



REDWOOD TRUST

2022 ESG REPORT

Making Housing More Accessible

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ABOUT THIS REPORT

This 2022 Environmental, Social and Governance (“ESG”) Report (or “Report”) will focus on environmental, social and governance factors that are relevant for Redwood Trust, Inc. (NYSE: RWT, “Redwood”, the “Company”, “we”, “us”, “our”), our businesses, our investments and our strategies, and will highlight our commitment to increased transparency and disclosure in our sustainability practices.

This Report has been prepared in accordance with principles and disclosures of the Sustainability Accounting Standards Board (“SASB”) **Mortgage Finance** and **Asset Management & Custody Activities** industry standards. We believe these industry standards most closely align with our businesses 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. SASB disclosures included in this Report are highlighted in the SASB Standards Disclosures in the Appendix of this Report. The highlights and metrics shared in this Report represent the 2022 fiscal year and, where helpful, we have provided information related to events that occurred subsequent to the year-end but prior to the publication of this Report. To view this Report online, please visit the Corporate Responsibility section of our website at <https://www.redwoodtrust.com>.



MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

We are proud to share with you Redwood's second ESG report, which builds off of the disclosures we provided in our inaugural report published in 2022. We hope that our stakeholders find this report helpful in understanding certain metrics that are meaningful to our overall business and our ability to achieve our corporate mission.

Since our inception almost 30 years ago, Redwood has focused on providing liquidity to parts of the housing market not well-served by government programs. The importance of that role has increased in light of changing dynamics in the housing market over recent years. During 2022, rapidly rising interest rates drove the cost to own or rent a home significantly higher. Mortgage rates reached levels not seen in over two decades, and available housing inventory continued to decline.

Amidst this environment, we made continued progress toward our corporate mission of making quality housing, whether rented or owned, accessible to all American households.

- In our Residential Mortgage Banking segment, we launched new programs geared towards supporting the dream of homeownership and making financing more attainable for self-employed borrowers.
- In our Business Purpose Lending segment, we added new products uniquely designed to meet the needs of housing investors who refurbish homes and/or serve the rental sector. We also delivered a record number of funded loans in 2022, as our suite of products helped to support the growing need for quality affordable rental housing the United States. Notably, almost 60% of our 2022 long-term financing was considered affordable housing.
- After years of investing in residential home equity investments ("HEI"), we began building our own in-house HEI platform (which officially launched in 2023). Though the value of Americans' home equity has grown to record levels, the current environment has made accessing it costlier and less efficient. We strive to help more homeowners efficiently access their equity to help pay for renovations, fund retirement, or reduce consumer debt. Importantly,

HEI facilitates this without adding on another costly monthly interest payment. We look forward to helping this product achieve further scale and relevance to help more homeowners in the years ahead.

- Our investment portfolio, which reflects our long-term thesis on U.S. housing credit, maintained its prominence as a provider of capital that supports a significant cohort of underserved or underbanked consumers.

All of these examples tie back to our corporate mission and demonstrate our ability to diligently respond to the changing market environment while providing our partners, customers and, ultimately, homeowners with reliable financing.

Our people and culture remain at the heart of all that we do, continuously bringing dedication, passion and excellence to the workplace. We invest heavily in our people, and in 2022 enhanced our employee benefits, training and development programs, and Diversity, Equity, Inclusion, and Belonging ("DEIB") initiatives. Our efforts to support our local communities continued to extend beyond our business initiatives through volunteer and community giving efforts. In the pages that follow, you will see how we remain committed to supporting organizations that promote equality, housing accessibility, public health, and education.

We hope you enjoy reading and learning more about our people, our businesses, our investments and our mission. Thank you for your continued support and sponsorship of Redwood.



A handwritten signature in black ink, appearing to read "C. Abate".

Christopher Abate
Chief Executive Officer



ABOUT REDWOOD

Redwood Trust is a leader in expanding access to housing for homebuyers, homeowners and renters

Redwood is a leading specialty finance company with a 29-year track record 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 homeowner and rental loan solutions, and we believe no other operator or investor offers the same breadth of quality solutions

and products as Redwood. Our aggregation, origination and investment activities have evolved to incorporate a diverse mix of residential and business purpose assets. 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.

***Our Mission:** To make quality housing, whether rented or owned, accessible to all American households*

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 multi-decade track record of strong performance and delivering compelling returns to our shareholders over the course of our history as a publicly-traded company.

REDWOOD BY THE NUMBERS *as of December 31, 2022⁽¹⁾*

347
EMPLOYEES

29-Year
HISTORY

\$13.0 billion
ASSETS

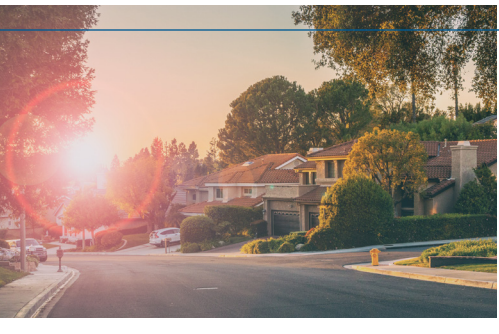
\$2.3 billion+
DIVIDENDS DECLARED
SINCE INCEPTION

140+
SECURITIZATIONS
SINCE INCEPTION

~\$100 billion
RESIDENTIAL LOANS
FINANCED SINCE
INCEPTION

Our Businesses & Strategies

We conduct our business in three segments: Residential Mortgage Banking, Business Purpose Mortgage Banking (collectively our “Operating Businesses”) and Investment Portfolio. In addition to our Operating Businesses and Investment Portfolio, we have other platforms including RWT Horizons® and Aspire HEI.⁽¹⁾



RESIDENTIAL MORTGAGE BANKING

- Market leading non-Agency correspondent platform, serving over 170 bank and non-bank originators
 - Business activities primarily consist of acquiring jumbo residential mortgages from third-party originators
 - Purchased \$3.6 billion and locked \$4.1 billion of jumbo loans in 2022⁽²⁾
 - Since inception, have issued 119 securitizations backed by ~\$60 billion of collateral



BUSINESS PURPOSE MORTGAGE BANKING

- Our subsidiary, CoreVest American Finance Lender, LLC (“CoreVest”), is one of the leading direct lenders to single-family and multi-family housing investors
 - Directly originates both bridge and term loans for subsequent securitization (through our CAFL private-label securitization program), sale, or long-term investment
 - Funded \$2.8 billion of bridge and term loans in 2022
 - Since inception, have issued 22 securitizations backed by ~\$6 billion of collateral



INVESTMENT PORTFOLIO

- \$3.7 billion of economic interests in the portfolio, including investments sourced through our Operating Businesses, other partnerships and third-parties⁽³⁾
 - 76% of our portfolio consists of assets that we created organically
 - 24% of investments are from third-parties, and include investments such as reperforming loan securitizations, Agency CRT securities, investments in Freddie Mac K-Series multi-family loan securitizations, servicer advance investments, HEI, affordable housing partnerships and other housing-related investments



OTHER PLATFORMS

- **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 12/31/2022, \$27 million of capital allocated across 29 investments
- **Aspire HEI:** In-house HEI origination platform that provides qualified homeowners with cash up-front in exchange for a share in the future value of their home⁽¹⁾



CORPORATE GOVERNANCE

Redwood has a longstanding commitment to strong corporate governance practices. Redwood’s Board of Directors (“Board”) oversees our businesses and management.

Our Board has three standing committees:

the Audit Committee, the Governance and Nominating Committee and the Compensation Committee

Every member of these committees is considered independent. These committees meet regularly to carry out their functions and responsibilities. As of December 31, 2022, our Board is currently comprised of nine members, including independent Board Chair, Greg Kubicek. The Board believes its leadership structure is appropriate for Redwood, as it provides for the Board to be led by, and its standing committees to be chaired by and comprised of, independent directors.

Additional information regarding our Board, including copies of our Corporate Governance standards and committee charters, is available on our website under the Corporate Responsibility and Corporate Governance section. We also encourage you to review our [2023 annual proxy statement](#) which provides additional detail on our corporate governance practices.

Board Overview

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. Each year we disclose in our annual proxy statement the self-identified diversity characteristics of the members of our Board of Directors, including gender, ethnicity and racial identity.

Consistent with our Governance Standards, our 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.

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 Corporate Governance Standards.

BOARD COMPOSITION *as of December 31, 2022*

We believe our Directors have a well-rounded variety of diversity, skills, qualifications and experience, and represent an effective mix of deep company knowledge and outside perspectives. Additional information regarding the mix of experience, qualifications, attributes and skills of our Directors can be found in our [2023 annual proxy statement](#).

