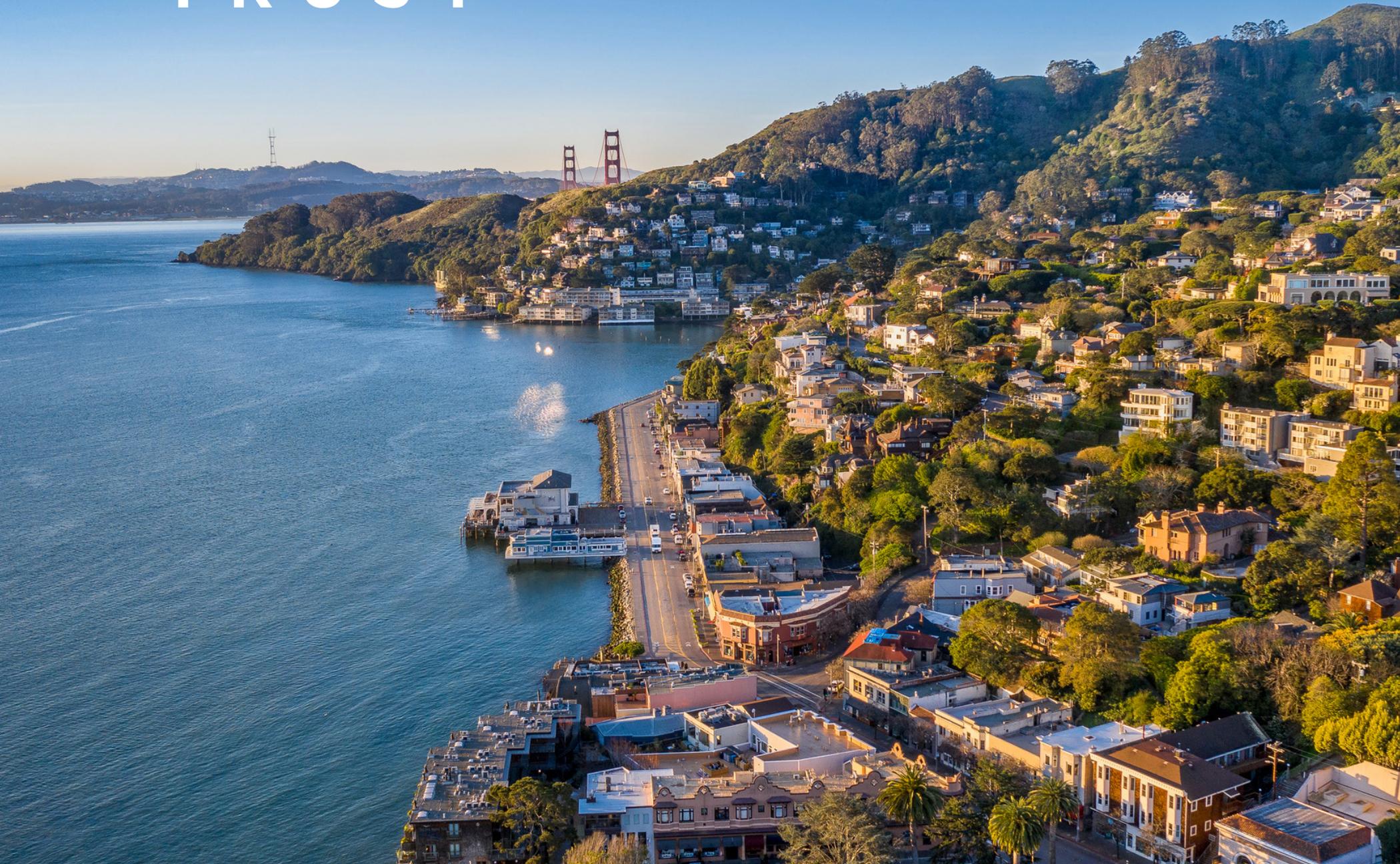


REDWOOD TRUST

2021 Environmental, Social
and Governance Tear Sheet





About This Report

The following Environmental, Social and Governance (“ESG”) Tear Sheet contains disclosure of metrics relevant to Redwood Trust, Inc.’s (“Redwood”, the “Company”, “us”, “we”, “our”, NYSE: RWT) business, as well as selected metrics included in the Sustainability Accounting Standards Board (“SASB”) standards for the Financials Sector – Mortgage Finance and Asset Management & Custody Activities industries. We believe these industry standards most closely align with our business and investments and we chose this framework as it allows for comparable and reliable information, which is consistent with our commitment to provide transparent, useful, and relevant data to all of our stakeholders. Please note that many aspects of Redwood’s businesses are subject to different legal and regulatory requirements than generally applicable to the mortgage finance companies and asset managers and

custodians contemplated by these SASB industry standards. As such, we have used these SASB metrics as a guide for some of our responses and adapted them where appropriate to the scope and structure of our own business. SASB is an independent standards-setting organization that promotes disclosure of sustainability information to meet investor needs. This document is being published in June 2022 and covers the period from January 1, 2021 through December 31, 2021, unless otherwise noted.



ABOUT US

Redwood is a leading specialty finance company focused on several distinct areas of housing credit. The foundation of our company is captured by our corporate mission, which is to make quality housing, whether rented or owned, accessible to all American households. Our business occupies a unique position in the housing finance value chain, providing liquidity to growing segments of the U.S. housing market not well served by government programs. Expanding access to housing entails both consumer and rental loan solutions, and we believe no other operator or investor offers the same breadth of solutions as Redwood. Our aggregation, origination and investment activities have evolved to incorporate a diverse mix of residential and business purpose assets, including multi-family. The financing we provide makes a positive impact, not just on the American economy, but also on the lives and dreams of the families we serve.

We operate our business in three primary segments: Residential Mortgage Banking and Business Purpose Mortgage Banking (taken together these two segments represent our “Operating Businesses”), and our Investment Portfolio. Through our Operating Businesses, we not only provide liquidity to homeowners and housing investors, but we also create and deliver customized housing credit investments to a diverse mix of investors through our best-in-class securitization platforms and whole-loan distribution activities. Additionally, through our home-grown venture investment arm, RWT Horizons, we invest in early-stage fin-tech and prop-tech companies strategically aligned with our business across the lending, real estate, and financial technology sectors. Our commitment to technology-enabled solutions allows us to serve more consumers at scale and represents the future of housing finance.

Our goal is to provide attractive returns to our shareholders through a stable and growing stream of earnings and dividends, capital appreciation, and a commitment to technological innovation that facilitates risk-minded scale. We have a long track record of strong performance and delivering compelling returns to our shareholders over the course of our 27-year history as a publicly-traded company.

Residential Mortgage Banking

- Market-leading non-Agency correspondent platform, serving over 150 bank and non-bank originators
- Business activities primarily consist of acquiring prime jumbo residential mortgages from third-party originators
- Purchased \$12.9 billion of loans in 2021
- Largest non-bank issuer of private label securities (“PLS”) in the jumbo market (through our Sequoia shelf) in 2021
- 118 securitizations for total issuance of approximately \$60 billion since 1997

Business Purpose Mortgage Banking

- CoreVest American Finance Lender, LLC (“CoreVest”), is one of the leading direct lenders to single-family and multi-family housing investors
- Directly originates, and to a lesser extent acquires, both single-family rental, multi-family term and bridge loans for subsequent securitization (through our CAFL private-label securitization program), sale, or long-term investment
- Funded \$2.3 billion of loans in 2021
- Largest issuer of PLS in the business purpose lending (“BPL”) market
- 19 securitizations for total issuance of \$5.1 billion since inception

Investment Portfolio

- Consists of investments sourced through our Operating Businesses, other partnerships and third-parties
- We invest across the non-agency market — 68% of our portfolio consists of assets that we organically create. The remaining 32% of investments are from third-parties, and include investments such as Agency CRT securities, investments in Freddie Mac K-Series multi-family loan securitizations and reperforming loan securitizations, servicer advance investments, home equity investments (“HEIs”), and other housing-related investments
- \$2.7 billion of economic interests in the portfolio¹

RWT Horizons

- Venture investment arm of Redwood that invests in early-stage fin-tech and prop-tech companies that have a direct nexus to Redwood’s businesses and strategies
- As of 12/31/21, we had allocated \$25 million across 15 investments

¹Reflects our investments held on balance sheet that we directly own and our economic interests in securities we own in securitizations we consolidate in accordance with GAAP (and excludes the assets within these consolidated securitizations that appear on our balance sheet).

ESG AND LENDING

ESG INTEGRATION IN INVESTMENTS

Our corporate vision is to be the leading operator and strategic capital provider for sustainable innovation in housing finance. To Redwood, mortgages are not simply a business. The support we provide to the housing market is critical to the long-term growth and health of the economy and our nation. Through our Operating Businesses as well as our Investment Portfolio, we play an active role in supporting various areas of the residential housing market, including by enhancing liquidity in the residential real estate markets and, in turn, facilitating home ownership and access to housing across the United States. As a company, Redwood's mission is to help make quality housing, whether rented or owned, accessible to all American households. We seek to deliver on this mission through our Operating Businesses and investments. In addition, as a leading voice for quality and innovation in the private sector, we believe that we are a trusted and complementary partner to the government sponsored enterprises (Fannie Mae and Freddie Mac) in furthering our collective goals for housing access and sustainability.



HPA Case Study:

Given the dramatic rise in Home Price Appreciation (“HPA”) over the recent years, homeowners have a record amount of equity (an estimated \$25 trillion) tied up in their homes.

In 2019, Redwood made an initial investment in Point Digital, a leading financial technology platform that allows homeowners to unlock home equity wealth. With a HEI, homeowners can help reduce or eliminate debt, improve their credit scores, get through periods of financial hardship, and diversify their wealth. HEIs are an important new type of shared equity financing for homeowners that have gained significant traction in recent years given the growing affordability crisis in housing. 75% of Point Digital's homeowners see FICO score increases across the life of the HEI, with an average increase of over 53 points as measured from origination through exit.

In the third quarter of 2021, Redwood co-sponsored the first ever securitization backed entirely by residential HEIs.

