them directly to discuss their concern and ask any additional questions they may have.

No Tolerance for Retaliation

Freddie Mac is committed to maintaining a work environment where employees can ask questions, voice concerns and make appropriate suggestions without fear of retaliation. Freddie Mac will not tolerate retaliation against any company or individual who reports a concern about potential illegal or unethical conduct or a violation of Freddie Mac policies or who assists in the resolution of an investigation or proceeding.

Freddie Mac's non-retaliation position is posted within our Employee Code of Conduct, on our Compliance & Ethics Helpline website and on posters displayed around our facilities.

Investigative Bodies

At Freddie Mac, three areas conduct internal investigations of complaints: (1) Compliance, (2) Internal Audit and (3) Legal (the Investigative Groups). In the absence of an actual or apparent conflict of interest, complaints will generally be assigned to Investigative Groups according to their subject matter expertise. Third Party Investigators investigate complaints that cannot otherwise be conducted by an Investigative Group because of actual or apparent conflicts of interest, resource constraints, lack of specialized subject matter expertise or other appropriate reasons. Any investigation may be conducted under the direction of Legal as determined by the General Counsel.

Complaints will be handled by qualified investigators objectively and fairly, without bias or prejudice, in a timely manner and with respect for all parties to the investigative process. Investigators will not presume that a complaint has merit, but rather will conduct an investigation of the facts.

The Chair of our Audit Committee of the Freddie Mac Board of Directors will oversee the investigation of any complaint that involves a Board member or the CEO unless the Audit Committee Chair is implicated or conflicted, in which case the investigation shall be overseen by the Chair of the Board.

In addition, our Investigation Policy contains provisions for escalation of certain types of allegations if they involve (1) accounting matters that present a reasonable likelihood of noncompliance with (a) applicable legal or regulatory requirements, (b) generally accepted accounting principles (GAAP) or (c) corporate policies pertaining to such requirements or to GAAP, or (2) complaints presenting a reasonable likelihood of a violation by (a) an executive officer or a member of the Board of Directors or (b) any employee other than an executive officer if a violation alleged in the complaint presents a reasonable likelihood of significant fraud, significant legal risk to the company, or a substantial or material effect on the reputation or operation of the company. If the heads of our Investigative Groups (Compliance, Legal and Internal Audit) determine an allegation meets these criteria, the matter is escalated for immediate awareness to our Board Chair, Audit Committee Chair, Risk Committee Chair, CEO, CFO, CRO and our regulator, FHFA.

Conduct Risk Committee

Our risk governance structure, as outlined in Freddie Mac's Enterprise Risk Policy, enumerates the need for several management risk committees, including a Conduct Risk Committee. Our Ethics Office has chartered this committee to share and discuss information on employee conduct-related matters among senior executive officers representing our Risk, Legal, Human Resources, Corporate Administration and Internal Audit divisions. The purpose of the Conduct Risk Committee is to evaluate employee conduct investigations and outcomes for consistency and to identify opportunities for governance or cultural improvements (e.g., policies and procedures, or training and awareness materials). Freddie Mac's reporting mechanisms—including the Compliance & Ethics Helpline—and the reports and concerns they elicit are the foundation of the Conduct Risk Committee.

Periodic Reports to the Audit Committee

In connection with the Audit Committee's review of the company's Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K, the Chief Compliance Officer, General Auditor and General Counsel report jointly in writing to the Audit Committee concerning the existence and current status of any major accounting matters and any complaints alleging any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting. "Major accounting matters" at Freddie Mac means accounting matters that present a reasonable likelihood of noncompliance with (1) applicable legal or regulatory requirements, (2) GAAP or (3) corporate policies pertaining to such requirements or to GAAP.

Freddie Mac has remained in compliance with the whistleblower regulations, including but not limited to The Sarbanes Oxley Act and the Dodd-Frank Act, and has not recorded any complaints alleging violations of the whistleblower protections of those regulations.