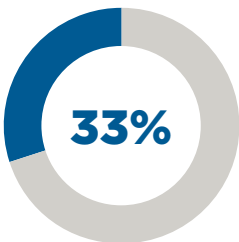


9 Total Board Members



7 New Board Members SINCE 2016

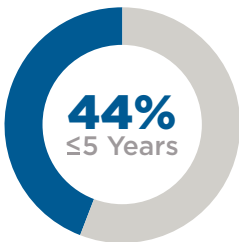
GENDER DIVERSITY



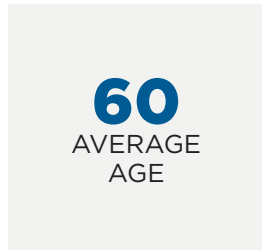
Female

TENURE

Average Tenure 9 Years



AGE



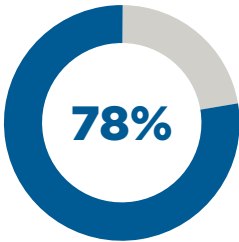
AVERAGE AGE

COMMITTEE CHAIRS



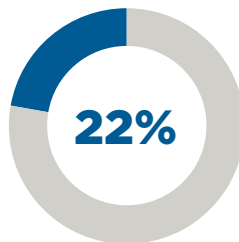
Female/Ethnically/Racially Diverse

INDEPENDENCE



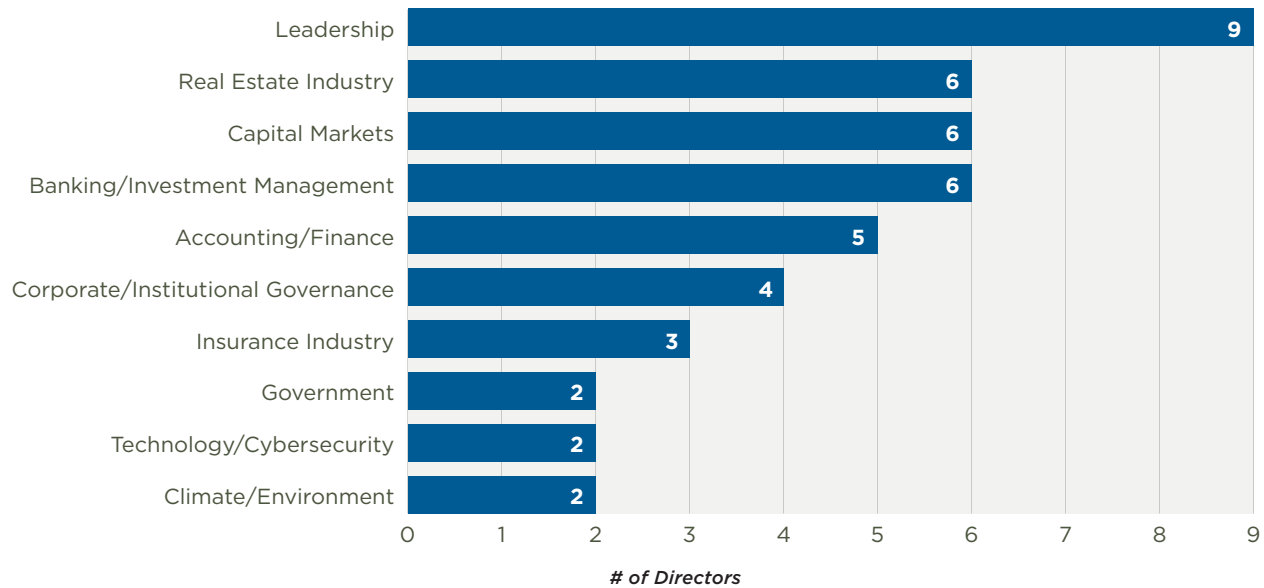
Independent

RACIAL/ETHNIC DIVERSITY



Ethnically/Racially Diverse

SUMMARY OF BOARD MEMBERS' SKILLS



GOVERNANCE BEST PRACTICES

▶ Director Overboarding Limits	▶ Separate CEO and Board Chair Rules
▶ 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 of 75	▶ Annual Board and Committee Self-Evaluation
▶ Shareholder Engagement	▶ Executive Compensation Clawback Policy
▶ Board Oversight of ESG	▶ One Common 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 Succession Planning	▶ Multiple Audit Committee Financial Experts
▶ Annual "Say-on-Pay" Vote on Executive Compensation	▶ Effective Board Refreshment

Management & Committee Oversight of ESG

ESG considerations are important to achieving our corporate vision, further supporting our ability to grow and deliver returns to stockholders, while also integrated into our overall long-term strategy. We believe that the sustainability of Redwood's business depends on a broad array of factors, including a continuing focus on investments in our people, ethics and integrity, and corporate responsibility. Strong corporate governance coupled with sound financing and operational risk are also essential pillars that support Redwood's growth and sustainability.

Our Board of Directors oversees executive management's approach to ESG matters, with standing Board Committees playing a significant role in overseeing different aspects of ESG. Management regularly reports to the Board and its committees regarding ESG matters; and individual contributions to annual goals set by the Compensation Committee relating to ESG, sustainability, and risk management are a factor in determining each executive officer's annual bonus compensation.

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

Compensation Committee: The Compensation Committee reviews updates from 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](#).

ESG MANAGEMENT-LEVEL STEERING COMMITTEE

In 2021, Redwood formed a cross-functional Management-Level ESG Steering 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 and 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, Investor Relations, 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.

Enterprise Risk Management

Risk identification, assessment and monitoring are important processes for our Board and our leadership teams. The risk management function of the Company includes establishing and maintaining a comprehensive enterprise-wide risk management system that includes, among other things: (i) identifying strategic, financial, and operating risks, (ii) aligning risk appetite/tolerance and strategy, (iii) assessing, managing, and mitigating risks, and (iv) reporting on risk and risk management to the Audit Committee and the Board of Directors and, through public disclosures, to Redwood's shareholders. The Company's Enterprise-Wide Risk Management Committee ("EWRMC") serves as a forum and mechanism for reviewing, monitoring, and managing risk taking as well as risk mitigation, and is intended to also prompt real-time identification, review, analysis and escalation of risk topics outside of the setting of formal Committee meetings.

ENTERPRISE-WIDE RISK MANAGEMENT COMMITTEE (“EWRMC”)



Stakeholder Engagement

Our Company has a range of stakeholders with whom we routinely engage. We believe that frequent engagement throughout the year with our stakeholders is valuable to providing insight and feedback on our strategy and performance. Our stakeholders include: clients/borrowers, customary business partners, employees, investors, research analysts, regulatory/government agencies, community/charitable organizations, vendors/trade associations and rating agencies. Responsibility for engaging with stakeholder groups is shared across our business and corporate functions. We regularly engage with these stakeholders across a variety of formats, including: in-person meetings, virtual meetings, industry conferences and more.

SHAREHOLDER ENGAGEMENT REGARDING EXECUTIVE COMPENSATION

In addition, ongoing outreach to shareholders regarding executive compensation has been a consistent practice at Redwood, led by the Chair of the Compensation Committee and conducted through in-person meetings, as well as virtual meetings and conference calls with institutional shareholders. Together with the Compensation Committee Chair, Redwood’s outreach team includes key members of the Company’s Management, Investor Relations, Human Resources, Finance and Legal departments.

Redwood 2022 Shareholder Outreach and Engagement⁽¹⁾

Redwood’s management and investor relations team hosted approximately 250 engagements with investors and analysts across a variety of formats

- ▶ ~250 Engagements
- ▶ Outreach to ~90% of our institutional investors
- ▶ Engagement with ~70% of our institutional investors



Ethics & Integrity

EMPLOYEE ETHICS REPORTING PROCEDURES

The Employee Ethics and Compliance Hotline & Procedure allows Redwood employees to voice concerns regarding violations of the law or Redwood's [Code of Ethics](#), including workplace harassment, or questionable accounting or auditing matters, including by reporting matters in a confidential and anonymous manner.



All full-time employees are required to complete certain compliance training courses including: [Code of Ethics](#), Insider Trading Policy and Ethics & Compliance Hotline and Procedure Training, Information Security Awareness Training, Data Privacy Awareness Training, Anti-Money Laundering & Suspicious Activity Reports ("SAR") Training, California Consumer Privacy Act ("CCPA") Training and Harassment Prevention Training.

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 and, as appropriate, update the [Code of Ethics](#) at least annually (or more frequently, as needed). Employees, officers, and directors must review the [Code of Ethics](#) upon hiring and annually thereafter and, in each instance, acknowledge in writing their review and commitment to compliance.