“HEIs also represent a sizable new market opportunity for Redwood as we continue to evolve and diversify our revenue sources and disrupt the housing market. Our collaboration with Point Digital furthers our continued ability to drive innovative technology within housing.”

– Shoshone Stern, Redwood's Head of Portfolio Strategy and Financial Risk

Housing Accessibility Case Study:

In the first quarter of 2022, Redwood made an investment in Mosser Capital Fund I, which is managed by Mosser Capital, a 100% minority- and women-owned organization. The aim of the fund is to acquire, renovate and enhance operating income in distressed or mismanaged rent-regulated apartment properties in California. Aligned with Redwood's mission of helping to support housing accessibility, this fund aims to also provide quality workforce housing opportunities in key urban communities.



ESG AND LENDING

ESG INTEGRATION IN RESIDENTIAL MORTGAGE BANKING

We work in support of the safety and soundness principles emphasized by the Federal Housing Finance Agency (“FHFA”) to help ensure a strong and stable housing finance market. Through our Operating Businesses and investments, our role has been to help serve markets and borrowers that federally subsidized loan programs do not reach. Along with added purchasing power, consumers benefit from private sector sponsors with deep experience in the risk-based underwriting and pricing of their home loans. As one of the largest issuers of private label residential mortgage-backed securities (“RMBS”), we help families access homeownership. Our programs enable our loan originator clients to lend to a wide range of credit-worthy borrowers that are not eligible for government sponsored programs while maintaining control over the lending process and serving their customers more efficiently. In addition, we source and distribute loans to institutional investors, facilitating their access to the U.S. housing market and linking global pools of capital to consumers.

REDWOOD RESIDENTIAL

Expanded Credit Products Case Study

Our residential product suite is able to be nimble and flexible in responding to the needs of American homeowners. For example, in April 2022 we expanded our product guidelines to better serve the growing cohort of self-employed borrowers by allowing for primary use of business and personal bank statements in the underwriting process. In 2021, approximately 50 million people voluntarily left their jobs¹ and there has been a continued significant increase in the number of people entering self-employment, many of whom have high-quality credit and will need to buy a house or refinance an existing home loan. These new products under our Redwood Residential business address the needs created by these labor changes.

¹Source: U.S. Bureau of Labor Statistics.

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Redwood has a long and successful history of innovating and providing residential products that address the evolving needs of homeowners. We are excited about the launch of our latest set of expanded products, some of which leverage business and personal bank statements in the underwriting process while still meeting the Qualified Mortgage (“QM”) criteria.

- Fred Matera, Managing Director and Head of Redwood Residential

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As interest rates rise, access to homeownership becomes an even bigger challenge, particularly for consumers with strong credit but who do not have traditional salary documentation.

- Carlene Graham, Managing Director and Chief Operating Officer of Redwood Residential

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ESG AND LENDING

ESG INTEGRATION IN BUSINESS PURPOSE MORTGAGE BANKING

Our activities in business purpose lending continue to support the construction and stabilization of high-quality, affordable and accessible rental housing, benefiting renters and local communities alike. Our business purpose lending activities include financing for workforce housing, which targets medium-income households that would not typically qualify for low-income government subsidies and also often cannot afford the median price of housing in certain regions. For our long-term rental portfolio product, we often lend on properties subject to Section 8, the federal government’s program for assisting low-income families, the elderly, and the disabled in affording decent, safe, and sanitary housing in the private market. Through both our Bridge and Term products, we lend on housing valued at less than \$100,000 that are rented by low to moderate income households.

In 2021, 40% of our Bridge funding was in support of sponsors seeking to purchase, renovate and rent housing units (rather than selling to an end user).

82% of the units in properties secured by term loans that we originated in 2021 are considered affordable housing, with rents below 30% of median household income.



In 2021, Corevest, in line with Redwood’s mission of providing accessibility to quality housing, surpassed \$1.0 billion in financing to sponsors of Build for Rent (“BFR”) projects across the United States.

“While we have already created a solid business servicing operators of existing rental housing stock, we have seen extremely strong performance in purpose-built rental housing. Tenant demand demonstrates the need for high-quality rental alternatives to traditional multi-family dwellings.”

— Christopher Hoeffel, President of CoreVest

ESG AND LENDING

ESG INTEGRATION IN OUR INVESTMENT PORTFOLIO

As of December 31, 2021, \$2.7 billion of Redwood's total economic interests¹ were in our Investment Portfolio. Approximately 68% of the investments in our Investment Portfolio were organically created and the remaining 32% were purchased from third-parties. We believe we provide liquidity to several high impact areas of the housing market through our investments, a few of which we highlight below.

HEI **\$44 million of economic interests**

- Our investments in HEI include products that offer financing alternatives to underserved and underbanked consumers.

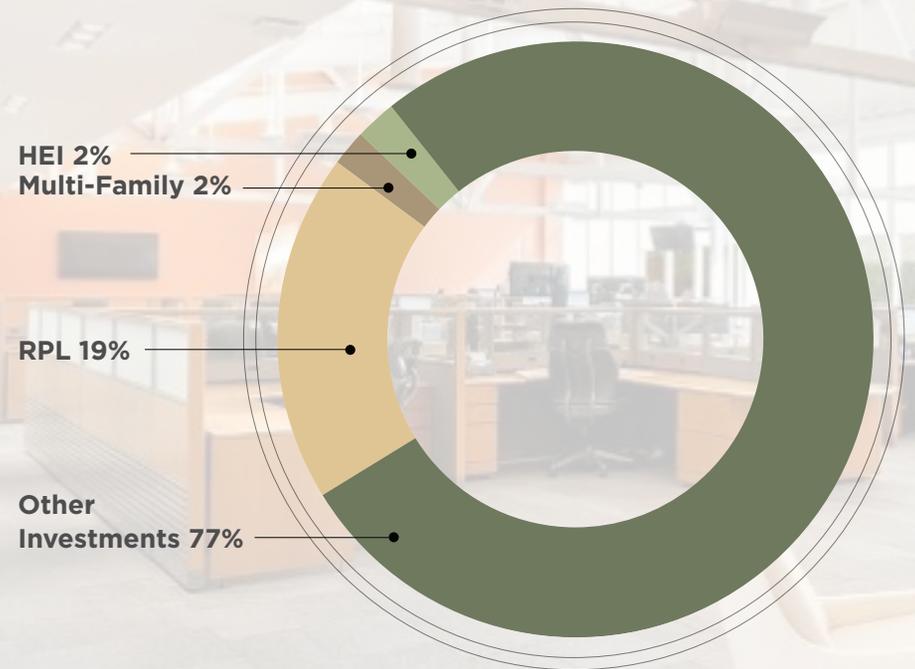
Multi-Family **\$64 million of economic interests**

- Subordinate investments in \$455 million of financing in support of targeted affordable housing, senior housing, and funding for renovation and improvements.

Reperforming Loans **\$510 million of economic interests**

- Investments in reperforming residential loans represent financing for approximately 75,000² homeowners who, after experiencing financial distress, had their monthly payments recast through loan modification.

Investment Portfolio **Total Economic Interests - \$2.7 billion¹**



¹Reflects our investments held on balance sheet that we directly own and our economic interests in securities we own in securitizations we consolidate in accordance with GAAP (and excludes the assets within these consolidated securitizations that appear on our balance sheet).

²This metric reflects total loans backing our reperforming loan investments (and represents \$13.5 billion unpaid principal balance ("UPB") and 74,814 loans).

ESG AND LENDING

ESG INTEGRATION IN RWT HORIZONS

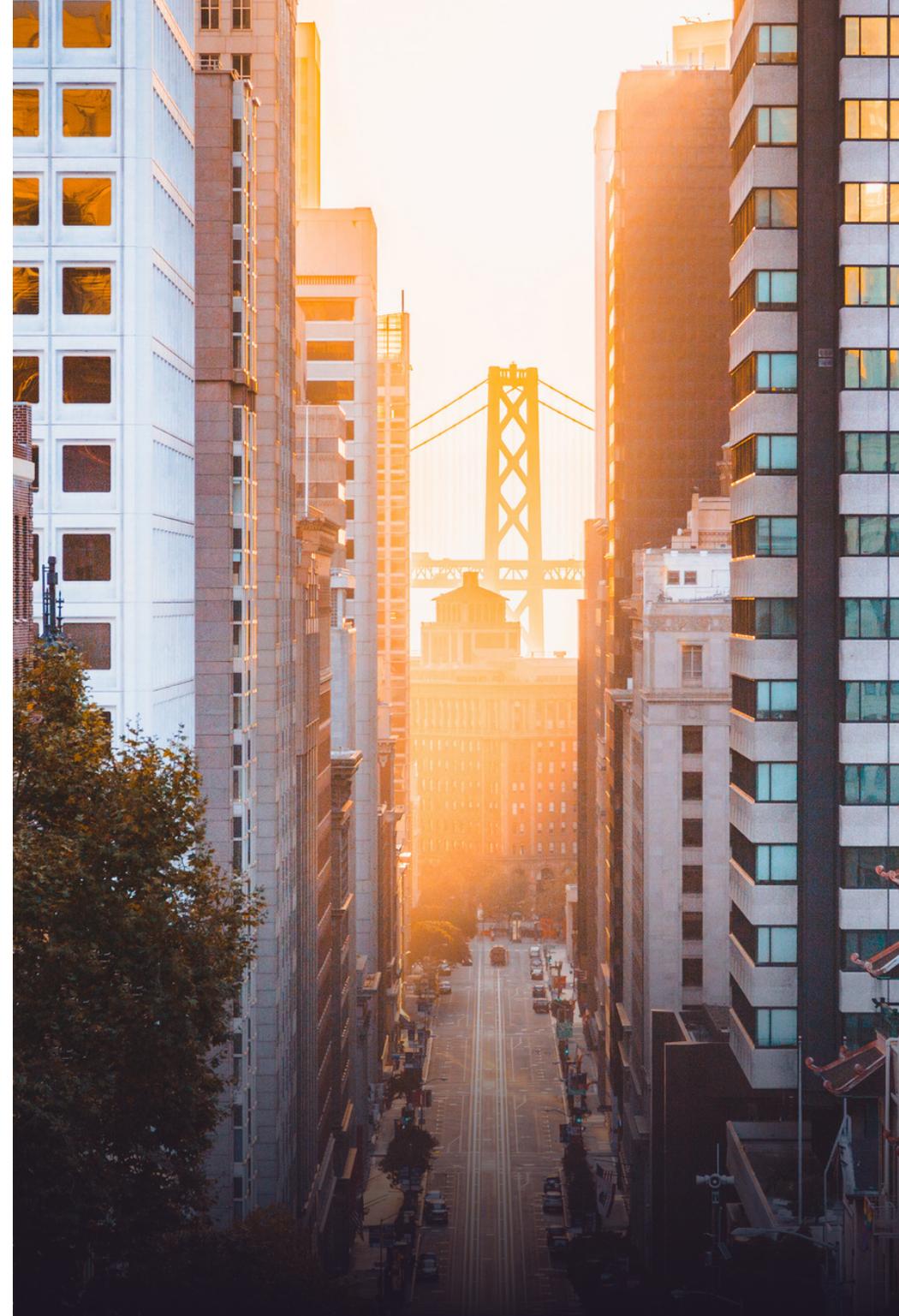
Certain RWT Horizons investments have a direct nexus to supporting our ESG goals and efforts.