Professional Integrity

FN-IB-510b.4

Description of approach to ensuring professional integrity, including duty of care

Freddie Mac's Values

Freddie Mac empowers our employees and Board of Directors to act with professional integrity and fulfill our duty of care through our codes of conduct, through our expectations for our people managers, senior management, and Board of Directors, and through our Values:

<u>We are mission driven</u>
We put the health of the housing finance market at the forefront of our business decisions
And Mission drives everything we do

<u>We do the right thing</u>
We lead the company and our industry with integrity
And we take responsibility for our actions

<u>We perform with excellence</u>
We thoughtfully approach challenges
And we reliably deliver on our commitments

<u>We are inclusive</u>
We embrace our differences
And we engage with respect and positive intent

Success is defined by both what we accomplish and how we accomplish it. In addition to these Values—Mission, Integrity, Excellence and Inclusivity—we strive to lead, collaborate, deliver results, focus on stakeholders and grow and develop. We strive to excel in all those areas, to foster a culture that enables our teams to perform their best work in support of our mission. Like any behavior or habit, it will take constant self-reflection, feedback and hard work as we embrace these values, practice these cultural competencies and measure ourselves against them.

Guiding Principles and Ethical Decision-Making

Our employee Code of Conduct, "How We Make Home Possible," sets critical expectations for the actions we take and the competencies we demonstrate. Our Employee Code of Conduct is divided into six guiding principles that outline the responsibilities that we have to each other, our business partners, our competitors and our customers:

- We create a safe, respectful and inclusive work environment
- We safeguard our company's and our partners' information and resources
- We put the company's interests before our own and disclose conflicts of interest
- We communicate truthfully and responsibly
- We conduct our business lawfully and in good conscience
- We ask for guidance and report concerns

Through these six Code of Conduct sections, employees can find high-level guidance on over 20 risk areas – such as treating others with respect, information protection, conflicts of interest, truthful reporting, fraud prevention and fair lending among others. Employees will also find links to the internal policies that provide more guidance and rules on the topics addressed in the Code of Conduct. Several scenarios demonstrating how to apply our Values and ethical frameworks are shared throughout the Employee Code of Conduct: asking employees to consider right versus wrong, potential consequences of their actions, reputational effect and the level of due diligence they have employed before making a decision.

Our Employees and Leaders

Our Employee Code of Conduct applies to all employees, including senior management and executives. Employees providing services under the Financial Agency Agreement between Freddie Mac and the Department of Treasury are also subject to the Freddie Mac Making Home Affordable Code of Conduct. We also expect that those who work with Freddie Mac, including our contingent workers, independent contractors and consultants, will embrace the spirit of the Code of Conduct and adhere to its standards.

We hold those who manage people to higher standards, and these expectations are outlined in the Employee Code of Conduct. Additionally, our Employee Code of Conduct asserts that senior management is responsible for making sure the company has the resources to effectively execute our mission, and that certain members of leadership – to include the Chief Executive Officer, President, Chief Financial Officer and Principal Accounting Officer/Controller – must also promote full, fair, accurate and understandable disclosures in filings with the Securities and Exchange Commission and other public communications regarding our financial condition.

Trainings, Attestation and Restrictive Covenants

All employees, including senior executives and financial officers, are required to sign an annual acknowledgement that they have read the Employee Code of Conduct and agree to abide by it and will report suspected deviations from it. We capture this acknowledgement through a mandatory Code of Conduct training with an attestation statement at the conclusion of the online course. Each year, our Ethics Office creates a new version of this training course that highlights the risks most pertinent to us in that calendar year and reminds us of our professional integrity responsibilities. The course is also assigned to contingent workers and new hires as they onboard throughout the calendar year. Our employees are also assigned other mandatory training courses covering risk and compliance requirements related to: identifying and reporting suspicious activity; abiding by Freddie Mac's personal investment program; conforming with Freddie Mac's information wall, privacy and records management programs; keeping our corporate information secure; how to work appropriately with our conservator and regulator; and meeting our fair lending responsibilities. Our employees also receive risk and compliance training specific to their job duties throughout the year.

While all employees are required to adhere to our company's conflicts of interest requirements, certain employees have post-employment restrictions specific to further protect our corporate information. Such employees are required to abide with six-month cooling-off periods following the termination of their employment with Freddie Mac. The cooling-off periods restrict specific types of engagement with Freddie Mac on behalf of the former employee's new employers. Knowing violations of the cooling-off periods may result in legal action.

Our Board of Directors

Our directors are expected to set the ethical tone at the top by communicating and supporting Freddie Mac's commitment to act with integrity and conduct our business with the highest ethical standards as stated in our Code of Conduct for Members of Freddie Mac's Board of Directors (the "Board Code"). The Board Code is based on our company's Values and provides a guide for our directors to fulfill their responsibilities. The Board Code has four chapters that cover risk areas specific to directors' responsibilities – such as conduct relating to Freddie Mac, conduct relating to our third parties, investments and enforcement.