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.

WHISTLEBLOWER POLICY

Our Governance and Nominating Committee, through our Employee Ethics and Compliance Hotline Procedure, enables 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.



ANTI-BRIBERY

As outlined in our [Code of Ethics](#), Redwood Trust prohibits commercial bribes, kickbacks, and other similar payoffs and benefits paid to any suppliers or customers.



POLITICAL CONTRIBUTIONS

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.



Data Privacy & Security Program

Protecting the data of our customers, as well as our own corporate data and the data of 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 Cybersecurity 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. Supplier and vendor relationships are classified,



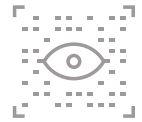
reviewed, documented, approved, and monitored to provide reasonable assurance that associated risks of engaging in each vendor relationship are controlled. Our critical vendors, those we share non-public personal information and personally identifiable information (“NPI” and “PII”) with, complete an onboarding and annual assessment which could include but is not limited to a security controls review, on-site visit, service level agreement review, quality control review by an outside party, SOC report review, financial statement review, insurance review, and risk assessment.

We maintain publicly facing privacy notices on our websites for Redwood (redwoodtrust.com), CoreVest (corevestfinance.com), RWT Horizons® (rwthorizons.com) and Riverbend Lending (riverbendlending.com), a division of CoreVest, 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.

In 2022, Redwood had no material complaints, fines or non-monetary sanctions due to breaches of privacy or data.

SCANNING, MONITORING, LOGGING, INCIDENT MANAGEMENT

The Technology team uses various tools and methods to protect and become aware of threats and vulnerabilities to Redwood owned or controlled infrastructure, software, and data. More specifically, the Technology team, with the assistance of a third-party Managed Security Service Provider (“MSSP”) and Security Information and Event Management (“SIEM”) tool, maintains active protection systems to detect malicious intrusions and unauthorized access within and at the network edge. The SIEM tool is monitored 24 hours a day, seven days a week and escalated alerting is in place for issues which meet certain risk ranking criteria. Annual External/Internal Penetration Testing is performed by a third-party in addition to quarterly external and internal network vulnerability scanning and annual web application scanning. For potential issues identified by the SIEM alerting and scanning, our Technology team investigates, risk ranks, protects, responds, and remediates or recovers based on documented plans which are tested at least annually.



MANDATORY TRAINING AND DEVELOPMENT

We have mandatory privacy, email phishing and information technology (“IT”) security trainings (at commencement of employment and annually thereafter) for all 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 regarding our efforts to prevent, detect and respond to cybersecurity risks. These updates occur at regular Technology Leadership meetings and monthly Technology Risk Committee meetings, where we discuss cybersecurity risks identified through the various programs and escalate to our EWRMC, which includes Executive Management, our IT Leadership and our Head of Internal Audit. The EWRMC carries ultimate responsibility for reporting on cybersecurity and data privacy matters, with oversight by the Audit Committee and the full Board.



HUMAN CAPITAL

MESSAGE FROM OUR CHIEF HUMAN RESOURCE OFFICER

At Redwood, we are committed to best-in-class human capital practices that have a positive impact on our people, our Company, our stakeholders and the communities in which we do business. Our people are the driving force behind our success and the heart of our corporate culture. We are committed to creating a diverse and inclusive environment with a culture of belonging where all team members feel connected, engaged, and are encouraged to express their identities at work.

Our approach to Human Capital is based on four pillars:

- Enabling innovation and growth within the organization through our most important asset – our people
- Building organizational capability through attracting, developing and retaining talented team members
- Maintaining a healthy, values-based culture for our team members and prioritizing their engagement and well being
- Advancing our DEIB efforts through programs that support the representation of female and racially diverse employees within the workforce at all levels while contributing to a positive and inclusive work experience for all team members

2022 Highlights Include:

- **Women's Leadership Program** – Our women's leadership program provides coaching and cohort based experiential learning to help further develop rising women within the organization. In 2022, we expanded the program to include increased opportunities for in-person collaboration, engagement and networking.
- **Community Giving** - In 2022, we provided financial support to a number of organizations focused on housing, education, racial equity and public health through both corporate grants and our Employee Foundation. Additionally, our Employee Foundation

sponsored a number of opportunities for team members to volunteer through company led events.

- **DEIB** – We have continued to invest in our DEIB initiatives and, in 2022, our Employee Diversity Council (“EDC”) sponsored several activities including anti-bias training for managers, community meetings with outside speakers, and cultural events and DEIB focused communications. Additionally, in 2022, our partnerships with Summer Search and Invest in Girls provided team members with opportunities to directly mentor underrepresented youth.
- **Wellness Benefits** – In 2022, we expanded our wellness benefits with the introduction of family planning benefits including coverage for adoption, egg freezing and IVF treatments.
- **Flexible Working Environment** - In light of the changing environment caused by the Covid-19 pandemic, we continued to provide our team members with flexibility to work remotely or through hybrid work arrangements during 2022.

As we look ahead, our people and support for our people remain at the core of our corporate strategy. Their intellect, integrity and passion are integral to our long-term success and we are committed to investing in their growth, development and overall wellbeing.



Sasha Macomber
Chief Human
Resource Officer

Workforce Composition

OUR PEOPLE BY THE NUMBERS *as of December 31, 2022*

TOTAL
NUMBER OF
EMPLOYEES

347

PERCENTAGE
OF FULL TIME
EMPLOYEES

99%

ETHNIC, RACIAL
& GENDER
DIVERSITY

75%

FEMALE

40%

Employee Training & Development, Benefits and Engagement

TRAINING & DEVELOPMENT

Redwood provides a variety of programs to develop our employees across our Company. We offer skills-based training to all employees, as well as technical training on commonly used business applications. In addition, Redwood supports the attainment of specific certifications and other job-related training, interpersonal skills development and career management programs based on individual and business needs.

Redwood offers several other venues for developing business acumen, including work rotations, individual mentorship and our “Lunch & Learn” program which is offered throughout the year. Compliance training on a variety of industry related topics is also required on an annual basis.

In addition, we provide targeted leadership development to managers of people through a variety of programs including manager training, public speaking workshops, our women’s leadership course, and leadership coaching engagements. The company also mandates DEIB training on the topic of unconscious bias and targeted DEIB training is provided based on role and function within the organization. We currently track training attainment for all mandatory training programs and for our leadership development programs.

We regularly assess the talent and skills of our workforce and prioritize the promotion or transfer of current employees for open roles. Our performance management process includes regular touchpoints throughout the year for both formal and informal feedback to track progress against key business priorities and personal development goals. 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.



Employee Training & Development Opportunities

Redwood offers a variety of training and development opportunities for employees at all levels, including: Manager Essentials Training, Lunch and Learn business acumen seminars, intern training, ERG sponsored seminars and outside speakers, DEIB training, women’s development program, skills based training, and targeted certification programs.

Employee Training & Development, Benefits and Engagement *(Continued)*

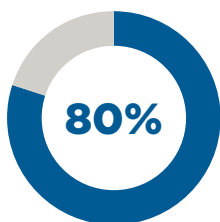
Employee Performance Reviews

We regularly assess the talent and skills of our workforce and prioritize the promotion or transfer of current employees for open roles. In partnership with leadership and individual-managers, employees develop meaningful goals related to various components, including: company performance, personal development and business KPIs, alignment to Redwood values, and support of initiatives to further our ESG and DEIB efforts. These can include goals around targeted recruiting efforts, developing underrepresented groups, review of compliance and governance policies, and participation and development of employee resource groups that drive these efforts. Throughout the year, managers and employees meet formally and informally to calibrate on progress and ensure focus remains on accomplishment of these goals. 100% of employees had performance reviews in 2022.

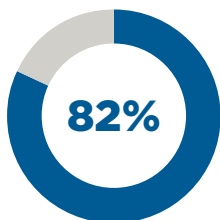


EMPLOYEE ENGAGEMENT

Redwood conducts regular employee engagement surveys, utilizing a third-party firm, Spencer-Stuart, as a means of identifying our strengths, cultural priorities and targeted areas of improvement. We initiated this practice in 2017 and utilize the survey to create an open and honest feedback forum for all of our employees. Our most recent survey 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 an overall median of 68% and Financial Services Benchmark median of 64%)⁽¹⁾*



82% of our workforce reported high satisfaction with their overall employment experience at Redwood *(compared to an overall median for this category of 72% and the Financial Services Benchmark median of 67% for this category)⁽¹⁾*

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 Training & Development, Benefits and Engagement *(Continued)*

EMPLOYEE TURNOVER

Redwood's voluntary turnover in 2022 was 10%, down from 13% in 2021, and compared to 33% for the overall market and 20% for the banking and finance industry.⁽¹⁾

Redwood's total turnover increased to 24% in 2022, up from 15% in 2021, and compared to 48% for the overall market and 30% for the banking and finance industry.⁽¹⁾ The year-over-year increase for Redwood was driven by a reduction in the workforce initiated in the fourth quarter of 2022 as the Company aligned our organizational structure with industry and market conditions.