LeaseLock

An insurtech platform that provides a security deposit replacement solution for tenants and landlords by replacing the traditional cash security deposit with lease insurance. With LeaseLock, renters enjoy a modern solution that removes financial barriers to leasing a new apartment by replacing an upfront deposit with lease insurance. LeaseLock offers a low-cost solution for tenants to cover their security deposit without the upfront cash outflow. In 2022, LeaseLock announced that it had achieved \$3 billion in leases insured for residential apartment homes.

Rent Butter

A fintech company that offers landlords a proprietary and more effective tenant screening tool to evaluate prospective tenants with lower credit scores. Rent Butter supports Redwood's efforts to promote quality housing opportunities for American households through enabling landlords to look beyond traditional credit scoring models by using an alternative, data driven approach to identify qualified prospective candidates. This is particularly relevant in the workforce housing segment of the rental market, an area that is served by our business purpose lending efforts at CoreVest.



ESG AND LENDING

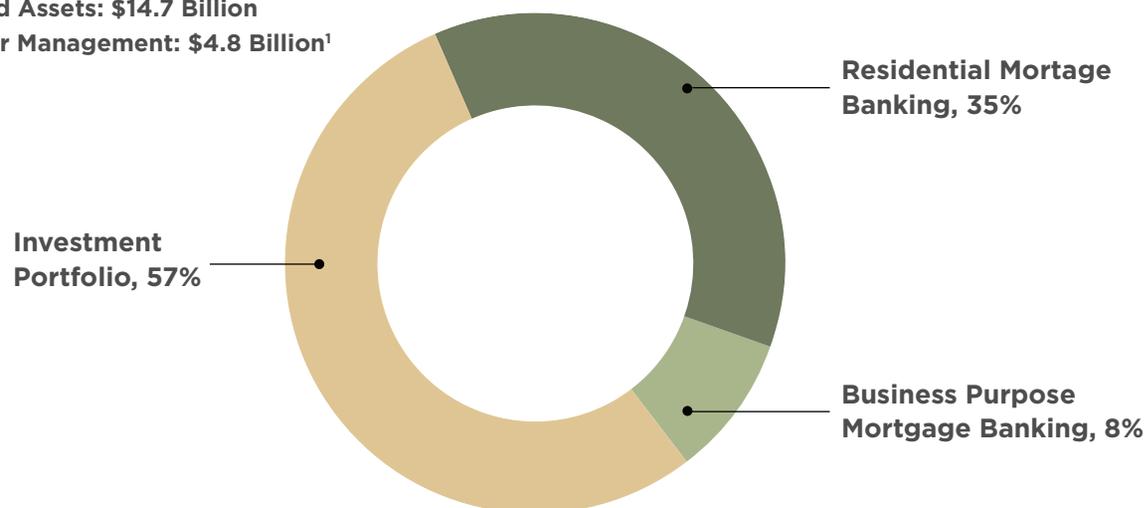
Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening

SASB: FN-AC-410a.1

As of December 31, 2021, the value of economic interests that we hold across our Residential Mortgage Banking, Business Purpose Mortgage Banking and Investment Portfolio segments totaled \$4.8 billion¹.

Total Consolidated Assets: \$14.7 Billion

Total Assets Under Management: \$4.8 Billion¹



Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies

SASB: FN-AC-410a.2

Residential Mortgage Banking

Within our Residential Mortgage Banking business, Redwood engages due-diligence vendors to evaluate a loan's compliance with applicable law and regulations. We have consistent application testing of our processes to ensure that the loans we purchase were originated appropriately and in accordance with applicable laws and regulations. Redwood utilizes sub-servicers to service loans where we own the servicing rights and maintains a servicing oversight function to monitor their performance and compliance with applicable laws and regulations.

Business Purpose Mortgage Banking

Within our Business Purpose Mortgage Banking business, we have institutionalized a process whereby each loan that we underwrite goes through formal review by CoreVest's Investment Committee and various additional sub-committees as appropriate. As part of this Investment Committee review process, we actively assess, where applicable, the ways in which certain ESG factors could impact specific loans that we underwrite. For instance, for certain of our lending activities (particularly those related to multi-family and BFR), we conduct specific environmental Phase 1 and Phase 2 assessment and reporting. For all properties we lend on, we conduct flood due diligence and advise borrowers appropriately of the status, and whether or not additional insurance is required as a result of our findings. For each loan, we also require an environmental indemnity from the borrower.

¹Reflects our investments held on balance sheet and our economic interests in securitizations we consolidate in accordance with GAAP (and excludes the assets within these consolidated securitizations that appear on our balance sheet) as of period end for each of the periods presented and includes loans in inventory at our mortgage banking segments and our strategic investments (e.g. RWT Horizons).

ESG AND LENDING

Description of approach to incorporation of environmental, social, and governance (ESG) actors in investment and/or wealth management processes and strategies

SASB: FN-AC-410a.2

Investment Portfolio

Our Investment Portfolio is strictly managed in accordance with our system of delegated authority under our Investment Policy, which is overseen by our Board of Directors. New asset classes are broadly vetted and specifically approved by Redwood's Investment Committee. Each investment within that asset class is then reviewed and approved by senior investment staff, including the Head of Portfolio Strategy, in conjunction with other Managing Director level employees. Investments that are primarily backed by multi-family assets receive in-depth review of certain ESG related risks (such as structural, hazard, engineering, environmental, and flood; as well as borrower and operator background and financial reviews). Where considered material, identified ESG risks will need to be mitigated or the Investment Portfolio team may elect to pass on the investment opportunity. All multi-family property is required to have customary protections against relevant ESG related risks, including inspections and insurance for flood, fire, and other potential hazards. In cases where Redwood created the retained asset, the loan-level review will have already occurred prior to original loan purchase or origination. Investments backed by residential assets tend not to include individual asset level information. In these cases, we rely on a series of eligibility requirements, such as mandatory compliance with all local, state and federal laws, representations and warranties from sellers, and insurance for flood, fire, and other potential hazards.

RWT Horizons

RWT Horizons also incorporates certain ESG factors into its investment evaluation process. As part of this investment evaluation process, RWT Horizons focuses on material ESG issues that are most likely to impact a portfolio company's financial performance and business model. Board structure, management experience and diversity, employee skill and turnover, and legal, social and environmental implications (depending on the nature of the investment) are ESG factors considered as part of our investment due diligence and approval process. An investment memo for each portfolio investment summarizes due diligence findings and highlights key opportunities, risks and other factors. Through RWT Horizons, we strive to invest in companies that have a direct nexus to our business and our team applies exclusionary screens during the due diligence process and seeks to avoid investing in companies whose principal activity is directly involved in objectionable or disputable sectors, such as: armaments, tobacco, gambling and pornography, as well as companies engaged in morally or ethically questionable businesses or business practices.

Additional Information (SASB Disclosure in our Securitization Activities)

In 2021, we began disclosing certain ESG related data in accordance with SASB standards for our residential Sequoia loan securitizations as a means of providing additional relevant data for our investors to evaluate our securitizations. We intend to continue evolving these ESG disclosures as a means of delivering relevant data points in a manner that is most useful to our investors.

Description of proxy voting and investee engagement policies and procedures

SASB: FN-AC-410a.3

Redwood predominantly invests in assets that do not include voting rights and are not traditionally associated with equity ownership. We do not invest in public company common equities and, as such, we do not believe this metric is meaningful to our business.

ENVIRONMENTAL RISK TO MORTGAGED PROPERTIES

Metric

Disclose the number and value of assets located in FEMA's 100-year flood zones

SASB: FN-MF-450a.1

Within our Residential Mortgage Banking business, in order to mitigate any potential losses, we require the appropriate flood and disaster insurance for the loans we buy, based on each loan's risk of exposure. We are continuing to pursue enhancing our data collection and analysis around this topic.

