WALKER & DUNLOP

2020 Environmental, Social, and Governance Report

The following document contains disclosure of environmental, social, and governance (ESG) metrics relevant to Walker & Dunlop, Inc.'s business, as well as select, relevant metrics in the Sustainability Accounting Standards Board (SASB) standards for the Financials, Mortgage Finance industry classification, as well as SASB metrics from other SASB industries, in particular those related to human capital management. As a commercial real estate services firm, many of the SASB standards for the Mortgage Finance industry do not directly apply to our operations. We have provided disclosure where applicable and supplemented the narrative with our efforts which we believe are most relevant to our business. Throughout this document, we also indicate where we believe our practices support efforts to meet the United Nations' Sustainable Development Goals (UN SDGs). This document is also supplemented by a summary of our disclosures within the framework of the Taskforce on Climate-related Financial Disclosures, which can be found in the Environmental section of the report. This document covers ESG disclosures for Walker & Dunlop, Inc., and its subsidiaries (together, "Walker & Dunlop," "W&D", "our," or "we") from January 1, 2020, through December 31, 2020, unless otherwise noted.

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ABOUT US

Walker & Dunlop (NYSE: WD) is the largest provider of capital to the multifamily industry in the United States and the fourth largest lender on all commercial real estate, including industrial, office, retail, and hospitality. Walker & Dunlop enables real estate owners and operators to bring their visions of communities — where Americans live, work, shop, and play — to life.

The power of our people, premier brand, and industry-leading technology enables us to meet any client need, including financing, research, property sales, valuation, and advisory services.

Walker & Dunlop has consistently been named one of Fortune Magazine's Great Places to Work® and is committed to making the commercial real estate industry more inclusive and diverse while creating meaningful social, environmental, and economic change in our communities.

