

Freddie Mac Enterprise Resiliency 2021

Freddie Mac is fully committed to the firm's resiliency capabilities and meeting the needs of our regulators, customers, investors, and the public. We maintain an enterprise-wide operational resilience program designed to meet regulatory and legal requirements, as well as industry expectations, leading practices, and sound enterprise risk management.

Freddie Mac's resiliency program also identifies recovery solutions that promote operational resilience and support Freddie Mac recovery objectives, including:

- Provide for the safety and welfare of the staff, associates, and visitors
- Maintain the Company's mission, legal, regulatory, and contractual obligations to our customers and counterparties
- Protect the Company's assets and records
- Continue to provide market liquidity and fund business requirements
- Continue to accommodate an acceptable level of the total business volume
- Manage resulting financial and operational risk

Freddie Mac's resiliency efforts are focused on delivering repeatable, predictable capabilities that can demonstrate agility and sustainability to carry out our mission during disruptive events and continue to operate critical processes with minimal disruption. Freddie Mac continues to evaluate and mature the program given the regularly changing threat landscape, most recently with ransomware.

Key program aspects are further detailed below.

Governance

Resiliency efforts at Freddie Mac are chartered by FHFA and governed by the regulators and our Board. Freddie Mac employs three lines of defense to ensure the business resiliency program activities are carried out in accordance with Freddie Mac policies and procedures.

Standards & Policies:

Freddie Mac's business resiliency program is aligned with industry standards, leading practices, and FHFA requirements. In addition, Freddie Mac has established internal resiliency policies and standards to strengthen enterprise-wide risk reduction activities, program execution, and program maturity. As part of the governance process, standards and policies are reviewed annually and updated as appropriate.

Business Impact Analyses & Business Continuity Plans

Freddie Mac divisions conduct and annually update Business Impact Analysis (BIA) for each of their critical processes. The BIAs seek to measure risk and impact to determine criticality and how soon owners need for recovery.

Freddie Mac divisions also maintain and annually update Business Continuity Plans (BCP). The BCPs help ensure continuity and risk mitigation across several loss scenarios, such as: loss of personnel, loss of

facilities, loss of technology. The BCPs also capture escalation procedures and workaround strategies that support an ability to effectively failover to different process methods or activities.

Crisis Management

Freddie Mac's business resiliency program also encompasses crisis management to address both potential and actual business disruptions and crises. Our crisis management framework is supported by a federated model. Two primary teams manage overall crisis response for Freddie Mac, they include:

- Incident Management – Operations: this team runs a 365/24/7 crisis management Command center that supports proactive and effective monitoring and response to a range of incidents. Clear escalation guidance is in place to assist the CMT-Ops team in determining whether to engage senior leadership in the response.
- Crisis Management – Executive: this team consists of Freddie Mac executives and senior leadership who are tasked with providing strategic guidance, direction and oversight, as well as communicating with key stakeholders during a declared crisis.

Testing

Freddie Mac maintains a testing program that guides divisions in creating, developing and executing Test Plans for business continuity, disaster recovery, and crisis management. Annual tests are conducted to help measure the ability to continue and recover our most critical processes (e.g., workaround, tabletop, third party testing etc.). Lessons learned are captured to support overall continuous improvement.

Technology Resiliency (Information Technology/Disaster Recovery)

Technology resiliency is a core component of an overall enterprise resiliency program. Freddie Mac technology resiliency highlights include improving:

- geographical diversity across data centers
- expanded use of third-party cloud platforms for our business applications,
- continuous technological transformation to enhance recovery of critical business functions and supporting assets in the event of a business disruption.

Summary

Freddie Mac is committed to the maturity of the operational resilience program and overall risk reduction to support safety and soundness across the firm, in addition to meeting the needs of all our stakeholders.

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