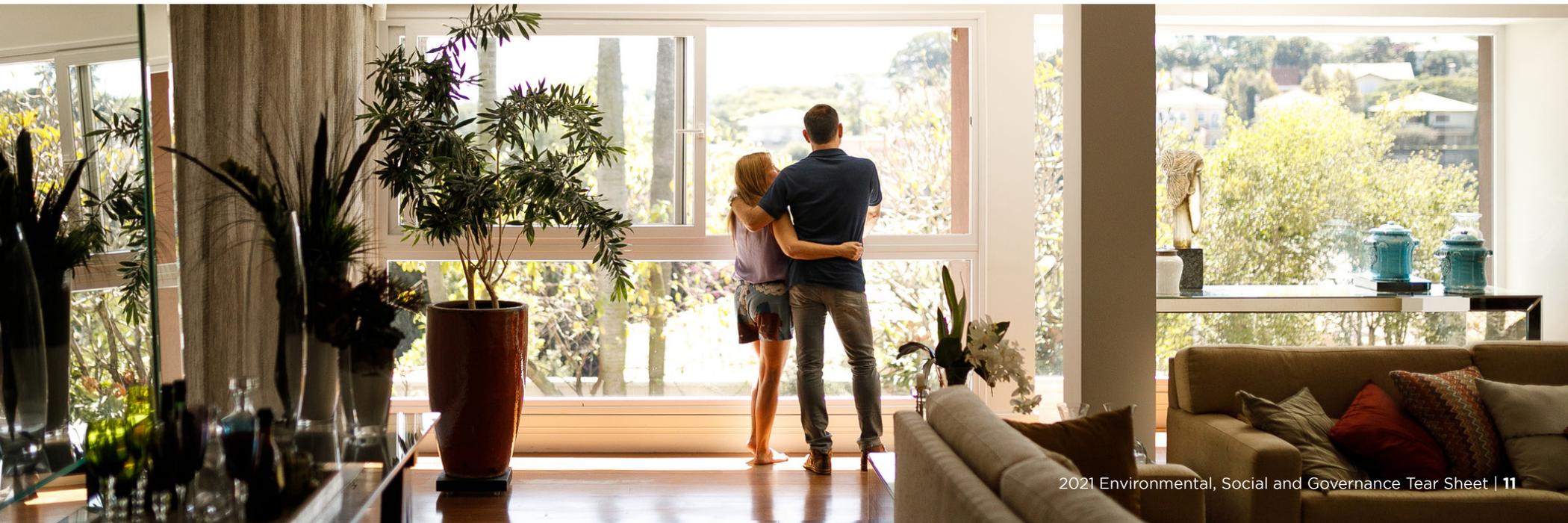
Within our Business Purpose Mortgage Banking business, we track assets that exist within flood zones and in instances where a loan is being made in a flood zone, we require flood insurance. For 2021, less than 4% of properties funded by our loans were considered to be in flood zones. We are continuing to pursue enhancing our data collection and analysis around this topic.

Disclose (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

SASB: FN-MF-450a.2

We monitor individual weather-related events that could impact our Operating Businesses and Investment Portfolio. Our losses from weather-related natural catastrophes in recent years have not been material in relation to our overall earnings and financial performance.

We do not currently calculate forward looking total expected loss or LGD for weather-related natural catastrophes and generally rely on our robust, thorough and disciplined origination and underwriting practices (described elsewhere within) to mitigate these risks.



ENVIRONMENTAL RISK TO MORTGAGED PROPERTIES

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

SASB: FN-MF-450a.3

Residential Mortgage Banking

Within our Residential Mortgage Banking business, our activities relate to the purchase, pooling, securitization and/or sale of jumbo residential mortgage loans. We do not directly originate residential mortgage loans. The loans we purchase for subsequent sale or securitization are underwritten and serviced in compliance with applicable federal and state laws and regulations. In general, we require borrowers to obtain property insurance to cover the risk of damage to their property resulting from hazards such as fire, wind and, for properties in areas identified by FEMA as Special Flood Hazard Areas, flooding. At the time of origination, a borrower is required to provide proof of such insurance, and our third-party servicers have the right and the obligation to obtain such insurance, at the borrower's cost, if the borrower allows the policy to lapse. We do not generally require property insurance to cover damages from flooding in areas outside a Special Flood Hazard Area, or to cover earthquake damage to single-family properties unless required by a seismic-risk assessment.

Business Purpose Mortgage Banking

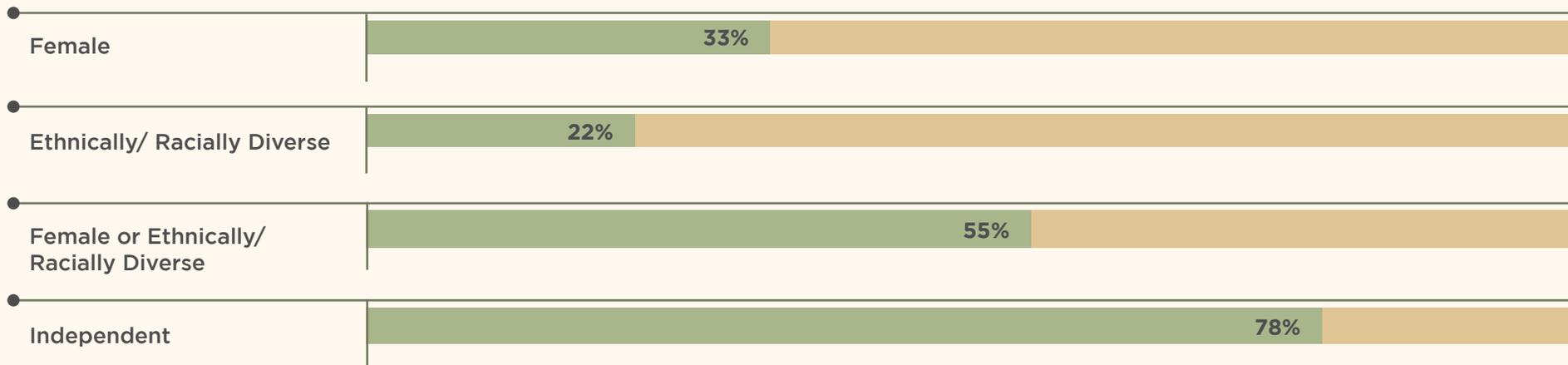
As it relates to our Business Purpose Mortgage Banking business, for certain types of our lending activities (particularly multi-family and BFR), we conduct environmental due diligence and engage third-party report services to determine environmental risks related to each property. We receive an environmental indemnity from the sponsor that they are not aware of any environmental issues with the property and they agree to adhere to environmental regulations going forward. If there are any determined environmental related risks, we work with the investor/borrower and seller to mitigate those risks. In some cases, business purpose lending origination transactions may be delayed until the event has passed and the impact is known or resolved. If the risk is determined to be significant or if we are unable to resolve the risk, we may choose not to lend on the property altogether.

Investment Portfolio

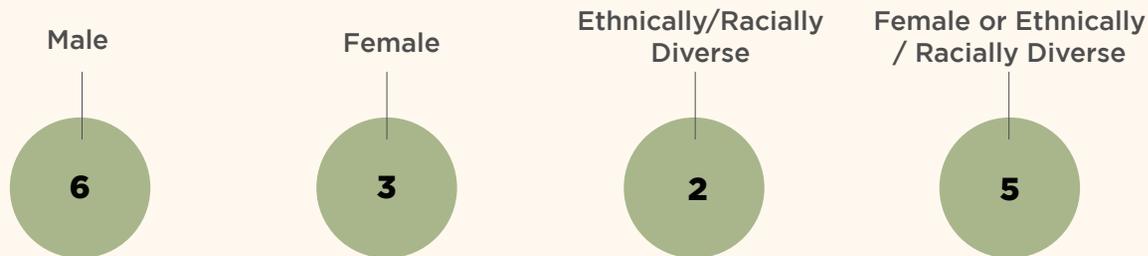
As it relates to our Investment Portfolio, we actively consider the ways in which climate change and environmental risks, particularly related to physical climate events, could impact our investments. A significant portion of our Investment Portfolio includes assets that we organically created and ultimately retained and therefore have loan-level insight into the characteristics of the assets. Severe weather events could have impacts on the value of the investments that we own, a risk we seek to mitigate by ensuring on-going hazard insurance is in place for each asset and by maintaining a geographically diverse portfolio.

GOVERNANCE

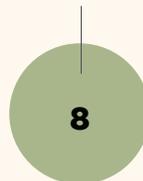
SUMMARY OF BOARD COMPOSITION



Total Number of Board Members (9)



Average Director Tenure (in Years)



Average Age of Directors



66% of Directors have 5 Years or Less of Tenure



100%

of our Board's standing committees (Audit, Compensation, and Governance and Nominating) are chaired by a Director that identifies as female or ethnically / racially diverse.



GOVERNANCE

BOARD DIVERSITY

Since 2016, as part of Redwood's Board refreshment and succession planning, we have added seven Board members and have had seven Board members retire or depart. Two of the new Board members added since 2016 have brought gender diversity to our Board and two of the new Board members added since 2020 have increased the racial / ethnic diversity of our Board.

Our Corporate Governance Standards contain criteria that are intended to guide our Governance and Nominating Committee's considerations of diversity in identifying nominees for our Board of Directors. In particular, our Corporate Governance Standards provide that the members of our Board of Directors should collectively possess a broad range of talent, skill, expertise, background, and life experience useful to effective oversight of our business and affairs and sufficient to provide sound and prudent guidance with respect to our operations and interests. Our Board of Directors considers diversity as broadly construed to mean a variety of identities, perspectives, personal and professional experiences and backgrounds. This can be represented in characteristics that include but are not limited to race, ethnicity, national origin, gender and sexual orientation. The self-assessments that are conducted each year by our Board of Directors and our Governance and Nominating Committee include an assessment of whether the Board's then current composition represents the broad range of talent, skill, expertise, background, and life experience that is called for by our Governance Standards.

Consistent with our Governance Standards, the Board is mindful that the composition of the Board, from a tenure and refreshment perspective, should reflect an appropriate mix of individuals with significant experience as a member of Redwood's Board, together with individuals who are newer to service and who bring fresh perspectives and additional diversity of thought.

For example, given Redwood's business model, which includes investing in long-term mortgage obligations and regularly accessing the mortgage finance markets, Directors who have served on Redwood's Board through multiple economic and financial market cycles are valued for the continuity and long-term perspectives they provide to other Board members and to management. At the same time, the business environment in which Redwood operates is constantly evolving – including from human capital and technological perspectives – and, therefore, Board refreshment is important to the continued effectiveness of the Board in the oversight of these and other evolving matters of importance to Redwood.



GOVERNANCE

BEST PRACTICES

Director Overboarding Limits	Separate CEO and Board Chair Roles
Stock Ownership Requirements for Executive Officers and Directors	Independent Board Chair
Continuing Education for Directors	Annual Election of All Directors with Majority Voting Standard
Mandatory Retirement Age at 75	Annual Board and Committee Self-Evaluation
Shareholder Engagement	Executive Compensation Clawback Policy
Board Oversight of ESG	One-Share, One-Vote
Shareholder Right to Call Special Meeting	Internal Management Structure
Executive Sessions of Independent Board Members	Independent Standing Board Committees
Board Oversight of Executive Officer Succession Planning	Multiple Audit Committee Financial Experts
Annual Stockholder Vote on Executive Compensation	Effective Board Refreshment

ESG OVERSIGHT AND MANAGEMENT

BOARD ESG OVERSIGHT

Our Board of Directors oversees executive management's approach to ESG matters, with all standing Board Committees playing a primary role in overseeing different aspects of ESG. Management regularly reports to the Board and its committees regarding ESG matters:

Audit Committee: As part of its oversight of financial risk, the Audit Committee reviews updates from executive management regarding environmental-related risk management and initiatives.