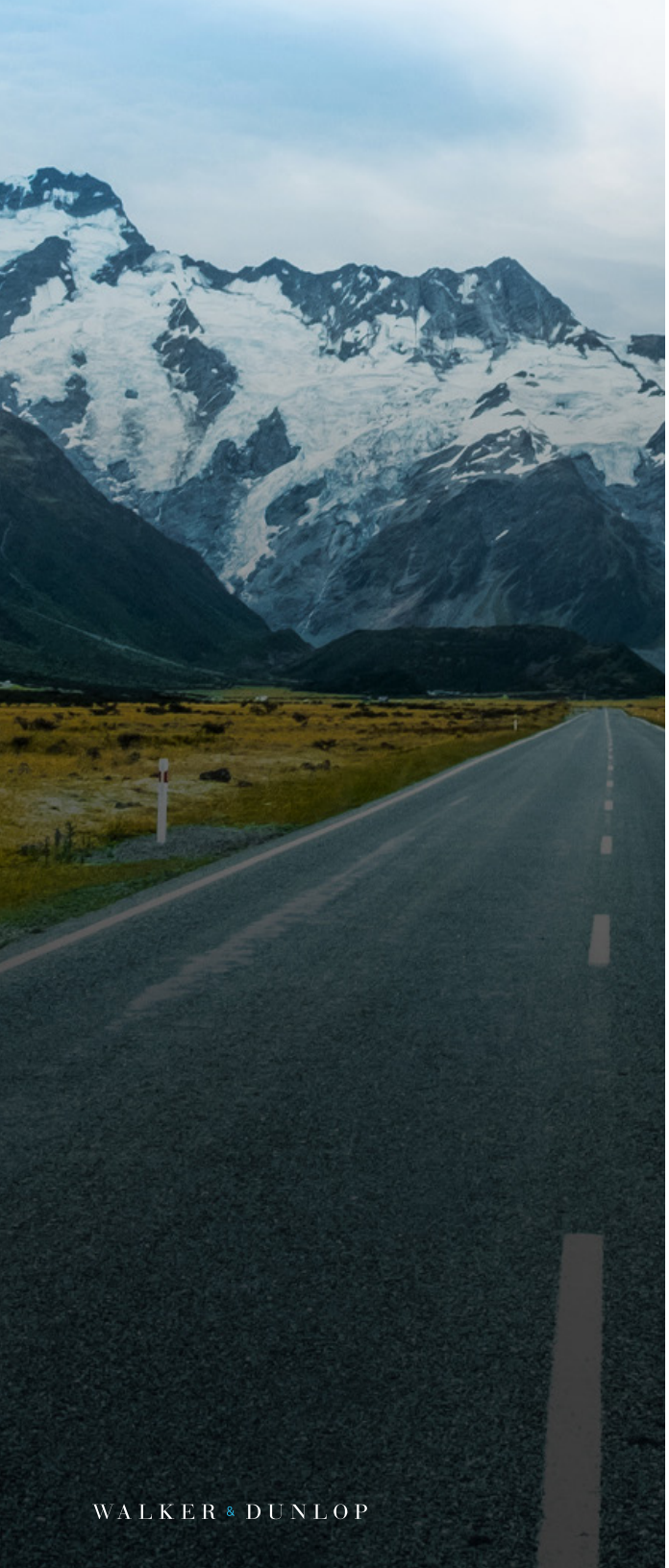
See Our Rankings

ACTIVITY METRICS

	2020	2019	2018	2017
Transaction Volume ($M)	41,084	31,967	28,048	27,906
Total Revenue ($M)	1,084	817	725	712
Net Income ($M)	246	173	161	211
(1) Number and (2) value of mortgages originated by category:				
(a) residential [1]	(a) 0; $0	(a) 0; 0	(a) 0; 0	(a) 0; 0
(b) commercial	(b) 1,626; $35.0B	(b) 1,482; $26.6B	(b) 1,337; $25.3B	(b) 1,417; $24.9B
[SASB: FN-MF-000.A]				
(1) Number and (2) value of mortgages purchased by category [2]**:**				
(a) residential	(a) 0; $0	(a) 0; 0	(a) 0; 0	(a) 0; 0
(b) commercial	(b) 0; $0	(b) 0; 0	(b) 0; 0	(b) 0; 0
[SASB: FN-MF-000.B]				
Full-time Employees (as of December 31)	988	823	723	623

[1] Walker & Dunlop does not originate residential mortgages, only commercial loans, including for multifamily, office, industrial, retail, hospitality, and healthcare properties. Therein, we believe that the SASB Mortgage Finance's Discriminatory Lending topic [FN-MF-270] regarding residential mortgages and remuneration structure of originators is not applicable to the Company.

[2] Walker & Dunlop does not purchase commercial real estate or residential real estate loans. Therein, we believe that the SASB Mortgage Finance's Activity Metric [FN-MF-000.B] is not an accurate reflection of the operations of the Company.



WALKER & DUNLOP'S ESG PROGRAM OBJECTIVES

We believe that a healthy environment, properly managed resources, and vibrant communities are keys to a secure and prosperous future. We view our ESG Program as a process of continuous improvement as we measure and monitor our carbon footprint, look for ways to reduce waste, and facilitate eco-friendly, green financing for our clients. We seek to equally and equitably employ and retain diverse talent across our organization, facilitate the financing of affordable housing, and contribute to the communities in which we live and operate while upholding our code of ethics and corporate governance principles.

Effective corporate governance is critical to executing on our long-term strategy, fulfilling our responsibilities, and delivering value to all our stakeholders. Our governance of ESG-related matters reflects our commitment to strong leadership and oversight at the highest levels of senior management up to the Board of Directors. Further detail of our ESG oversight is included in *the Governance section* of the report.