Employee Benefits, Wellbeing & Compensation⁽²⁾

Redwood provides competitive benefits aimed at attracting and retaining our employees, including short- and long-term financial incentives, health benefits, work/life benefits and more. We believe in supporting our employees in staying 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 time off for volunteering, a service recognition program, pre-paid legal assistance, paid family leave (12 weeks for primary caregivers)⁽³⁾, family planning benefits and a wellbeing reimbursement (an annual reimbursement for mental health and fitness-related resources). Family planning benefits include reimbursement for medical, travel and legal costs related to fertility, pregnancy, surrogacy and adoption (includes expenses for IUI, IVF, egg, sperm and embryo freezing).

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 and waiving of certain HEI-related processing fees. For additional information on employee benefits please visit our Careers page on our website, <https://www.redwoodtrust.com/careers/>.



Flexible/Remote Work

Redwood's support for employee safety and wellbeing includes providing information and resources for employees to work effectively and safely from our offices. As employees returned to offices in 2022, we used local and national guidance and emergency and regulatory requirements to implement best practices for safety within the workplace. Since we began our return to office journey, we have evolved our flexible/remote work policy — to foster a strong and collaborative culture within Redwood. In 2022, we introduced a hybrid plan, under which most employees work in the office at least 60% of the time. We designed our updated approach to give our employees flexibility, balanced with the benefits of working together in-person.

Diversity, Equity, Inclusion & Belonging (“DEIB”)

Redwood’s DEIB 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 this work through the Company’s DEIB Steering Committee. The Company conducts quarterly reviews of the workforce as it relates to gender and racial/ethnic representation at all levels and is committed to increasing representation at senior management levels.

Our DEIB Steering Committee is overseen by our Chief Executive Officer and was created to inform and steward our DEIB efforts. The DEIB 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 DEIB Steering Committee on key DEIB focus areas. This includes providing recommendations on enterprise-wide policies/procedures, communications, process changes, employee engagement, corporate partnerships, and community giving related to DEIB. Our EDC is empowered to create relationships with non-profit organizations that support racial equality, including through corporate donations and volunteerism efforts.

*Redwood’s **DEIB 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 DEIB 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.



2022 Promotional Data

55%

of All 2022 Promotions
Identify as Female

Talent Recruitment

Redwood applies best practices to recruit for open positions across the Company. We utilize a variety of sourcing methods including job postings, employee referrals, targeted recruitment methods including diversity recruiting sites, and external partnerships to attract qualified and diverse candidates. In 2022, we expanded recruitment efforts to include posting all available roles on specific sites whose audience include a large and diverse network of candidates, including various racial/ethnic groups as well as female and veteran focused groups. 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.



SUMMER INTERNSHIP PROGRAM

We also 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. The summer internship program is a 9-week program which takes place from June to August and is focused on providing valuable early career experiences and networking for students preparing to enter the workforce. University partnerships include: Chapman University, USC, UCSB, MSU Denver, CU Denver, San Francisco State, University of San Francisco and Front Range Community College. Additionally, we have partnerships with Summer Search and Student Sponsor Partners aimed at sourcing diverse talent for our internship program. In our 2022 internship program, 60% of participants were women, and 40% identified as racially/ethnically diverse.



Employee Resource Groups (“ERGs”)

Redwood has several employee resource groups:

- ▶ Employee Diversity Council
- ▶ TogetHER
- ▶ Employee Foundation



EMPLOYEE DIVERSITY COUNCIL (“EDC”)

The EDC plays a vital role in fostering a diverse and inclusive work environment at Redwood. Founded in 2021, the group is employee driven and acts as an important partner to the leadership team in designing and executing the company’s DEIB programs and processes. Key activities of the EDC include driving communication efforts such as the publication of the company’s DEIB Mosaic Newsletters, sharing employee spotlights that recognize and celebrate the unique contributions of Redwood’s employees, and sponsorship of DEIB focused training and outside speaker events. As part of the group’s commitment to social responsibility, the EDC actively supports DEIB focused community giving and volunteerism, including an ongoing partnership with Summer Search, an organization that supports underprivileged youth. Additionally, the EDC sponsors regular DEIB events that foster meaningful dialogue and engagement including cultural celebrations, community meetings, and presentation of a variety of DEIB related trainings. Through these initiatives, the EDC has made significant strides in fostering an inclusive workplace culture and remains dedicated to advancing diversity, equity, inclusion and belonging within Redwood.



Redwood’s Employee Diversity Counsel publishes a monthly newsletter featuring content for employees around events, holidays, updates and other helpful resources

TogetHER

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

- ▶ *Professional development that supports the advancement of women in leadership including providing opportunities for the visibility of women's work within the organization*

- ▶ *Building community both internally and externally*

- ▶ *Supporting infrastructure that makes Redwood an attractive place for women to join and develop their careers*

- ▶ *Connection with allies within the organization to provide advocacy, sponsorship and create an environment of inclusion*

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.

On an annual basis, we retain a third-party outside compensation consulting firm to evaluate pay equity across our workforce. The consultant independently tests for statistically significant gender, race, ethnicity pay gaps using regression models. We've achieved pay parity for the past several years and plan to continue doing so. If the review were to identify an issue of statistically significant pay disparity, corrective action would be taken.



2022 pay equity testing and analysis for Redwood resulted in no statistically significant pay gap findings

Community Involvement & Charitable Giving

Our Corporate Giving Platform includes an annual budget for corporate grants that is designated to support organizations that align with our mission, values, as well as our employees' interests. In 2022, Redwood gave corporate grants to a number of organizations, with a majority of the grants going towards organization that promoted housing, public health, education and diversity. For 2022 and beyond, Redwood has committed to designating 30% of corporate grants towards DEIB 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 Paid Time Off per year to each full-time employee.

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

CORPORATE GIVING

COMMUNITY ENGAGEMENT & SPONSORSHIP

REDWOOD TRUST EMPLOYEE FOUNDATION

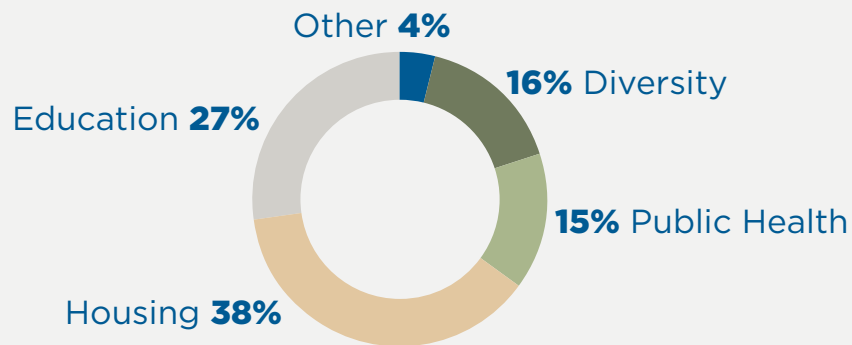
VOLUNTEERISM



Community Involvement & Charitable Giving *(Continued)*

Employee Foundation Mission: *The purpose and mission of the Employee Foundation is to support and conduct charitable activities by providing funding to nonprofit organizations as well as facilitating employee involvement in community service.*

~\$900k total charitable donations through Employee Foundation and Corporate Grants⁽¹⁾

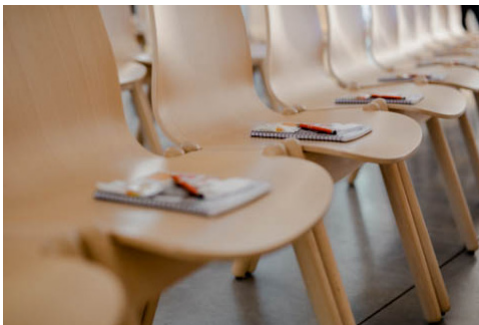


Environmental Responsibility

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 four 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 intention 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.