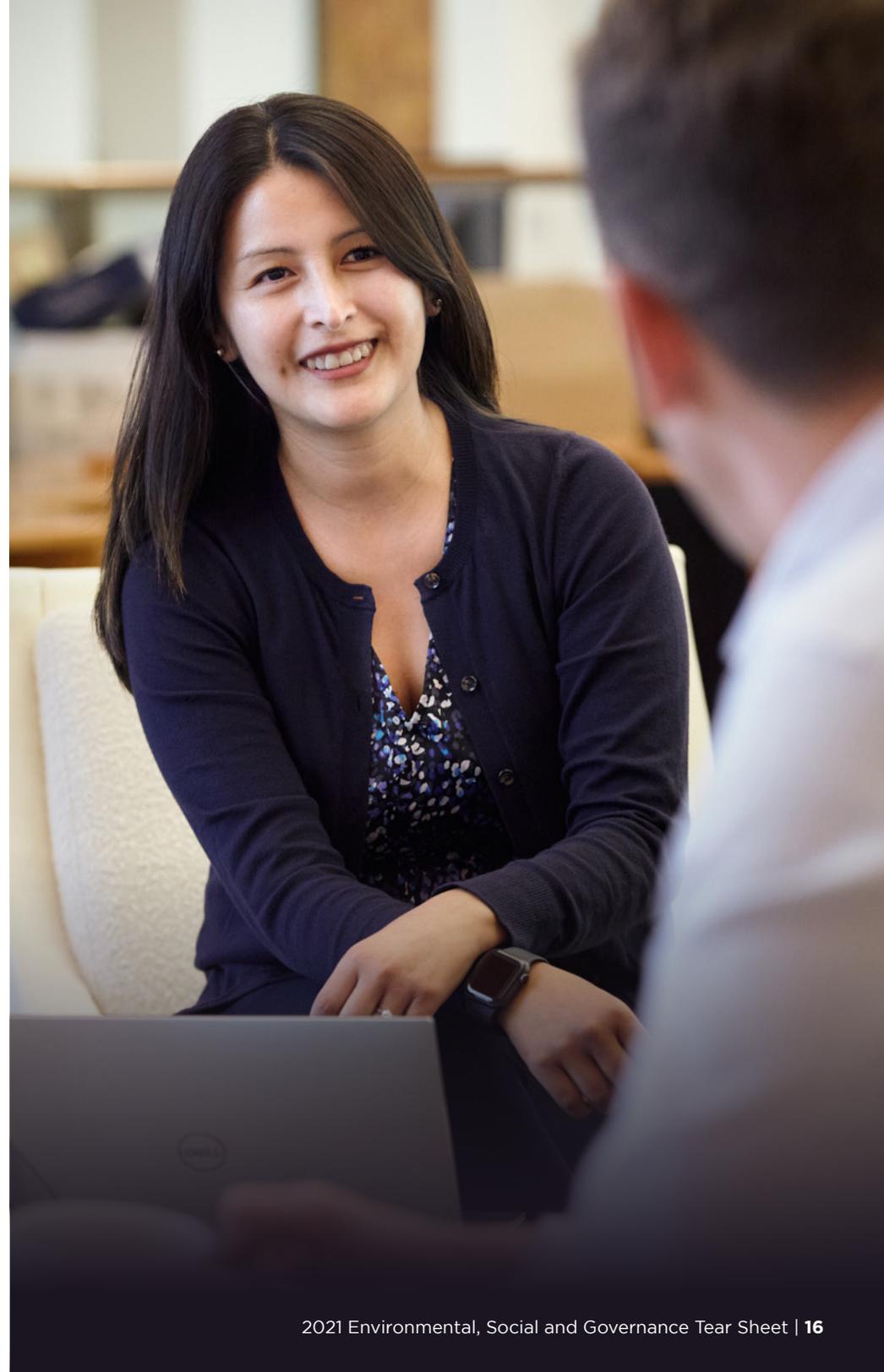
Compensation Committee: The Compensation Committee reviews updates from executive management regarding risk and opportunity related to social matters, including, among other things, human capital-related matters such as workforce inclusion and diversity initiatives and employee engagement efforts.

Governance and Nominating Committee: The Governance and Nominating Committee is responsible for overseeing corporate governance matters at Redwood, including, among other things, Board structure, Board composition and succession planning, the Board's self-evaluation process, and the receipt, retention, and treatment of reported concerns related to potential violations of Redwood's Code of Ethics.

Management-Level Steering Committee

In 2021, Redwood formed a cross-functional ESG Management Advisory Committee ("ESG Committee") to support our ongoing efforts and initiatives related to sustainability, human capital, environmental, social and corporate governance issues, and other policy matters that are relevant to Redwood and our stakeholders. The ESG Committee is broadly responsible for charting Redwood's strategy relating to ESG, as well as developing, implementing, and monitoring initiatives, policies and procedures at Redwood to carry out that strategy. In addition, the ESG Committee is responsible for coordinating and overseeing communications relating to ESG matters with Redwood's shareholders, workforce, customers and business counterparties, communities and other stakeholders.

The ESG Committee is comprised of our Chief Executive Officer (Chair) and President (Vice Chair), as well as officers across finance, legal, risk, human resources, and other departments. The ESG Committee meets on a regular basis, with the Chair providing regular updates to the Board's committees and the full Board.



BUSINESS ETHICS

Metric

Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

SASB: FN-AC-510a.1

Description of whistleblower policies and procedures

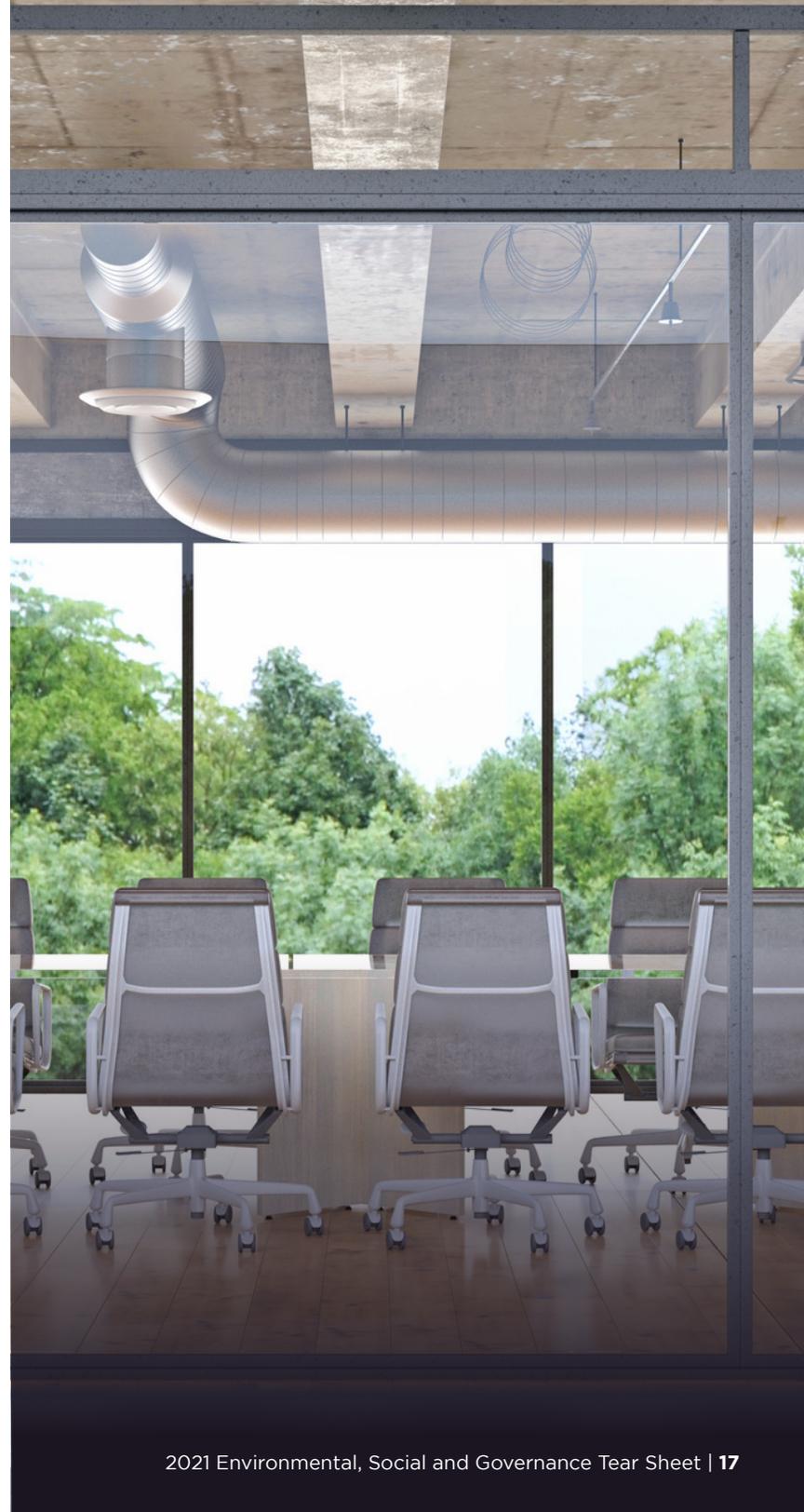
SASB: FN-AC-510a.2

Redwood discloses all material legal and regulatory proceedings in our Annual and Quarterly Reports on Form 10-K and Form 10-Q. Redwood did not sustain any material monetary losses in the year ended December 31, 2021 as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.

Our Governance and Nominating Committee, through our Employee Ethics and Compliance Hotline Procedure, has enabled Redwood employees to confidentially and anonymously voice concerns regarding violations of the law or Redwood's Code of Ethics, including matters such as workplace harassment, or questionable accounting or auditing matters.