At the end of 2020, we set specific ESG-related goals as a subset of our five-year strategic growth plan, the *Drive to '25*:

- Continue to neutralize our Greenhouse gas (GHG) emissions each year
- Reduce GHG emissions by 50% from 2019 levels on a per-employee basis
- Increase the proportion of women and minorities in management positions to 35% and 20%, respectively
- Increase the proportion of women and minorities among top company earners to 15% each
- Donate 1% of pre-tax profits to charitable organizations
- Originate $60 billion of affordable lending (cumulative over the next five years)

We are still in the beginning stages of the *Drive to '25* and have already made meaningful strides in each of these ESG components. All these goals are discussed further on in this report.

ENVIRONMENT

As a leader in the commercial real estate finance industry, we recognize our responsibility to reduce our environmental impact through both our operations and our lending practices. In 2018, we established an employee-led Green Task Force, which focuses on engaging employees in the reduction of resource and electricity usage, waste, employee commuting and the company's carbon footprint. Since 2017, we have remained carbon neutral through the purchase of Renewable Energy Credits (RECs) and carbon offsets. We are also actively involved in the Fannie Mae Green Rewards and Freddie Mac Green Advantage programs, which help property owners reduce their energy and water consumption in multifamily properties. In 2020, we were ranked the #2 Fannie Mae Green lender in the United States.

We engage in environmentally friendly office practices, such as "bean to cup" coffee machines, reusable water bottles, and default double-sided printing on all copy machines while encouraging environmentally friendly commuting, including a flexible telecommuting policy, a pre-tax public transit program, a corporate partnership with Waze Carpool, and green commuting contests and rewards. During 2021, we will be transitioning all our offices to "paperless" through the removal of disposable plates, cups, and cutlery in the kitchens as well as the removal of convenience printers throughout the office space to reduce our paper waste.

Our carbon footprint is measured through a third-party consultant adhering to the Greenhouse Gas Protocol. We have targeted our emissions and energy reduction efforts by measuring and setting goals to reduce all our GHG emissions, both direct and indirect.

Oversight and management of ongoing sustainability commitments has a clear governance and accountability structure as a result of a company-wide culture that encourages ideas, questions, feedback, engagement, and training related to the environmental impact of our business practices.

ENERGY & GREENHOUSE GAS (GHG) EMISSIONS

Green Buildings (Leased)

We do not own or operate any buildings that our employees occupy, but of the 47 buildings in which we leased space in 2020, 20% of our total occupied square footage (49,190 square feet of 247,505 square feet) was in a green certified building.[1]

We are focused on improving our leased spaces to increase energy efficiency and decrease water usage in cases that our leases permit us to make such improvements. We will continue to pursue leased office spaces with green building certifications when considering lease renewals and new office locations. For example, we will be relocating our corporate headquarters in Bethesda, Maryland as of January 1, 2022. When considering options for the new lease, we prioritized relocating to a LEED-certified building and will be occupying a LEED Gold property. In addition, we are making additional improvements within our own office space to achieve a LEED Gold designation.

Investment in Renewable Energy

During 2021, we made the decision to invest in renewable energy farms with the financial benefit of receiving the tax credits associated with these farms. We invested $5.6 million in a 10-megawatt solar energy portfolio comprised of two newly constructed solar energy plants, located in Glenfield and Lowville, New York, respectively. Each megawatt of solar generated energy can power approximately 160 homes each year. The investment was made through a joint venture with 1st Source Bank, a regional bank based in South Bend, Indiana that specializes in solar projects less than 20 megawatts and prioritizes long term relationships with developers and investors. This investment will serve as an incipient step as we navigate future ventures in the renewable energy space and fortify our commitment to reducing our environmental footprint.

[1] Of the 47 property managers, only 6 reported their buildings having a green certification, such as LEED and Energy Star. Many of the property managers either declined to respond or were non-responsive to our questions. It is likely that additional office buildings are green certified, but we do not have complete information at this time.