When joining our Board of Directors, our directors acknowledge that they have reviewed and understand the Board Code and agree to be bound by its provisions, and each director re-executes such confirmation annually.

Ultimately, our directors serve on behalf of, and exercise authority as directed by, Freddie Mac's Conservator (FHFA) and owe their fiduciary duties of care and loyalty to the Conservator. Although the Conservator has provided authority for the Board of Directors and its committees to function in accordance with the duties and authorities set forth in applicable statutes, regulations, guidance, orders, directives and our Bylaws and committee charters, the Conservator has reserved certain powers of approval for itself. The Conservator provided instructions to the Board of Directors in 2008, 2012, and 2017 for Freddie Mac to consult with and obtain the Conservator's decision before taking certain actions.

Updating Our Codes of Conduct

Freddie Mac is required to review its Employee Code of Conduct at least once every three years. In 2022, we completed a full review and revision of the Employee Code of Conduct to highlight additional areas of focus (including fair lending and diversity, equity and inclusion) for the company and to generally refresh the document. The revision was approved by Freddie Mac's Audit Committee of the Board of Directors in September 2022 and subsequently published to our website. The Board of Directors last approved a revision to the Board Code on September 3, 2020.

Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Accounts

FN-IB-410a.2

(1) Value of social, sustainability and green bonds issued, (2) number of mortgage loans backing social, sustainability, and green bonds issued, and (3) number of Single-Family green bonds issued

Social Bonds Issuances[1]

	For year ended December 31		
	2022	**2021**	**2020**
Value of Social Bonds issued (Unpaid Principal Balance at issuance, $ millions)	2,279	1,425	877
Number of mortgage loans backing Social Bonds issued	160	134	163
Number of rental units financed by mortgage loans that back Social Bonds[4]	23,436	18,980	13,082
Number of low-income rental units[2] financed by mortgage loans that back Social Bonds[4]	21,892	17,761	11,017
Number of very low-income rental units[3] financed by mortgage loans that back Social Bonds[4]	12,120	14,078	7,336

Footnote

[1] Multifamily only. Social Bonds are identified as offerings throughout the year that are labeled as social in investor disclosure. Whether the Bonds meet the definition of a Social Bond, as well as the eligibility of mortgage loans backing the Social Bonds issued, were not subject to the procedures applied in PwC's limited assurance engagement

[2] Units are considered low-income if affordable to tenants earning at or less than 80% Area Median Income (AMI)

[3] Units are considered very low-income if affordable to tenants earning at or less than 50% AMI

[4] The number of rental units, number of low-income rental units and number of very low-income rental units financed was not subject to the procedures applied in PwC's limited assurance engagement, and accordingly, PwC makes no comment as to its completeness and accuracy and PwC does not express a conclusion or provide any assurance on such information

Sustainability Bonds Issuances[1]			
	For year ended December 31		
	2022	2021	2020
Value of Sustainability Bonds issued (Unpaid Principal Balance at issuance, $ millions)	2,033	2,421	972
Number of mortgage loans backing Sustainability Bonds issued	137	149	51
Number of rental units financed by mortgage loans that back Sustainability Bonds[4]	22,559	24,866	9,760
Number of low-income rental units[2] financed by mortgage loans that back Sustainability Bonds[4]	21,765	24,235	9,120
Number of very low-income rental units[3] financed by mortgage loans that back Sustainability Bonds[4]	14,420	15,621	4,026

Footnote

[1] Multifamily only. Sustainability Bonds are identified as offerings throughout the year that are labeled as sustainable in investor disclosure. Whether the Bonds meet the definition of a Sustainability Bond, as well as the eligibility of mortgage loans backing the Sustainability Bonds issued, were not subject to the procedures applied in PwC's limited assurance engagement

[2] Units are considered low-income if affordable to tenants earning at or less than 80% AMI

[3] Units are considered very low-income if affordable to tenants earning at or less than 50% AMI

[4] The number of rental units, number of low-income rental units and number of very low-income rental units financed was not subject to the procedures applied in PwC's limited assurance engagement, and accordingly, PwC makes no comment as to its completeness and accuracy and PwC does not express a conclusion or provide any assurance on such information