The Employee Ethics and Compliance Hotline gives our employees the ability to anonymously report any concerns via mail or e-mail directly to either the Chair of the Board or the Chair of the Compensation Committee, or via a toll-free phone number that is available 24 hours a day, seven days a week and maintained by an independent third-party.

Our Code of Ethics prohibits retaliation against anyone who, in good faith, raises concerns or questions or reports matters regarding ethics, discrimination, harassment or other actual or suspected violations of applicable law or Company policy. All employees receive mandatory annual training on our Code of Ethics.



BUSINESS ETHICS

Business Ethics Program

Our [Code of Ethics](#) provides a framework for operating standards and business ethics at Redwood and outlines what we expect of our officers, directors, and employees. Our Board of Directors and Management review the Code of Ethics at least annually (or more frequently, as needed). Employees, officers, and directors must review and acknowledge the Code of Ethics upon hiring and annually thereafter.

Upon receipt of information regarding a possible infraction of the Code of Ethics, either the Board of Directors (with respect to matters involving a director or any individual holding the position of Vice President or above), or the Chief Executive Officer or President, in consultation with the Chief Legal Officer (for all other employees), will determine whether such alleged infraction actually amounts to non-compliance with, or infraction of, the Code.

Our [Code of Ethics](#) encourages voluntary personal participation in the political process, so long as individuals engage on their own time and do not imply they are acting on behalf of Redwood. Any formal engagement with elected or appointed officials, policymakers, candidates, or their staff, to the extent taken on behalf of Redwood, must be approved by Redwood's Chief Executive Officer or President. Redwood prohibits commercial bribes, kickbacks, and other similar payoffs and benefits paid to any suppliers or customers.



Data Privacy and Security Program

Protecting the data of our customers, as well as our own corporate data and the data of all our employees, is a top priority of Redwood and critical to our business. We maintain robust policies and procedures aimed at protecting and defending information across Redwood and benchmark ourselves against the National Institute of Standards and Technology Cyber Security Framework (“NIST CSF”) standard. Our customers expect us to protect their personal and financial data and we hold key suppliers and vendors to data privacy and security standards to make sure that we meet customer expectations.

We maintain publicly facing privacy notices on our websites for both Redwood (redwoodtrust.com) and CoreVest (corevestfinance.com) that offer notice and transparency regarding data collection, permissible use, and consumer rights under applicable law and regulation. We also maintain an internal privacy policy specific to employee data that we provide to, and request the acknowledgment of, employees and job applicants.

Mandatory Training and Development

We have mandatory privacy, email phishing and information technology (“IT”) security trainings (initial and annual) for employees and contractors. All full-time employees are required to complete Information Security Awareness Training, Data Privacy Awareness Training and CCPA Training annually.

Leadership and Governance

Our information security program was built on a foundation of organizational communication and transparency. To achieve this, our executive management and Board of Directors receive regular updates (at least quarterly) regarding our efforts to prevent, detect and respond to cybersecurity risks. These updates are made possible by regular Technology leadership meetings and monthly Technology Risk Committee meetings where we discuss cyber security risks identified through the various programs and escalate to our Enterprise-Wide Risk Management Committee (“EWRMC”), which includes Executive Management, our Chief Technology Officer and our Chief Internal Auditor. The EWRMC carries ultimate responsibility for reporting on cybersecurity and data privacy matters, with oversight by the Audit Committee and the full Board.

EMPLOYEES

HUMAN CAPITAL MANAGEMENT

Talent Recruitment and Development

Cultural priorities and values are closely intertwined with our overarching business strategy and goals, and we believe these priorities support our ability to fulfill our broad corporate mission and contribute to our ongoing focus on having a strong, healthy culture and a capable and satisfied workforce.

Redwood applies best practices to recruit and hire for open positions across our company. We utilize a variety of sourcing methods, including job postings, employee referrals, targeted recruitment methods, and external partnerships to attract qualified and diverse candidates. Attracting and hiring a qualified and diverse workforce is a priority, and we strive to create robust and diverse candidate pools for open positions across the company.

We are also highly focused on developing and advancing our employees through targeted learning programs that build specific job-based skills and leadership capabilities across our company. Redwood currently provides a variety of programs to help develop our employees. We offer skills-based training to all employees on business applications, technical training, and soft skills. In addition, the Company supports the attainment of specific certifications and other job-related training programs based on individual and business needs. The Company offers several venues for developing business acumen, including individual mentorship and our “Lunch & Learn” program, which is offered throughout the year. In addition, we provide targeted leadership training through our Management Essentials program, which provides foundational leadership training to all managers of people, and our Women’s Leadership Program, which provides focused development for rising women leaders within the organization. In addition, we offer a menu of skills-based training for all employees and support for specific ongoing education and professional certifications. Redwood also mandates DEI training on the topic of unconscious bias for all employees.

We regularly assess the talent and skills of our workforce and prioritize the promotion or transfer of current employees for open roles. We conduct annual individual employee performance reviews which include both business goals and individual development goals for career development. Feedback and coaching are core to our overall people development programs and our performance management process is designed to foster specific and frequent performance discussions.



We also currently run a summer internship program that provides robust development and learning opportunities for college level students while creating a pipeline of future talent for our company. We have partnered with Diversity, Equity and Inclusion (“DEI”) organizations in San Francisco and New York to help identify a diverse group of talent for our intern program. The summer intern program is a 10-week program which takes place from June–August and is focused on providing valuable early career experiences and networking for students preparing to enter the workforce.

EMPLOYEES

EMPLOYEE ENGAGEMENT

Redwood conducts regular employee engagement surveys, utilizing a third-party firm, Spencer-Stuart, as a means of identifying our strengths, priorities and targeted areas of improvement. We initiated this annual survey in 2017 and utilize the survey to create an open and honest feedback forum for all of our employees. In 2021, the survey was administered to the entire employee base of 298 employees and had an overall response rate of 85%. The survey measures employee sentiment across the categories of engagement, corporate culture, and external focus. All survey response averages were above the Financial Services benchmark medians for each category.



80% of our employees reported being highly engaged and conveyed positive perceptions of Redwood's corporate culture and external focus through the survey (compared to the Spencer Stuart Overall median of 68% and Financial Services Benchmark median of 64%).



82% of our workforce reported high satisfaction with their overall employment experience at Redwood (compared to the Spencer Stuart Overall median for this category of 72% and the Financial Services Benchmark median of 67% for this category).

Throughout the year, senior leadership engages with the entire employee base through weekly company-wide internal communications and the Company also hosts various Town Hall style engagement opportunities with the entire workforce where employees are given the opportunity to ask questions directly to management. These events are meant to further encourage strong relationships, communication, transparency and awareness across our entire organization.

Employee Benefits, Wellbeing, and Compensation

Redwood provides competitive benefits to attract and retain our employees including short- and long-term financial incentives, health benefits, work/life benefits and more. We believe in supporting our employees to stay balanced and healthy while also planning for the future. We offer medical, prescription, dental and vision insurance for all employees and their families. In addition, we offer a 401(k) plan with company match, commuter subsidy programs,



paid family leave, family planning benefits and a wellbeing reimbursement (an annual reimbursement for mental health and fitness-related resources). We also offer all employees the ability to participate in our Employee Stock Purchase Plan ("ESPP"), which incentivizes stock ownership by our employees by providing the opportunity to purchase Redwood common stock at a discounted price through payroll deductions. In addition, Redwood is pleased to offer certain housing related benefits to our employees that align with our mission of helping to make quality housing accessible to all American households. These benefits include reimbursement for both mortgage and renters' insurance. For additional information on employee benefits please visit our Careers page on our website, <https://www.redwoodtrust.com/careers/>.

Employee Turnover Rate

Redwood's overall employee turnover in 2021 was approximately 15% and our voluntary employee turnover for 2021 was approximately 13%, significantly below the broad industry average of approximately 47% and 33% respectively that the Bureau of Labor Statistics reported for 2021.

Employee Turnover



EMPLOYEES

DIVERSITY, EQUITY AND INCLUSION

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

SASB: FN-AC-330a.1



Diversity, Equity and Inclusion (“DEI”) Program

At Redwood, we are committed to creating, advancing, and embracing diversity, equity, and inclusion across the organization and fostering a culture of belonging where all of our team members feel connected, engaged, and comfortable expressing their identities. We are actively in the process of implementing our long-term diversity and inclusion roadmap which includes developing and executing programs and processes that increase the representation of female and ethnically / racially diverse employees at all levels within the organization while investing in programs, training, and mentorship that contribute to an inclusive and equitable work environment for all of our employees. Redwood’s DEI efforts are overseen by the Compensation Committee as part of its human capital oversight function and, internally, the Chief Executive Officer and full executive team have responsibility for leading the work through the Company’s DEI Steering Committee.

Our Diversity Steering Committee is overseen by our Chief Executive Officer and was created to inform and steward our DEI efforts. The Diversity Steering Committee includes leadership and employee representatives from across the organization, including the co-Heads of the Employee Diversity Council (“EDC”). The EDC, one of Redwood’s employee resource groups (“ERG”), serves in an advisory capacity to the Diversity Steering Committee on key DEI focus areas. This includes providing recommendations on enterprise-wide policies/procedures, communications, process changes, employee engagement, corporate partnerships, and community giving related to DEI. Our EDC is empowered to create relationships with non-profit organizations that support racial equality, including through corporate donations and volunteerism efforts.

EMPLOYEES

DIVERSITY, EQUITY AND INCLUSION

We have a women's focused ERG, called TogetHER. TogetHER's mission is to support:



1.) Professional Development that supports the advancement of women in leadership including providing opportunities for the visibility of women's work within the organization.



2.) Building community both internally and externally.



3.) Supporting infrastructure that makes Redwood an attractive place for women to join and develop their careers.