Carbon Neutrality

We are committed to remaining carbon neutral each year, through purchasing renewable energy certificates for 100% of our electricity use and purchasing verified carbon offsets to offset all remaining GHG emissions. We have also set targeted emissions reduction goals to reduce emissions intensity on a per employee basis. Our 2020 emissions offset with RECs and carbon offsets will have the equivalent impact of sequestering carbon by 3,552 acres of U.S. forests in one year.

Carbon Footprint

Our carbon footprint approach involves an assessment of direct and indirect GHG emissions resulting from our 2020 operations. Our total carbon footprint, which includes direct (energy consumption at offices) and indirect emissions (business travel, commuting, and waste) was 2,898 MTCO2e in 2020. This is a 45% decrease from 2019 during which our total carbon footprint reached 5,256 MTCO2e. Approximately 75% of this change is due to a substantial decrease in employee business travel and commuting as a result of our work-from-home policy during 2020 in light of COVID-19. The other 25% of this change is due to a decrease in facilities energy usage and waste generation with fewer employees in the office. Similarly, our total carbon footprint per employee in 2020, 2.92 MT CO2e/Employee, fell dramatically by 54% from 6.36 MT CO2e/Employee in 2019.

CARBON EMISSIONS [1]	2020	2019	2018	2017
Scope 1 emissions (metric tons CO_2-e)	297	431	400	334
Market-Based Scope 2 emissions (metric tons CO2e)	889	N/A	N/A	N/A
Scope 2 emissions (metric tons CO_2-e)	979	996	866	825
Emissions Intensity (Scope 1 and 2 metric tons CO_2-e per $M Total Revenues)	1.3	1.8	1.8	1.7
Scope 3 emissions (metric tons CO_2-e) [2]	1,622	3,643	3,624	2,970
Total GHG Emissions (Scope 1, 2 and 3)	2,898	5,070	4,559	4,129
GHG Emissions on a per-employee basis	2.92	6.15	6.61	6.60

EMISSIONS INTENSITY METRICS [3]	2020	2019	2018	2017
Square footage (SF)	247,505	234,701	196,853	178,714
Emissions per 1,000 SF	11.71	22.40	23.26	23.04
Revenue ($B)	$1.084	$0.817	$0.725	$0.712
Emissions per million USD in revenue	2.67	6.43	6.31	5.78
Number of Sites	47	44	35	31

2025 Goal ***Reduce total (Scope 1, 2, and 3) emissions by 50% from 2019 levels on a per employee basis.***

[1] GHG emissions methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard. We emphasize collecting actual activity data (e.g., utility bills) for the year and then scale data gaps using reported data from previously reported years. We also apply facility-specific emission factors whenever possible (e.g., based on local electricity grid factors for electricity). Due to COVID-19 restrictions, 2020 employee commuting emissions were calculated by scaling 2018 commuter survey results for January through March 2020 and using employee survey responses during the optional office period to estimate emissions from July to December 2020. Location-based electricity emissions are included in the total row and are calculated based on regional grid emission factors, where utility emission rates are not available. Market-based electricity emissions are based on utility-specific emission rates where available and residual mix emission factors. Market-based electricity emissions account for renewable energy contractual instruments (i.e., direct contracts, certificates, or supplier-specific information).

[2] Scope 3 includes employee travel (air, rental cars, employee-owned vehicles, taxi/car service, rail, and hotel stays), employee commuting, and waste.

[3] Calculated using Total GHG Emissions (Scope 1, 2 and 3)

Our carbon emissions sources can be subdivided into three categories: Scope 1 which is composed of direct emissions from owned or controlled sources (i.e., stationary combustion and refrigerants); Scope 2 which covers indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed; and Scope 3 which includes all other indirect emissions that occur in our value chain. From 2019 to 2020, carbon emissions from all sources, with the exception of telecommuting, fell. Business travel and commuting emissions together have consistently contributed about ~70% of total emissions between 2016 through 2019, but in 2020 these categories fell to ~55% of total emissions due to the office restrictions imposed in response to the COVID-19 pandemic.