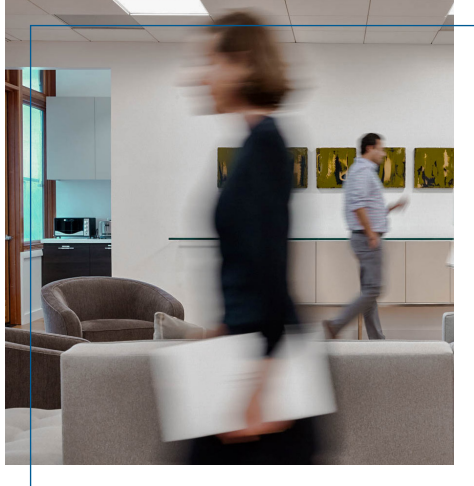
OUR INVESTMENTS & OPERATING BUSINESSES

Across our investments and operating businesses, we are a leading provider of capital for sustainable innovation in housing finance. Our financing supports housing accessibility for all economic levels, for both homeowners and renters alike

Our corporate vision is to be the leading operator and strategic capital provider for sustainable innovation in housing finance. 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 homeownership 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. 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.

Our efforts also directly support the safety and soundness principles emphasized by the FHFA to help ensure a strong and stable housing finance market.



Investment Portfolio

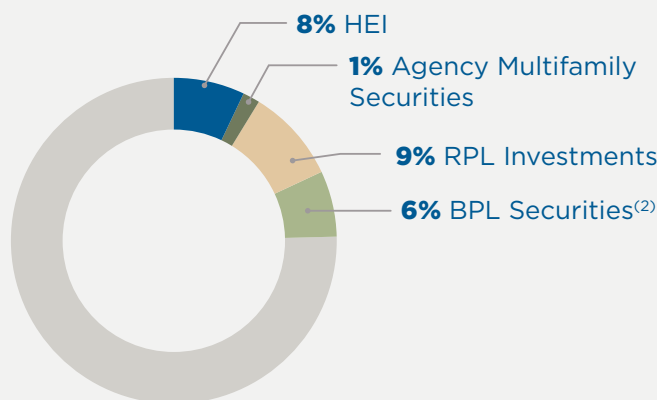
Through our Investment Portfolio, we provide liquidity to several high impact areas of the housing market and take a long-term view on housing credit.

Many of these investments support housing affordability and accessibility or specifically target underserved or underbanked borrowers. Assets in our Investment Portfolio are sourced through our Operating Businesses (76%) or through third-parties (24%).



INVESTMENTS THAT SUPPORT HOUSING AFFORDABILITY AND ACCESSIBILITY

~25% of our economic interests⁽¹⁾ are assets that support housing affordability and accessibility or that target underserved or underbanked borrowers



Home Equity Investments (“HEI”): \$284 million of economic interests

Our investments in HEI include products that offer financing alternatives to underserved and underbanked consumers seeking to access the equity in their homes.

Agency Multifamily Securities: \$44 million of economic interests

Subordinate investments in support of targeted affordable housing, senior housing and funding for renovation and improvements.

Reperforming Loans (“RPL Investments”): \$352 million of economic interests

Investments in reperforming residential loans represent financing for approximately 65,000+ homeowners who, after experiencing financial distress, had their monthly payments recast through loan modification.

Business Purpose Mortgage Banking Securities: ~\$240 million+ of economic interests

Investments in business purpose loans that provide financing to homes that are considered affordable housing and/or support housing affordability.⁽²⁾

Other Investments That Support Housing Affordability:

We also have the ability to invest in other parts of the residential housing market that are aligned with our mission and our view of the long-term opportunity in housing credit. For example, in 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 distressed or mismanaged rent-regulated apartment properties in California.

Residential Mortgage Banking

As one of the largest and most tenured issuers of private label residential mortgage-backed securities (“RMBS”), we help families access homeownership. Our loan programs enable our mortgage origination 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. Since 1994, we have issued over 119 securitizations backed by over ~\$60 billion of collateral and sold over ~\$30 billion of whole loans.

Underwriting: Redwood Residential has, since its founding, focused on purchasing high-quality loans that fit a specified set of underwriting criteria from originators or sellers of closed loans (“loan sellers”). Underwriting criteria evolve with market conditions and include (but are not limited to) evaluation of such topics as geography, credit, loan-to-value (“LTV”), loan size, property type, debt-to-income (“DTI”) and documentation type. In addition, Redwood Residential only purchases loans from verified originators or sellers with specific track records of performance. Verified loan sellers are evaluated for such criteria as years of delegated jumbo underwriting experience, jumbo volume, and net worth. Every approved loan seller is also required to go through an annual recertification process, which is designed to address any meaningful changes to their financial status and any significant management changes, up to and including any changes in ownership control. Every loan that is purchased undergoes a rigorous and thorough process that includes the use of independent professional due diligence firms. In addition, Redwood Residential regularly provides loan originators and loan sellers with specific guidelines as well as training. The Redwood Residential Training Program centers around the platform’s “Credit Philosophy and Policy”, new and existing underwriting programs and niches, as well as other Redwood Residential provided services that partner well with its loan seller network. Redwood Residential’s Training Program reaches audiences that include Underwriters, Product Managers, Loan Officers as well as Capital Markets personnel. Training is an ongoing service Redwood Residential provides based on loan seller requests, but also occurs throughout the year based on changes in current Redwood Residential Underwriting Guidelines, changes in policy or addition of a new program. Redwood Residential’s Training Program encourages frequent engagement in order to ensure the relationship with loan sellers grows and loan sellers are educated on the most recent guidance available.

EXPANDED CREDIT PRODUCTS

In April 2022, we expanded our program 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. This program launch was in direct response to the growing number of high-quality credit borrowers who have entered self-employment in recent years. These new products under our Redwood Residential business address the needs created by the labor market changes and demonstrate our ability to be nimble and flexible in responding to the needs of American homeowners.

“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 Chief Investment Officer

Residential Mortgage Banking *(Continued)*

OUR RESIDENTIAL PROGRAMS

Super Prime Jumbo

(Select, Select 90):

Redwood Residential's flagship Select program, designed for loans to prime jumbo borrowers, is our most competitively priced option with the greatest degree of flexibility.

AUS Prime Jumbo

(Select AUS, Agency High Balance):

For sellers who are looking to increase scalability by leveraging AUS technology for non-conforming loan amounts.

Expanded Prime

(Choice Program):

Featuring options for loan limits on non-warrantable condos down to \$300,000, excess acreage, higher limits on financed properties, and non-occupant co-borrowers, our Choice program is perfect for the near-miss prime jumbo transaction.

Non-QM & Expanded Credit

(Choice Expanded, Bank Statements and DSCR):

Redwood Residential Expanded Programs help to make financing more accessible for self-employed borrowers, those needing to exclude departure residence payment to qualify and investment entities that wish to qualify their investment properties based on cash flow instead of personal income.

EXTERNAL PARTNERSHIPS TO PROMOTE HOUSING ACCESSIBILITY

We are proud members of several organizations whose mission it is to support housing accessibility and a functioning housing market. Some of our memberships include: Mortgage Bankers Association ("MBA") and Structured Finance Association ("SFA"). The vision of the MBA supports America's communities by bringing material benefits to borrowers and through markets that deliver broad access to diverse capital sources. The SFA was established with the core mission of supporting a robust and liquid securitization market, recognizing that securitization is an essential source of core funding for the real economy.



“ The Structured Finance Association provides a representative and transparent member-driven platform for industry education and advocacy. Membership in the Association affords access to policymakers and industry-derived solutions. ”

Chris Abate, Chief Executive Officer

Business Purpose Mortgage Banking

Our activities in Business Purpose Mortgage Banking support the construction and stabilization of high-quality, affordable and accessible rental housing, benefiting renters and local communities alike. Our financing for workforce housing 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 within the scope of the federal government's Section 8 program for assisting low-income families, the elderly, and the disabled in affording stable, safe, and sanitary housing in the private market. Through both our Bridge and Term products, we lend on housing units valued at less than \$100,000 that are rented by low to moderate income households.

CoreVest is a leading lender to residential real estate investors, with over \$20 billion in loans closed and more than 140,000 units financed

Borrowers and brokers can access our loans for several use cases:



**RENTAL
PROPERTY**



**FIX AND
FLIP**



**LINE OF
CREDIT**



**BUILD TO
RENT**



**MULTIFAMILY/
CRE**

Underwriting: All loans originated by CoreVest undergo a rigorous underwriting and review process before funding. Loans are required to meet specific underwriting guidelines which may evolve from time to time based on market conditions. These criteria include (but are not limited to) evaluation of such criteria as borrower strategy, geographic location, loan-to-value (“LTV”), loan-to-cost (“LTC”), loan size and property type. For example, in late 2022, underwriting guidelines were proactively updated in light of market conditions including by adjusting LTV and LTC constraints, increasing exit debt yield requirements and stressing various refinance take-out options.