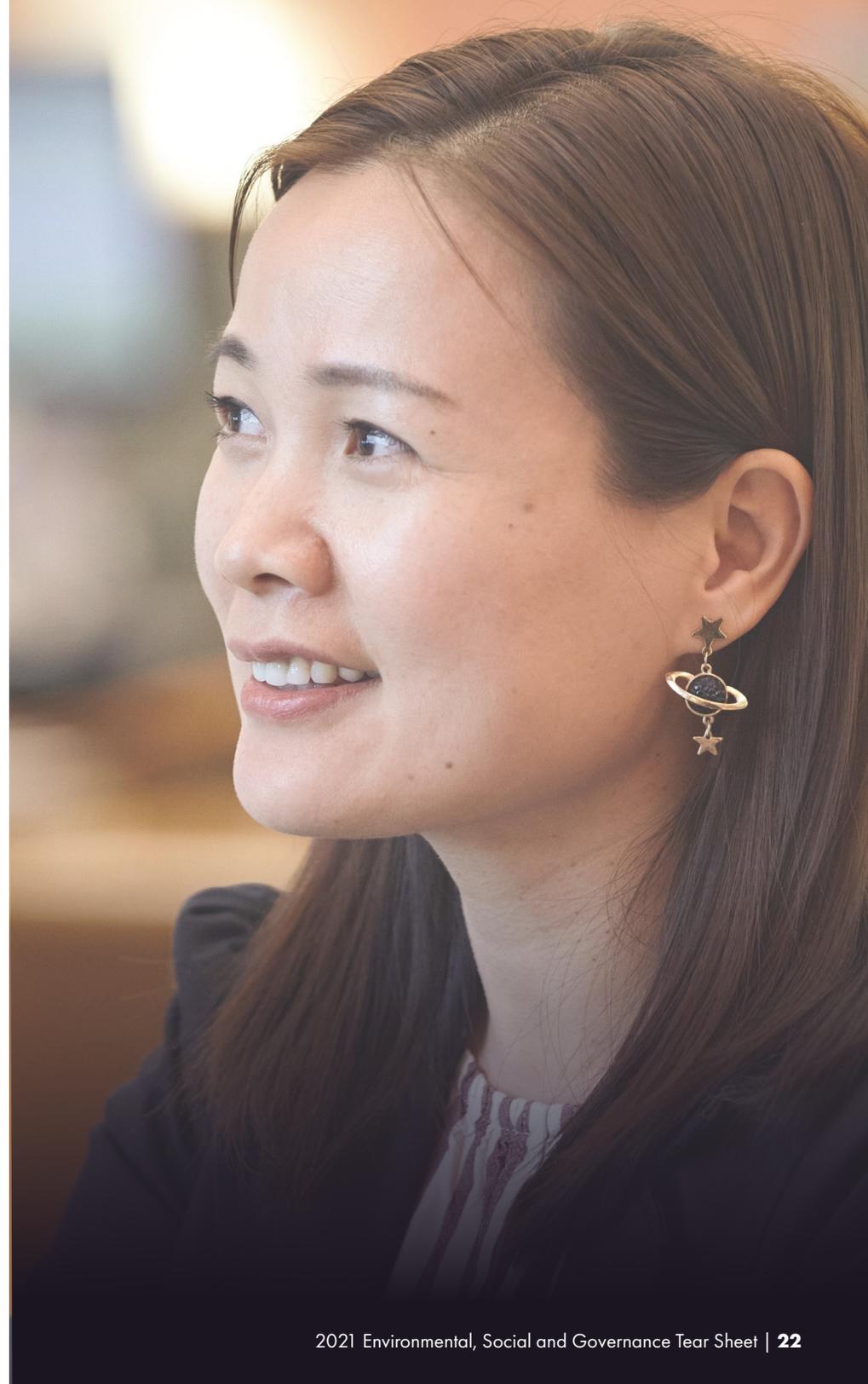


4.) Connection with allies within the organization to provide advocacy, sponsorship and create an environment of inclusion.

Redwood's DEI Steering Committee regularly engages with and meets with the Company's ERGs. We also conduct regular reviews of our workforce on gender and racial/ethnic representation at all levels and are committed to continuing to increase representation at senior management levels. We seek diverse candidate slates for all open positions within our organization and ensure that we are applying best practices to recruit, support, engage, and retain a diverse employee base. Currently All employees are provided unconscious bias training and we are committed to expanding DEI training opportunities on a variety of topics. We also have a focused women's leadership program that specifically supports rising women leaders with the goal of creating greater female representation at leadership levels within Redwood.

Pay Equity

Redwood is committed to promoting pay equity across our company and we have established and incorporated several mechanisms to continually assess, review and address any pay gaps based on gender or race / ethnicity. As part of our annual compensation cycle, we conduct an evaluation of gender and racial pay equity and make compensation adjustments as appropriate. In addition, we review pay equity at the time of hire for new employees and during the annual promotion cycle to identify any pay gaps.



COMMUNITY INVOLVEMENT

Corporate Giving

Volunteerism



Community Engagement & Sponsorship

Redwood Trust Employee Foundation



Redwood's Community Giving Platform is made up of 4 pillars:

- Corporate Giving
- Community Engagement & Sponsorship
- Redwood Trust Employee Foundation
- Volunteerism

Our Corporate Giving Platform includes an annual budget for corporate grants that are designated to support organizations that align with our mission, values, as well as our employees' interests. In 2021, Redwood gave corporate grants to a number of organizations, with a majority going towards organizations that promoted diversity, housing, public health and education. For 2022 and beyond, Redwood has committed to designating 30% of corporate grants towards DEI related organizations.

We also have a formal Redwood Trust Employee Foundation that is an employee-driven vehicle for charitable giving and volunteerism. The mission of our Employee Foundation is to support and conduct charitable activities by providing employee-donated funding to nonprofit organizations as well as facilitating employee involvement in community service. The Employee Foundation oversees an active investment fund and distributes grants to qualified non-profit organizations that are employee nominated. Redwood also offers eight hours of Volunteer Time Off per year to each full-time employee.



CUSTOMERS

LENDING PRACTICES

Metric	Number of Loans	Principal (\$000s)	% of Total Principal	
(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 loans, by FICO scores above or below 660 SASB: FN-MF-270a.1 ⁽¹⁾⁽²⁾	(a) Hybrid or Option Adjustable-Rate Mortgages (ARM)			
	FICO scores above 660	1,519	\$310,397	4%
	FICO scores below 660	148	\$30,953	0%
	Total	1,667	\$341,351	4%
	(b) Subject to Prepayment Penalty			
	FICO scores above 660	68	\$55,277	1%
	FICO scores below 660	0	\$0	0%
	Total	68	\$55,277	1%
	(c) Higher Rate			
	FICO scores above 660	194	\$43,843	1%
	FICO scores below 660	1,353	\$133,189	2%
	Total	1,547	\$177,033	2%
	(d) Total Loans by FICO Score			
	FICO scores above 660	9,756	\$5,970,891	78%
	FICO scores below 660	10,309	\$1,644,741	22%
	Total	20,065	\$7,615,632	100%

(1) Note: Redwood does not originate residential mortgage loans. Within our Residential Mortgage Banking segment, our activities relate to the purchase, pooling, securitization and sale of jumbo loans. Amounts in table reflect residential loans that we held on our consolidated balance sheet at December 31, 2021 (including loans held-for-sale for our Residential Mortgage banking operations and loans owned by certain securitization entities that we are required to consolidate in accordance with the GAAP) that were modified, foreclosed or subject to a shortsale/deed-in-lieu during 2021. Consolidated securitization entities include jumbo loan securitizations we sponsored and retained securities from, as well as reperforming loan securitizations sponsored by Freddie Mac (SLST securitizations) in which we purchased securities and are required to consolidate in accordance with GAAP. (2) Note: Nearly all of these loans categorized as "FICO scores below 660" (>98% of principal) are held in consolidated SLST securitizations.

CUSTOMERS

LENDING PRACTICES

	Number of Loans	Principal (\$000s)	% of Total Principal	
(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660 SASB: FN-MF-270a.2 ⁽¹⁾⁽²⁾	(a) Modifications			
	FICO scores above 660	431	\$89,498	1%
	FICO scores below 660	289	\$48,945	1%
	Total	720	\$138,443	2%
	(b) Foreclosures			
	FICO scores above 660	214	\$38,326	1%
	FICO scores below 660	151	\$23,163	0%
	Total	365	\$61,488	1%
	(c) Short Sales / Deeds in Lieu			
	FICO scores above 660	7	\$1,447	<1%
	FICO scores below 660	3	\$439	<1%
	Total	10	\$1,886	<1%

(1) Redwood does not originate residential mortgage loans. Within our Residential Mortgage Banking segment, our activities relate to the purchase, pooling, securitization and/or sale of jumbo loans. Amounts in table reflect residential loans that we held on our consolidated balance sheet at December 31, 2021 (including loans held-for-sale for our Residential Mortgage Banking operations and loans owned by certain securitization entities that we are required to consolidate in accordance with GAAP) that were modified, foreclosed or subject to a shortsale/deed-in-lieu during 2021. Consolidated securitization entities include jumbo loan securitizations we sponsored and retained securities from, as well as reperforming loan securitizations sponsored by Freddie Mac (SLST securitizations) in which we purchased securities and are required to consolidate in accordance with GAAP.

(2) Nearly all of these loans categorized as "FICO scores below 660" are held in consolidated SLST securitizations.



CUSTOMERS

LENDING PRACTICES

Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators

SASB: FN-MF-270a.3

Redwood discloses all material legal and regulatory proceedings in its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Redwood did not sustain any material monetary losses in the year ended December 31, 2021 as a result of legal proceedings associated with communications to customers or remuneration of loan originators.

Description of remuneration structure of loan originators

SASB: FN-MF-270a.4

Redwood's Residential Mortgage Banking business does not originate loans to individual residential borrowers and, therefore, does not employ residential mortgage loan originators. As such, we do not believe this metric is meaningful to our Residential Mortgage Banking business.

Our Business Purpose Mortgage Banking business, CoreVest, is a retail lender in a competitive marketplace offering products for sophisticated real estate investors. Production team members are compensated based on the origination of term loans, multi-family loans, bridge loan lines of credit and single asset bridge loans. We maintain a Code of Ethics and perform in line with industry standards and best practices. For team members responsible for making investments decisions, there are no distinctions or specific incentives for specific products or pricing nor do we offer any bonus or volume incentives.