Green Bonds Issuances[1]			
	For year ended December 31		
	2022	2021	2020
Number of Green Bonds Issued[2]	62	84	0
Value of Green Bonds Issued (Unpaid Principal Balance at issuance, in $ millions)			
Single-Family Green Bonds	1,372	617	0
Multifamily Green Bonds	484	1,308	1,255
Number of Mortgage Loans Backing Green Bonds Issued			
Single-Family Green Bonds	3,982	2,454	0
Multifamily Green Bonds	26	49	52
Number of rental units financed[3] by mortgage loans that back Green Bonds[6]	4,782	11,732	11,731
Number of low-income rental units[4] financed[3] by mortgage loans that back Green Bonds[6]	4,497	9,978	10,154
Number of very low-income rental units[5] financed[3] by mortgage loans that back Green Bonds[6]	1,402	1,380	1,214

Footnote

[1] Green Bonds are identified as offerings throughout the year that are labeled as green in investor disclosure. Whether the Bonds meet the definition of a Green Bond, as well as the eligibility of mortgage loans backing the Green Bonds issued, were not subject to the procedures applied in PwC's limited assurance engagement

[2] Single-Family only

[3] Multifamily only

[4] Units are considered low-income if affordable to tenants earning at or less than 80% AMI

[5] Units are considered very low-income if affordable to tenants earning at or less than 50% AMI

[6] The number of rental units, number of low-income rental units and number of very low-income rental units financed was not subject to the procedures applied in PwC's limited assurance engagement, and accordingly, PwC makes no comment as to its completeness and accuracy and PwC does not express a conclusion or provide any assurance on such information

Projected Green Bonds Impacts[3]			
	For year ended December 31		
	2022	2021	2020
Projected Energy Consumption Savings of Green Bonds (kBtu[1] in millions)			
Single-Family Green Bonds	210	192	0
Multifamily Green Bonds	32	95	88
Projected Water Consumption Savings of Green Bonds[2] (Gallons in millions)	41	115	128
Projected Greenhouse Gas Emissions Prevented (metric tons of CO2e in thousands)			
Single-Family Green Bonds	17	11	0
Multifamily Green Bonds	3	8	8
Projected Average Property Owner Utility Cost Savings Per Unit Per Year ($)			
Single-Family Homeowners	$722	$1,027	$0
Projected Average Tenant Utility Cost Savings Per Unit Per Year ($)			
Multifamily Tenants	$255	$229	$263

Footnote:

[1] 1,000 British thermal units

[2] Multifamily only

[3] This table is not part of metric FN-IB-410a.2 and was not subject to the procedures applied in PwC's limited assurance engagement, and accordingly, PwC makes no comment as to its completeness and accuracy and PwC does not express a conclusion or provide any assurance on such information

Single- Family

More information on methodology for impact statistics can be found in the appendix of the 2022 Impact Report

Multifamily

More information on methodology for impact statistics can be found in the appendix of the 2022 Impact Report

Report of Independent Accountants

pwc

To the Board of Directors of Federal Home Loan Mortgage Corporation

We have reviewed the management assertion of Federal Home Loan Mortgage Corporation (Freddie Mac) that the Freddie Mac Metrics (metrics) referenced in the *Sustainability Accounting Standards Board (SASB) Index and Metrics, as Modified* table and included in the *SASB Metrics, as Modified* section of the accompanying Freddie Mac Sustainability Report (excluding the number of rental units financed metrics presented as part of the FN-IB-410a.2 metric) as of or for the years ended December 31, 2022, 2021, and 2020, other than certain qualitative metrics, denoted by an * in the *SASB Index and Metrics, as Modified* table, which reflect information for 2022, unless otherwise indicated, are presented in accordance with the assessment criteria set forth in the *SASB Metrics, as Modified* section. Freddie Mac's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The firm applies the Statements on Quality Control Standards established by the AICPA and, accordingly, maintains a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, read relevant policies to understand terms related to relevant information about the metrics, reviewed supporting documentation in regard to the completeness and accuracy of the data in the metrics on a sample basis, and performed analytical procedures.

As discussed in management's assertion, in 2022, Freddie Mac changed the criteria related to the FN-MF-270a.1 metric.

Based on our review, we are not aware of any material modifications that should be made to Freddie Mac's management assertion in order for it to be fairly stated.