Asset Management: Our Asset Management teams work diligently with our borrowers ahead of their loan maturities. For example, members of the Loss Mitigation team will reach out to borrowers 60 to 90 days ahead of the loan maturity date to obtain information related to the borrower's exit plan. In the event of an extension request, the Loss Mitigation team will provide the borrower with an extension questionnaire to identify the exit strategy and terms, after which the loss mitigation team will order updated values, run non-credit background checks, confirm updated insurances and taxes, and ensure the loan is current on payments. Extensions are then granted in cases where the borrower has an executable path towards a loan exit and provides all requested documentation. Additionally, the Asset Management team collaborates with the loan servicer to ensure that payment performance is monitored from the first payment through maturity.

Business Purpose Mortgage Banking *(Continued)*

Our Efforts to Support Housing Affordability

Supporting Renovation of Rental Housing Units⁽¹⁾

86% of 2022 bridge loan funding was in support of sponsors seeking to purchase and renovate rental housing units **to improve the quality of rental housing in the U.S**

Supporting Affordable Housing⁽²⁾

58% of units in rental properties that Redwood provided long-term financing to in 2022 **are considered affordable housing**

Low Income Tracts⁽³⁾

55% of our historical securitization portfolio is in **low-income MSA tracts**

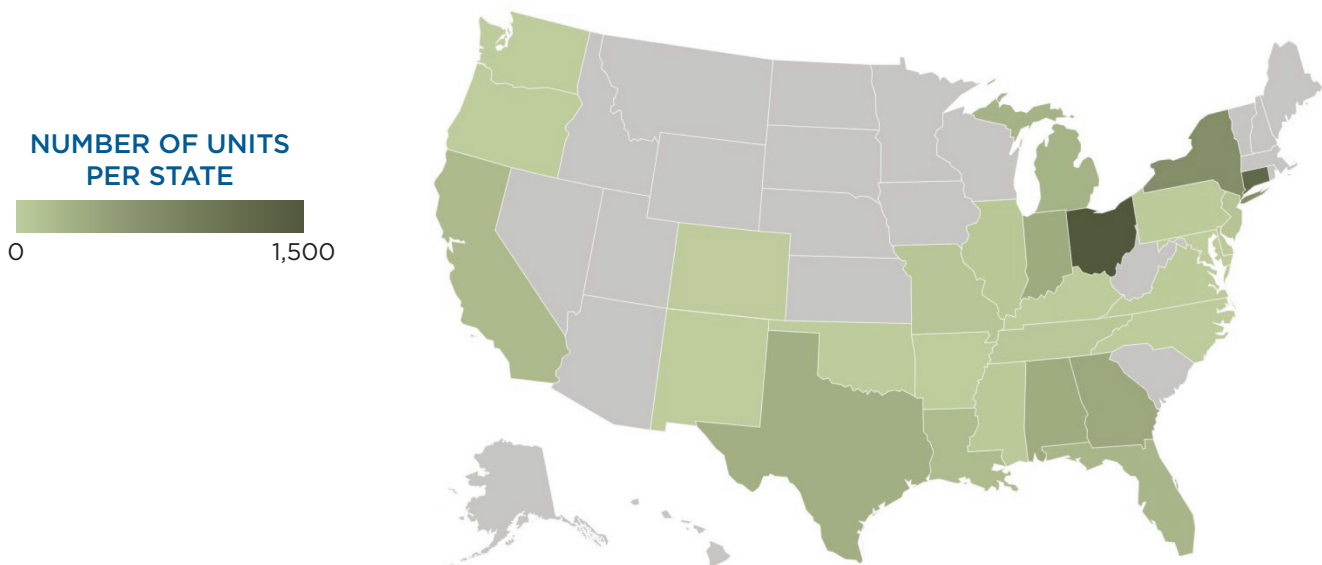
Minority MSA Tracts⁽⁴⁾

80% of our historical securitization portfolio is in **minority MSA tracts**



2022 TERM LOAN PRODUCTION CONSIDERED AFFORDABLE HOUSING BY STATE⁽⁵⁾

In 2022, CoreVest Term production provided financing on approximately 5,500 affordable housing units across 29 states.



RWT Horizons®

Through RWT Horizons®, we invest in early-stage fin-tech and prop-tech companies that have a direct nexus to Redwood businesses and strategies. A number of our investments are also geared towards supporting home ownership and housing accessibility.

RWT Horizons® 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 evaluation and approval process.

Select Case Studies of RWT Horizons® Portfolio Companies

LeaseLock: LeaseLock is an insurtech platform that replaces traditional security deposits with lease insurance. Their innovative solution not only removes the financial barriers renters face when leasing a new apartment but also significantly enhances investment returns for property owners by preventing Net Operating Income (“NOI”) losses. This not only promotes social responsibility by increasing access to housing but also optimizes returns for investors.



In 2023, LeaseLock reached a significant milestone, insuring \$6 billion worth of leases for residential apartment homes, reinforcing their commitment to transforming the rental industry while delivering tangible benefits to both renters and property investors.

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.



FutureProof: An insurtech platform that provides a climate-smart, artificial intelligence-driven system intended to develop insurance products that protect against the financial consequences of climate - related disasters and incentivize investments in climate resiliency. FutureProof's platform pairs climate prediction data with proprietary economic and financial models to deliver projections of climate-related property risks that are easy to understand and actionable for financial decision-making, enabling asset investors, insurers, and property owners to mitigate the risks involved in making financial decisions due to the volatile nature of climate changes.



Aspire HEI⁽¹⁾

In 2023, Redwood launched Aspire, the Company’s in-house home equity investment (“HEI”) origination platform. Through Aspire, Redwood originates HEI, providing consumers access to their home equity with no additional monthly payment obligations. Aspire significantly expands Redwood’s reach in the residential housing market, providing access to one of the largest addressable markets in the United States – residential home equity.

HEI provide qualified homeowners a lump-sum of cash upfront, in exchange for a share of the future change in value of their home

Since 2019, Redwood has been a leading participant in the HEI market, purchasing over \$300 million in HEI, co-sponsoring the first-ever securitization backed entirely by HEI in 2021, and procuring a \$150 million dedicated HEI financing facility in 2022. As an institutional leader in the space, Redwood has been a meaningful driver of the structural evolution of HEI in ways that prioritize strong alignment between homeowners and investors.

Redwood’s launch of Aspire HEI in 2023 represents the next step in this track record of product development and innovation. Aspire is focused on consumers actively assessing traditional financing options – such as closed-end second lien mortgages or home equity lines of credit – who prefer features of an HEI. HEI can provide these homeowners with cash today and the flexibility to refinance into traditional debt products in the future.

Homeowners can use HEI for several use cases:



**DEBT
REDUCTION**



**FUND
RETIREMENT**



RENOVATION



**HOME
PURCHASE**

“ Redwood has a history of bringing innovative solutions to the non-Agency housing market and we are thrilled to begin directly offering HEI, an effort that ties closely with our longstanding mission of supporting housing accessibility. As we have demonstrated through Redwood’s past innovations, our products have the ability to align the interests of homeowners and investors on a scale not previously seen in the United States. ”

Chris Abate, Chief Executive Officer

APPENDIX

SASB Standards Disclosure & End Notes

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (“SASB”) STANDARDS DISCLOSURE

In an effort to provide our stakeholders with comprehensive information related to our ESG efforts, we are supplementing this report with disclosures and selected metrics included in the Sustainability Accounting Standards Board (“SASB”) standards for the Financials Sector – **Mortgage Finance** and **Asset Management & Custody Activities** industries. This is Redwood’s second year providing disclosure aligned with SASB standards. 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. It also supports our commitment to provide transparent, useful and relevant data to all of our stakeholders. 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. While we have used SASB metrics as a guide, we have adapted some where appropriate, to the scope and structure of our business. This document was published in September 2023 and covers the period from January 1, 2022 through December 31, 2022, unless otherwise noted.