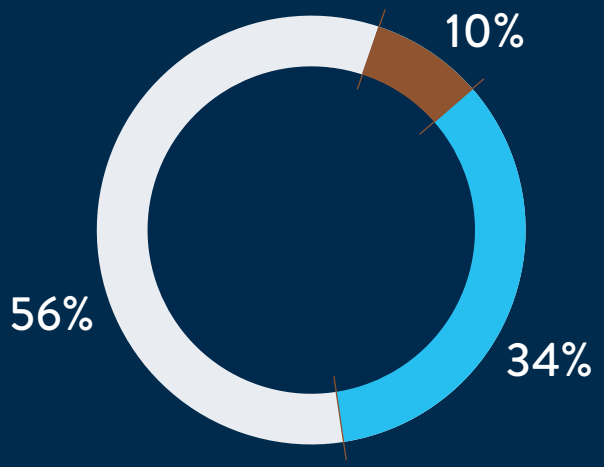
We are committed to remaining carbon neutral each year and will offset 100% of our GHG emissions through the purchase of renewable energy certificates for 100% of our electricity use, and purchase verified carbon offsets to offset all remaining GHG emissions. In addition, by 2025, we have set a goal to reduce GHG emissions (Scope 1, 2, and 3) by 50% from 2019 levels on a per employee basis. In 2021, we updated our work from home policy from allowing two remote days per month to two remote days per week, which should be a large factor in achieving our emissions reduction goal by 2025. Employee commuting and travel are the largest components of our Scope 3 emissions, so an increase in teleworking should positively impact our Scope 3 emissions.

Also, as many of our large leases expire in the next few years, such as those in Bethesda, Maryland; Denver, Colorado; Needham, Massachusetts; and Baltimore, Maryland, we will prioritize transitioning our leases to LEED, Energy Star or other Green-certified buildings.

GHG Emissions by Scope

Employees, square footage, and revenue have increased at higher rates than emissions, due in part to the decreasing emissions intensity of the electricity grid, which makes buildings less emissions intensive. Additionally, the reductions in business travel and employee commuting due to the COVID-19 pandemic also lowered emissions intensities.

- Scope 1 Emissions
- Scope 2 Emissions
- Scope 3 Emissions

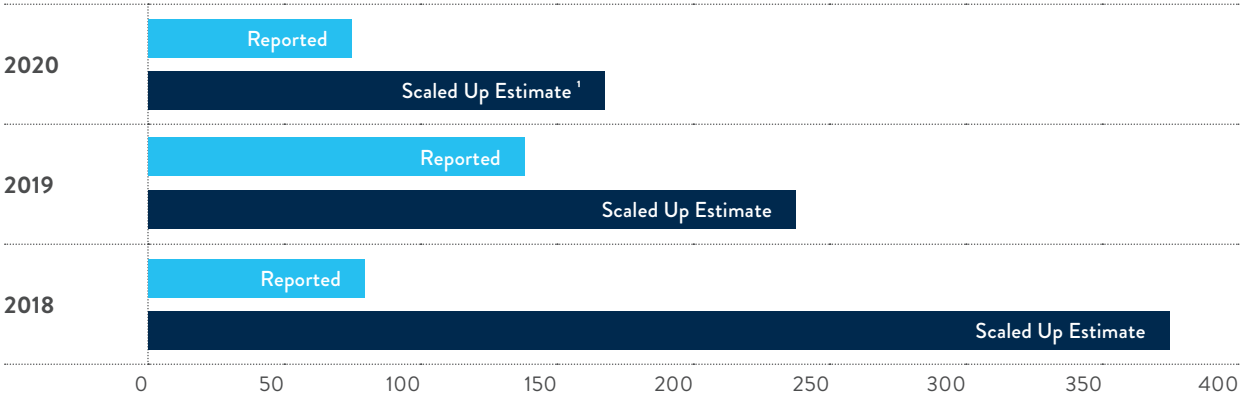


WASTE & RECYCLING

Recycling

In 2020, our landfill/waste-to-energy diversion rate was 21% based on reported data. Some sites only reported recycling data, which likely skews the diversion rate upward. We actively engage with employees on waste generation and recycling practices and seek to implement waste reduction policies like our 2021 initiative to transition all office kitchens to paperless.