PricewaterhouseCoopers LLP

Washington, DC
September 7, 2023

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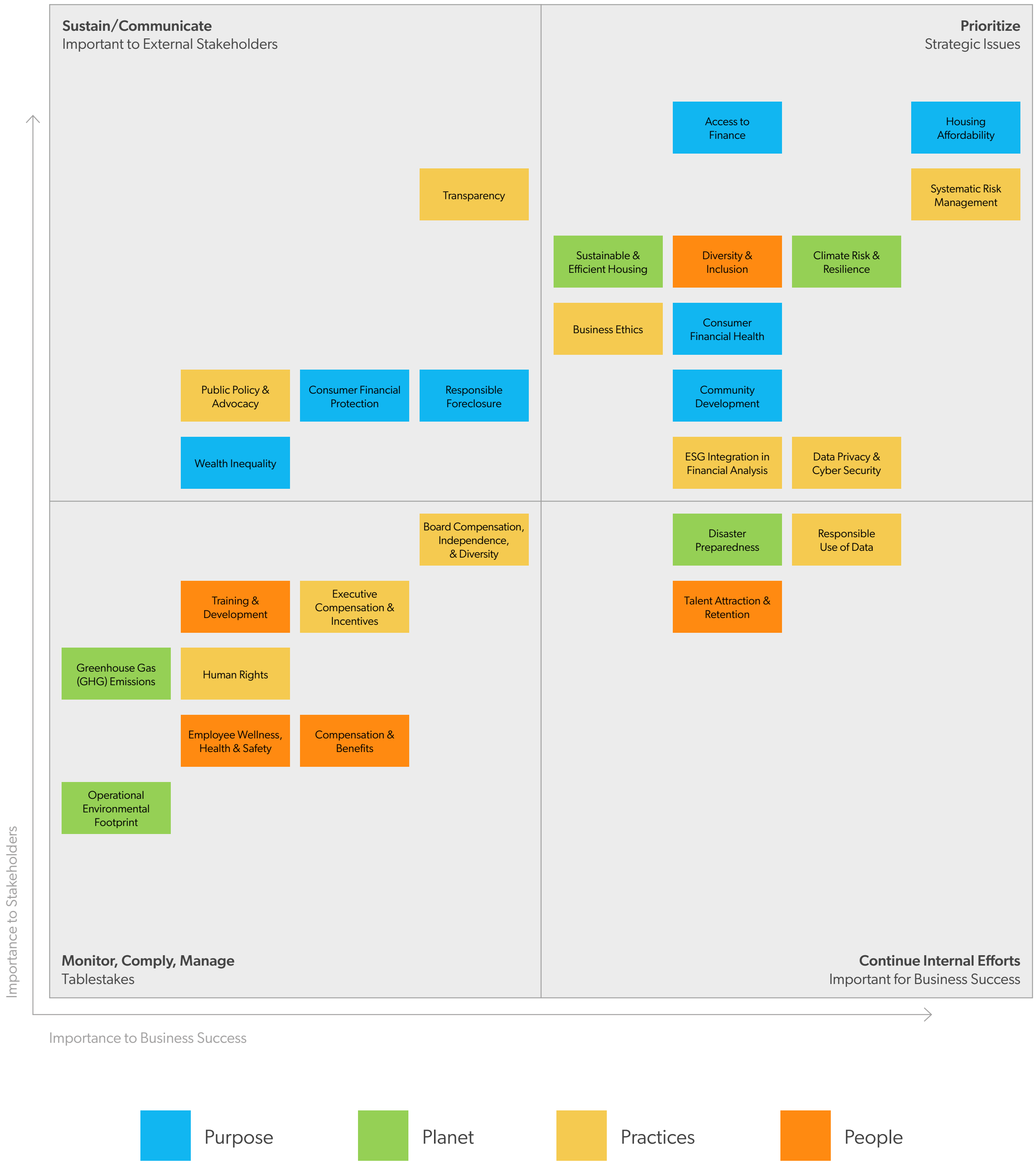
TCFD Index

Management Defined Metric	Response / Location
Governance	
a) Describe the Board's oversight of climate-related risks and opportunities	Pages 17, 62
b) Describe management's role in assessing and managing climate-related risks and opportunities	Pages 17, 63
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Pages 18-19, 26-30
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	Pages 20-30
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Not disclosed
Risk management	
a) Describe the organization's processes for identifying and assessing climate-related risks	Pages 31-32
b) Describe the organization's processes for managing climate-related risks	Page 32
c) Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Pages 32
Metrics	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Page 32
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Not disclosed
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Not disclosed

Materiality Matrix as of 2020



Freddie Mac