MORTGAGE FINANCE

Topic	Code	Accounting Metric	Page Reference
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, (d) Total, by FICO scores above or below 660	32
	FN-MF-270a.2	(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	33
	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	33
	FN-MF-270a.4	Description of remuneration structure of loan originators	33
Discriminatory Lending	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	34
	FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending ³	34
	FN-MF-270b.3	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	34
Environmental Risk to Mortgaged Properties	FN-MF-450a.1	(1) Number and (2) value of mortgage loans in 100-year flood zones	35
	FN-MF-450a.2	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weatherrelated natural catastrophes, by geographic region	35
	FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	35-36
Activity Metrics	FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	36
	FN-MF-000.B	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	36

ASSET MANAGEMENT & CUSTODY ACTIVITIES

Topic	Code	Accounting Metric	Page Reference
Transparent Information & Fair Advice for Customers	FN-AC-270a.1	(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	36
	FN-AC-270a.2	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	37
	FN-AC-270a.3	Description of approach to informing customers about products and services	37
Employee Diversity & Inclusion	FN-AC-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	37
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.1	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	38
	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	24-30
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	39
Business Ethics	FN-AC-510a.1	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	39
	FN-AC-510a.2	Description of whistleblower policies and procedures	10
Activity Metric	FN-AC-000.A	Total assets under management (AUM)	39
	FN-AC-000.B	Total assets under custody and supervision	39

MORTGAGE FINANCE STANDARDS

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, (d) Total, by FICO scores above or below 660

FN MF-270a.1	Number of Loans	Principal (\$thousands)	% of Principal
(a) Hybrid or Option Adjustable-rate Mortgages (ARM)			
FICO scores above 660	1,171	\$186,998	3%
FICO scores below 660	149	\$27,438	0%
Total	1,320	\$214,436	3%
(b) Subject to Prepayment Penalty			
FICO scores above 660	14	\$9,602	0%
FICO scores below 660	0	\$0	0%
Total	14	\$9,602	0%
(c) Higher Rate			
FICO scores above 660	262	\$125,427	2%
FICO scores below 660	1,229	\$118,545	2%
Total	1,491	\$243,972	4%
(d) Total FICO Score Breakout			
FICO scores above 660	8,599	\$5,127,032	78%
FICO scores below 660	9,205	\$1,465,763	22%
Total	17,804	\$6,592,794	100%

Note: \$ in thousands, except number of loans. 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 appear on our consolidated balance sheet at December 31, 2022, and include loans held-for-sale for our Residential Mortgage Banking operations and loans owned by securitization entities that we are required to consolidate in accordance with the GAAP. Consolidated securitization entities include jumbo loan securitizations we sponsored and retained securities from, as well as reperforming loan securitizations sponsored by Freddie Mac in which we purchased securities and are required to consolidate in accordance with GAAP.

FN-MF-270a.2

(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

FN MF-270a.2	Number of Loans	Principal (\$thousands)	% of Principal
(a) Residential Mortgage Modifications			
FICO scores above 660	68	\$15,064	0%
FICO scores below 660	33	\$5,648	0%
Total	101	\$20,712	0%
(b) Foreclosures			
FICO scores above 660	323	\$58,343	1%
FICO scores below 660	273	\$40,983	1%
Total	596	\$99,325	2%
(c) Short Sale or Deeds in Lieu of Foreclosure			
FICO scores above 660	2	\$369	0%
FICO scores below 660	1	\$167	0%
Total	3	\$536	0%
(d) Total FICO Score Breakout			
FICO scores above 660	8,599	\$5,127,032	78%
FICO scores below 660	9,205	\$1,465,763	22%
Total	17,804	\$6,592,794	100%

Note: \$ in thousands, except number of loans. 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 appear on our consolidated balance sheet at December 31, 2022, and include loans held-for-sale for our Residential Mortgage Banking operations and loans owned by securitization entities that we are required to consolidate in accordance with the GAAP. Consolidated securitization entities include jumbo loan securitizations we sponsored and retained securities from, as well as reperforming loan securitizations sponsored by Freddie Mac in which we purchased securities and are required to consolidate in accordance with GAAP.

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

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, 2022, as a result of legal proceedings associated with communications to customers or remuneration of loan originators.

FN-MF-270a.4

Description of remuneration structure of loan originators

Residential Mortgage Banking - We do not originate loans to individual residential borrowers and, therefore, our residential mortgage banking business does not employ residential mortgage loan originators.

Business Purpose Mortgage Banking - CoreVest is a lender to real estate investors in a competitive marketplace. Production team members are compensated based on the origination of term and bridge loans (including lines of credit and single asset loans).

All Redwood employees are required to abide by our [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.

Discriminatory Lending

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

FN MF-270b.1	Number of Loans	Principal (\$thousands)	WA LTV	% of Principal
(a) Minority Borrowers				
FICO scores above 660	290	\$279,640	73	4%
FICO scores below 660	0	\$0	0	0%
Total	290	\$279,640	73	4%
(b) All Other Borrowers				
FICO scores above 660	962	\$868,049	71	13%
FICO scores below 660	0	\$0	0	0%
Total	962	\$868,049	71	13%
(c) Information Not Available				
FICO scores above 660	7,347	\$3,979,343	69	60%
FICO scores below 660	9,205	\$1,465,763	67	22%
Total	16,552	\$5,445,105	68	83%
Grand Total	17,804	\$6,592,794	69	100%

Note: \$ in thousands, except number of loans. 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 appear on our consolidated balance sheet at December 31, 2022, and include loans held-for-sale for our Residential Mortgage Banking operations and loans owned by securitization entities that we are required to consolidate in accordance with the GAAP. Consolidated securitization entities include jumbo loan securitizations we sponsored and retained securities from, as well as reperforming loan securitizations sponsored by Freddie Mac in which we purchased securities and are required to consolidate in accordance with GAAP.

FN-MF-270b.2

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

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, 2022 as a result of legal proceedings associated with discriminatory mortgage lending.

FN-MF-270b.3

Description of policies and procedures for ensuring nondiscriminatory mortgage origination

Residential Mortgage Banking - 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 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 all loans we purchase from originators comply with applicable underwriting guidelines, laws and regulations. Redwood utilizes sub-servicers to service loans where we own the servicing rights. Redwood oversees all of its sub-servicers, including their compliance with applicable federal, state, and local laws. This includes, but is not limited to, oversight of their adherence to key aspects of 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.

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

Environmental Risk to Mortgaged Properties

FN-MF-450a.1

(1) Number and (2) value of mortgage loans in 100-year flood zones

Residential Mortgage Banking – To mitigate potential losses for our residential mortgage loans, we require the appropriate flood and disaster insurance for loans we buy, based on the loan’s risk of exposure. As of December 31, 2022, 12.8% of loans by count and 11.6% of loans by UPB of residential loans held-for-sale and consolidated Sequoia loans, and 3.5% of loans by count and 3.7% of loans by UPB of our consolidated SLST loans are considered in 100- year flood zones. We base this analysis on residential loans that appear on our consolidated balance sheet at December 31, 2022, including loans held-for-sale for our Residential Mortgage banking operations and loans owned by securitization entities that we are required to consolidate in accordance with GAAP for which we have flood zone data.⁽¹⁾

Business Purpose Mortgage Banking - We track loan fundings that exist within flood zones and when a loan is made (funded) in a flood zone, we require flood insurance. For 2022, approximately 2% of loans funded by loan count and 11% of loans funded by UPB were considered to be in flood zones.⁽²⁾

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

We monitor individual weather-related events that could impact our Operating Businesses and Investment Portfolio. Given the geographic dispersion of our investments, and coverage provided by the home or property owner’s insurance, our losses from weather-related natural catastrophes in recent years have not been material in relation to our overall earnings and financial performance.

While we do not calculate forward looking total expected losses, or LGD, uniquely for weather-related natural catastrophes, a component of our expected loss is inherently composed of weather-related loss. We generally rely on our thorough and disciplined origination and underwriting practices (described elsewhere in the section titled “Our Investments & Operating Businesses”) to mitigate these risks.

FN-MF-450a.3

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

Residential Mortgage Banking - 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 - At CoreVest, for certain types of lending activities (particularly multi-family and build-for-rent), 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.

If environmental related risks are identified, 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 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 - We actively consider how climate change and other 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 impact the value of the investments that we own. We seek to mitigate such risk by ensuring on-going hazard insurance is in place for each asset and by maintaining a geographically diverse portfolio.

Activity Metrics

FN-MF-000.A

(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial

FN-MF-000.A	2022	2021	2020
(a) Residential Mortgage Banking - Loans Originated (\$000s)	\$0	\$0	\$0
(a) Residential Mortgage Banking - Loans Originated (#)	0	0	0
(b) Business Purpose Mortgage Banking - Loans Originated (\$000s)	\$2,698,336	\$2,149,821	\$1,431,250
(b) Business Purpose Mortgage Banking - Loans Originated (#)	3,655	3,206	1,899

FN-MF-000.B

(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial

FN-MF-000.B	2022	2021	2020
(a) Residential Mortgage Banking - Loans Purchased (\$000s)	\$3,590,055	\$12,939,263	\$4,483,477
(a) Residential Mortgage Banking - Loans Purchased (#)	3,764	14,593	5,529
(b) Business Purpose Mortgage Banking - Loans Purchased (\$000s)	\$198,136	\$134,119	\$0
(b) Business Purpose Mortgage Banking - Loans Purchased (#)	428	233	0

ASSET MANAGEMENT AND CUSTODY ACTIVITIES

Transparent Information & Fair Advice for Customers

FN-AC-270a.1

(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

Certain Redwood subsidiaries hold and maintain state licenses related to our mortgage banking and other business activities. Given the nature of our residential and business purpose 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 and other business activities. During the reporting period, no such complaints, litigations or proceedings involved any of our licensed employees. Neither Redwood nor any of our subsidiaries is a Financial Industry Regulatory Authority (“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 Audit Committee of our Board of Directors. All employees and members of management are required to abide by, and conduct business in accordance with, our [Code of Ethics](#).