Solid Waste (Short Tons)



[1] Scaled-up estimate calculates the data gaps from unreported facility data by using reported data from previous years

Key Climate-Related Risks

	Time Horizon	Description
Physical	Short-term (0-1 years) Medium-term (1-5 years) Long-term (5-10>10 years)	Risk of severe weather events (e.g., natural disasters such as flooding, hurricanes, tornadoes) impacting offices that we lease and occupy, commercial real estate properties that we finance, and key vendors that we work with. Risk of sea level rise impacting offices that we lease and occupy, commercial real estate properties that we finance, and key vendors that we work with.
Policy & Legal	Short-term (0-1 years) Medium-term (1-5 years)	Risk of regulatory changes as it relates to emissions reporting obligations, emission taxes, or cap and trade policies.
Market	Medium-term (1-5 years) Long-term (5-10>10 years)	Risk of climate driven migration shifting current markets we serve.
Reputation	Short-term (0-1 years) Medium-term (1-5 years) Long-term (5-10>10 years)	Risk to reputation (with all stakeholders, incuding clients, workforce, general marketplace) based on our response, or lack thereof, to mitigate climate change and address potential risks.

Key Climate-Related Opportunities

	Time Horizon	Description
Market	Short-term (0-1 years) Medium-term (1-5 years) Long-term (5-10>10 years)	Opportunities of climate migration shifting current markets we serve to different markets and potentially creating new markets. Opportunity for new business offering to provide sustainability services and advice to clients to help them achieve sustainable building improvements.
Technology	Short-term (0-1 years) Medium-term (1-5 years) Long-term (5-10>10 years)	Opportunity from technological advances (such as office building automations and renewable technologies) that would positively impact our related costs and revenues.
Reputation	Medium-term (1-5 years) Long-term (5-10>10 years)	Opportunity for improved reputation (both with clients, our own workforce, and in the marketplace) based on our response to mitigate climate change and address potential opportunities (adopting improved technologies, providing advisory services to clients, etc.).

Task Force on Climate-related Financial Disclosures

In accordance with our mission to become the premier commercial real estate finance company in the U.S., we are taking actionable steps to improve our sustainability solutions by addressing the implications of climate change in our operations, products, and partnerships. We recognize the vital responsibility of lessening corporate impacts on climate change and are committed to playing a role in its mitigation. This responsibility led us to formally adopt the Task Force on Climate-related Financial Disclosure (TCFD), whose framework provides clear and effective risk evaluations associated with climate change.

Our full TCFD report, which was published in the summer of 2021, not only provides improved transparency on our climate-related risks and opportunities, but also outlines our strategic approach to managing these identified risks and pursuing these climate-related opportunities. This report describes how we are working to integrate relevant climate change considerations into governance, strategy, risk management, and metrics/targets that we believe will provide long-term benefits to our business, our clients, and all of our stakeholders.

Following TCFD guidance, we outlined our key climate-related risks and opportunities as reflected to the left.