CUSTOMERS

LENDING PRACTICES

Disclose the (1) number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings

SASB: FN-AC-270a.1

Certain Redwood subsidiaries hold and maintain state licenses related to our mortgage banking activities. Given the nature of our mortgage banking businesses, Redwood is, from time to time and in the ordinary course of business, subject to mortgage borrower complaints, litigation, and routine regulatory examinations. In addition, certain Redwood employees individually hold state licenses related to our mortgage banking activities and, during the reporting period, no such complaints, litigations or proceedings involved any of these licensed employees.

Neither Redwood nor any of its subsidiaries is a FINRA-member broker-dealer and thus, during the reporting period, Redwood did not employ any covered persons as defined under this standard.

As a public company with a number of regulated subsidiaries, we have implemented policies, procedures, and controls reasonably designed to ensure compliance with rules and regulations applicable to our businesses. Moreover, we have a robust corporate compliance function, which includes our EWRMC that provides reports directly to the Board Audit Committee and is responsible for the oversight of Redwood's regulatory compliance. All employees and members of management are required to abide by, and conduct business in accordance with, our Code of Ethics.

Disclose the total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers

SASB: FN-AC-270a.2

Redwood discloses all material legal and regulatory proceedings in its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Redwood did not sustain any material monetary losses in the year ended December 31, 2021 as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers.

Describe the company's approach to informing customers about products and services

SASB: FN-AC-270a.3

Redwood's Residential Mortgage Banking business does not originate loans to residential borrowers. As such, we do not believe this metric is meaningful to our residential business. In our Residential Mortgage Banking business, Redwood does offer programs to originators or sellers of closed loans. Redwood communicates with these originators or sellers through relationship managers assigned to the individual originators (sellers) of closed loans to the conduit. Updates regarding Redwood's residential programs are also sent directly to our seller base via our "lock desk announcements". In addition, Redwood communicates to its seller base through product overview webinars, monthly newsletters and other marketing materials describing new products or product enhancements. Communications are reviewed by the Head of Credit, Compliance and Legal before dissemination and release to our client base.

Our Business Purpose Mortgage Banking business, CoreVest, communicates with clients through a variety of sources, including email, social media, industry conferences, print collateral, direct mail, outbound calls, digital retargeting, customer portal, in-market events, and other client nurturing activities. The communication is ongoing and managed by the CoreVest Marketing Department in conjunction with individual client relationship managers. CoreVest's communications strategy is developed and executed by the Marketing Department under the oversight of CoreVest's Chief Marketing Officer who reports to the Chief Executive Officer of CoreVest.

FAIR LENDING

Metric	Number of Loans	Principal (\$000s)	WA LTV	% of Total Principal	
(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 SASB: FN-MF-270b.1 ⁽¹⁾⁽²⁾	(a) Minority Borrowers				
	FICO scores above 660	1,156	\$990,156	71%	13%
	FICO scores below 660	—	\$0	0%	0%
	Total	1,156	\$990,156	71%	13%
	(b) All Other Borrowers				
	FICO scores above 660	4,300	\$3,601,850	70%	47%
	FICO scores below 660	1	\$751	80%	0%
	Total	4,301	\$3,602,601	70%	47%
	(c) Information Not Available ³				
	FICO scores above 660	4,300	\$1,378,886	69%	18%
	FICO scores below 660	10,308	\$1,643,990	72%	22%
	Total	14,608	\$3,022,876	70%	40%
	(1) Redwood does not originate residential mortgage loans. Within our Residential Mortgage Banking business, our activities relate to the purchase, pooling, securitization and/or sale of jumbo loans. Amounts in this table reflect residential loans that appear on our consolidated balance sheet at December 31, 2021, which includes loans held-for-sale for our Residential Mortgage Banking business and loans owned by certain securitization entities that we are required to consolidate in accordance with GAAP. Consolidated securitization entities include jumbo loan securitizations we sponsored and retained securities from, as well as reperforming loan securitizations sponsored by Freddie Mac (SLST securitizations) in which we purchased securities and are required to consolidate in accordance with GAAP. (2) Nearly all of these loans categorized as "FICO scores below 660" are held in consolidated SLST securitizations. (3) Information not available for loans in consolidated SLST securitizations and for certain other loans.				

REDWOOD TRUST

FAIR LENDING

Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending

SASB: FN-MF-270b.2

Redwood discloses all material legal and regulatory proceedings in its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Redwood did not sustain any material monetary losses in the year ended December 31, 2021 as a result of legal proceedings associated with discriminatory mortgage lending.

Description of policies and procedures for ensuring nondiscriminatory mortgage origination

SASB: FN-MF-270b.3

Within our Residential Mortgage Banking business, our activities relate to the purchase, pooling and/or securitization of jumbo loans. As such, we do not directly originate residential mortgage loans. Redwood's activity related to consumer mortgage loans is therefore limited to the purchase of closed residential mortgage loans and in some cases the ownership of the associated servicing rights. Redwood engages due-diligence vendors to test that loans we purchase from originators comply with applicable laws and regulations. Redwood utilizes sub-servicers to service loans where we own the servicing rights. Redwood has robust oversight of our sub-servicers to ensure compliance with all applicable federal, state, and local laws. This includes, but is not limited to, polices that test for adherence with the Truth in Lending Act, the Equal Credit Opportunity Act, the Fair Housing Act, the Homeowners Protection Act, the Flood Disaster Protection Act and the Servicemembers Civil Relief Act.

Within our Business Purpose Mortgage Banking business, CoreVest, we originate business purpose loans directly for real estate investors; we do not lend directly to individuals. As a result, we do not receive demographic data related to the tenants that occupy the properties we lend on. Our borrowers are primarily single-purpose entities. We evaluate our borrowers based on their creditworthiness pursuant to Equal Credit Opportunity Act's ("ECOA") non-discriminatory regulations.

ENVIRONMENT

Our commitment to environmental stewardship centers around minimizing our environmental impact and emphasizing environmentally friendly practices. We believe that we have a responsibility both as a company and as individuals to minimize the energy, carbon, water and waste impacts of our business, specifically in our daily operations. Minimizing our environmental footprint also translates into the enhanced efficiency and cost-effectiveness of our operations. As a result, we strive to reduce environmental impacts across the buildings where we work and across our corporate operations.

Redwood does not own any of the buildings where we work. Our employees are dispersed across five principal leased offices in California, Colorado, and New York. The buildings in which we have leased space for our principal offices have embraced continuous innovation and invested in cutting edge technology to optimize water and energy usage and waste management. These offices emphasize environmentally friendly policies and recycling efforts that strive to increasingly divert waste from incinerators and landfills with the hope of minimizing waste contribution as much as possible. Further efforts include smart irrigation, LEDs and lighting optimization, solar power options, electric vehicle charging and greenhouse gas management. These buildings have also established goals relating to water and energy use, waste reduction and recycling. Our principal offices are **Energy Star Certified**, including our headquarters in Mill Valley, California.

We continue to evaluate ways within our corporate operations to minimize our environmental impact. We have adopted sustainability policies for our headquarters and satellite offices that include criteria such as energy-efficient lighting and appliances, and recycling and composting facilities. In addition to using these technologies and policies, we encourage our employees to adopt environmentally friendly practices through our flexible telecommuting policy and pre-tax public transit program. Each office has a designated human resources business partner who oversees facilities.



ACTIVITY METRICS

Net Income (\$000s)		
2021	2020	2019
\$319,613	(\$581,847)	\$169,183

Employees		
2021	2020	2019
298	247	372

NUMBER AND VALUE OF MORTGAGES ORIGINATED BY CATEGORY: RESIDENTIAL AND COMMERCIAL SASB: FN-MF-000.A

	2021	2020	2019
Residential - Loans Originated (\$000s)	\$0	\$0	\$0
Residential - Loans Originated (#)	0	0	0
Commercial (CoreVest) - Loans Originated (\$000s)	\$2,149,821	\$1,431,250	\$1,015,080
Commercial (CoreVest) - Loans Originated (#)	3,206	1,899	1,743

Note: Numbers represent loans originated and funded by CoreVest through our Business Purpose Mortgage Banking business. We do not originate residential mortgage loans in our Residential Mortgage Banking business.

NUMBER AND VALUE OF MORTGAGES PURCHASED BY CATEGORY: RESIDENTIAL AND COMMERCIAL SASB: FN-MF-000.B

	2021	2020	2019
Residential - Loans Purchased (\$000s)	\$12,939,263	\$4,483,477	\$5,862,533
Residential - Loans Purchased (#)	14,593	5,529	7,833
Commercial (CoreVest) - Loans Purchased (\$000s)	\$134,119	\$0	\$0
Commercial (CoreVest) - Loans Purchased (#)	233	0	0

Note: Residential represents loans that we purchased from third-party originators (sellers of closed loans) through our Residential Mortgage Banking business. Commercial (CoreVest) represents loans we purchased from third-party originators (sellers of closed loans) through our Business Purpose Mortgage Banking business. We commenced purchase activity through this channel in the fourth quarter of 2021.

TOTAL REGISTERED AND TOTAL UNREGISTERED ASSETS UNDER MANAGEMENT ("AUM") SASB: FN-AC-000.A

	2021	2020	2019
Investment Portfolio Assets (\$mm)	\$2,687	\$2,053	\$5,582

Note: Redwood is neither a registered investment advisor nor a custodian. Figures in the table reflect our investments held on balance sheet that we directly own and our economic interests in securities we own in securitizations we consolidate in accordance with GAAP (amounts exclude the assets within these consolidated securitizations that appear on our balance sheet) as of period end for each of the periods presented.

TOTAL ASSETS UNDER CUSTODY AND SUPERVISION SASB: FN-AC-000.B

	2021	2020	2019
Assets Under Management (\$mm)	\$4,757	\$2,485	\$6,456

Note: Redwood is neither a registered investment advisor nor a custodian. Figures in the table reflect our investments held on balance sheet and our economic interests in securitizations we consolidate in accordance with GAAP (and excludes the assets within these consolidated securitizations that appear on our balance sheet) as of period end for each of the periods presented and includes loans in inventory at our mortgage banking segments and our strategic investments (e.g. RWT Horizons).

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