FN-AC-270a.2

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

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, 2022 as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers.

FN-AC-270a.3

Description of approach to informing customers about products and services

Residential Mortgage Banking - Redwood Residential does not originate loans to residential borrowers. Redwood Residential does offer programs to jumbo loan originators or sellers of closed jumbo loans. Redwood communicates with these originators or loan 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 our seller base through product overview webinars, monthly newsletters and other marketing materials describing new programs or program enhancements. Communications are reviewed by the Head of Credit, Compliance and Legal before dissemination and release to our client base.

Business Purpose Mortgage Banking - CoreVest communicates with clients, predominantly real estate investors, through email, social media, industry conferences, print collateral, direct mail, outbound calls, digital re-targeting, 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.

Employee Diversity and Inclusion

FN-AC-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

	Gender Representation							
	Female				Male			
	2023 YTD	2022	2021	2020	2023 YTD	2022	2021	2020
Executive Management	33%	40%	40%	17%	67%	60%	60%	83%
Non-Executive Management	37%	17%	18%	16%	63%	83%	82%	84%
All Other Employees	49%	54%	50%	53%	51%	46%	50%	47%
All Employees	46%	44%	43%	42%	54%	56%	57%	58%
New Hires	50%	52%	46%	31%	50%	48%	54%	69%
IT/Technology	32%	33%	29%	24%	68%	67%	71%	76%

	Racial/Ethnic Group Representation							
	White				Diverse			
	2023 YTD	2022	2021	2020	2023 YTD	2022	2021	2020
Executive Management	100%	100%	100%	83%	0%	0%	0%	17%
Non-Executive Management	76%	77%	73%	68%	24%	23%	27%	32%
All Other Employees	61%	63%	64%	69%	39%	37%	36%	31%
All Employees	66%	66%	66%	69%	34%	34%	34%	31%
New Hires	40%	53%	60%	74%	60%	47%	40%	26%

Note: 2023 YTD data represents Redwood's workforce composition as of September 2023.

Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory

FN-AC-410a.2

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

Residential Mortgage Banking - We offer programs that enable residential loan originators to lend to a wide range of credit-worthy borrowers not eligible for government sponsored programs. Through these programs and products, we enable our network of loan originators/sellers to maintain control over the lending process while serving their customers efficiently. Redwood engages due diligence vendors to evaluate a loan's compliance with applicable underwriting guidelines, laws 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 uses 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 - We continue to support the construction and stabilization of high-quality, affordable and accessible rental housing that benefits renters and local communities alike. Each loan that we underwrite goes through formal review by CoreVest's Investment Committee and/or various additional sub-committees as appropriate. As part of this review process, we actively assess, where applicable, the ways in which certain ESG factors could impact specific loans that we underwrite. For instance, in connection with some of our lending activities (particularly those related to multi-family and build-for-rent), we conduct environmental Phase 1 and Phase 2 assessments and reporting. For all properties we provide financing for, conduct flood due diligence and advise borrowers whether or not additional insurance is required. For each loan, we also require an environmental indemnity from the borrower.

Investment Portfolio - Through our investment portfolio, we provide liquidity to several high impact areas of the housing market. Many of these investments support housing affordability and accessibility or specifically target underserved or underbanked borrowers. 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 approved by our Investment Committee. Each investment within this asset class is then reviewed and approved by senior investment staff, including the Head of Financial Risk, in conjunction with other Managing Director level employees.

Investments primarily backed by multi-family assets receive in-depth review of certain ESG related risks (such as structural, hazard, engineering, environmental, and flood risks; as well as borrower and operator background and financial reviews). Where considered material, identified ESG risks must 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® incorporates certain ESG factors into its investment evaluation process. As part of this 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 examples of ESG factors considered as part of our investment evaluation 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 where RWT Horizons® can create value for companies through our experience. 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.

FN-AC-410a.3

Description of proxy voting and investee engagement policies and procedures

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.

Business Ethics

FN-AC-510a.1

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

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, 2022 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.

Activity Metrics

FN-AC-000.A

(1) Total assets under management (AUM)

FN-AC-000.A	2022	2021	2020
Investment Portfolio Assets (\$bn) ⁽¹⁾	\$3,725	\$2,687	\$2,053

FN-AC-000.B

(1) Total assets under custody and supervision

FN-AC-000.B	2022	2021	2020
Assets Under Management (\$bn)	\$4,775	\$4,757	\$2,485

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Source: Redwood company data. All data as of December 31, 2022 unless otherwise noted.

⁽¹⁾ Where applicable, statistics reference combined metrics for Residential Mortgage Banking and Business Purpose Mortgage Banking.

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Source: Redwood company data. All data as of December 31, 2022 unless otherwise noted.

⁽¹⁾ Aspire HEI was launched in 2023.

⁽²⁾ Lock volume does not account for potential fallout from pipeline that typically occurs through the lending process.

⁽³⁾ Figures reflect our investments held in our Investment Portfolio on balance sheet 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) at December 31, 2022.

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⁽¹⁾ Shareholder data per Ipreo as of December 31, 2022.

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⁽¹⁾ Median benchmark and industry data per Spencer Stuart.

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⁽¹⁾ Industry employment turnover statistics per Bureau of Labor Statistics data for 2022.

⁽²⁾ Employee benefits represent benefits as of June 30, 2023.

⁽³⁾ Paid family leave for secondary caregivers is two weeks.

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⁽¹⁾ Total charitable donations are cumulative since inception of the Foundation.

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Source: Redwood company data. All data as of December 31, 2022 unless otherwise noted.

⁽¹⁾ Figures reflect our investments held in our Investment Portfolio on balance sheet 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) at December 31, 2022.

⁽²⁾ Notional amount from business purpose mortgage banking based on term loans and excludes bridge loans.

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Source: Redwood company data. All data as of December 31, 2022 unless otherwise noted.

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Source: Redwood company data. All data as of December 31, 2022.

⁽¹⁾ Percentage of bridge loan fundings in 2022 that were committed to one of the following project strategies: Renovate and Rent, Build to Rent, Multifamily Light Lift, Multifamily Lease-Up, or Multifamily Heavy Lift.

⁽²⁾ Percentage of long-term financing units originated in 2022

that were considered affordable housing as defined by The Department of Housing and Urban Development. HUD defines affordable housing as housing that costs no more than 30% of a household's income for rent and utilities or 28% for mortgage, property tax, and insurance.

⁽³⁾ Allocated loan amount at origination for properties in a low income MSA tract. The term "low-income area" means a census tract or block numbering area in which the median income does not exceed 80 percent of the median income for the area in which such census tract or block numbering area is located. See 12 U.S.C. 4502(28).

⁽⁴⁾ Allocated loan amount at origination for properties in a minority MSA tract. The term "minority census tract" means a census tract that has a minority population of at least 30 percent and a median family income of less than 100 percent of the area family median income. See 12 U.S.C. 4502(29).

⁽⁵⁾ Percentage of long-term financing units originated in 2022 that were considered affordable housing defined by The Department of Housing and Urban Development. HUD defines affordable housing as housing that costs no more than 30% of a household's income for rent and utilities or 28% for mortgage, property tax, and insurance.

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⁽¹⁾ Aspire HEI was launched in 2023.

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⁽¹⁾ Consolidated securitization entities include Sequoia jumbo loan securitizations we sponsored and from which we retained securities, as well as reperforming loan securitizations sponsored by Freddie Mac from purchased securities and are required to consolidate in accordance with GAAP. Loans in consolidated Legacy Sequoia securitizations are excluded from these values, as flood zone data is not available. For RRAC loans and consolidated SEMT and SLST loans, we calculated these numbers by evaluating our portfolios as of December 31, 2022, and determining whether properties are located in a FEMA 100-year flood zones according to servicer extracts.

⁽²⁾ Excludes loans where flood zone data is not available.

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⁽¹⁾ Figures reflect our investments held in our Investment Portfolio on balance sheet 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) at December 31, 2022.



R E D W O O D
T R U S T