ENVIRONMENTAL RISK TO MORTGAGED PROPERTIES

Description of How Climate Change and Other Environmental Risks are Incorporated into Mortgage Origination and Underwriting

[SASB FN-MF-450a.3]

As the largest Fannie Mae Delegated Underwriting and Servicing™ ("DUS[1]") Lender and the fourth-largest Freddie Mac Multifamily Optigo® Seller/Servicer in the country, we are actively involved in the Fannie Mae Green Rewards and Freddie Mac Green Advantage programs, both of which provide financing to multifamily properties to finance energy and water efficiency improvements that will contribute to the mitigation of climate change and related environmental risks. Through our lending activities with other capital providers across the country, in multifamily, office, industrial, retail, and beyond, we help property owners reduce their energy and water consumption and are active in financing LEED and other green-certified properties. Over the past three years, we have financed nearly $10 billion of Green-certified buildings, representing over 11% of our total lending volume. In 2020, we closed $1.8 billion of Green lending volume, totaling 14,402 units. In 2020 we were also ranked the second-largest Fannie Mae DUS Producer for Green Financing.

We also actively monitor the ways in which climate change and environmental risks, particularly related to physical climate events, could impact our business. Severe weather events could have permanent impacts on the commercial real estate markets in which we operate and transact. Markets at high risk of severe weather events may make properties in those areas more expensive to maintain, potentially weakening the performance of those properties and adversely impacting the performance of our at-risk portfolio. We manage this risk by maintaining a geographically diverse portfolio. Additionally, we take physical climate risk into account when underwriting transactions and with the management of our at-risk servicing portfolio.

[1] DUS program grants approved lenders the ability to underwrite, close, and sell loans on multifamily properties to Fannie Mae without prior Fannie Mae review.

Physical Climate-Related Risk by Area:

(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region

[SASB FN-MF-450a.1]
[SASB FN-MF-450a.2] [1]

When assessing climate change-related risks, we consider current and emerging regulations, legal affairs and potential for litigation, technological advances, market influences, and more generally, the potential physical impacts from climate changes. We both assess and manage these risks through our Risk Committee's Enterprise Risk Management (ERM) process as managed by the Risk Committee and ultimately overseen by the Board of Directors. Through identifying these risks, we are also able to identify related opportunities to improve our operations and business model. We regularly reassess and update risk management policies and programs to align with best practices and aim to anticipate emerging risks and opportunities.

We actively monitor the climate-related risks that could impact our at-risk servicing portfolio. As of December 31, 2020, our $44 billion at-risk servicing portfolio, comprised of over 2,500 loans, had 198 loans with an unpaid principal balance (UPB) of $4.2 billion located in a Special Flood Hazard Area (SFHA). These affected loans represent 7.2% of our at-risk servicing portfolio on a loan count basis and 9.4% on a volume basis. 627 loans, representing a UPB of $12.4 billion, are located in either High or Very-High Hurricane Risk Areas (as defined by ESRI's Hurricane Risk Index). These affected loans represent 23% of our at-risk servicing portfolio on a loan count basis and 28% on a volume basis. If these loans were to default due to destruction caused by severe weather events, we would retain some risk of loss because of our risk-sharing obligations. However, from a credit perspective, physical risk from floods and hurricanes are minimal due to low exposure within the entire portfolio. Further, to mitigate any potential losses, we require the appropriate disaster insurance for the properties we finance and service, based on their risk of exposure.

For more detail on the climate related-risks we deem to be material to our business, please view our full TCFD report.

[1] The (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 are not disclosed. The Company is reviewing the feasibility of capturing and reporting such data for future disclosure

CASE STUDY

HAMPTON HOUSE APARTMENTS

PROPERTY IMPROVEMENTS PROVIDING LONG-TERM ENVIRONMENTAL AND FINANCIAL VALUE

Sustainability has become an increasingly important issue for developers, owners, and operators of multifamily properties in the United States. Buildings in the U.S. account for 39% of total energy use, 38% of carbon dioxide emissions, and 12% of total water consumption. [1] Not only do Green apartment buildings substantially drive cost savings on water and electricity, they also offer sustainable features that many tenants now demand when searching for an apartment rental. In the U.S., Green buildings achieve a 7% increase in asset value [2] and have the potential to cut energy consumption by at least 50% by 2050. [3] Multifamily green financing plays a vital role in supporting the development of sustainable properties and the addition of more sustainable features to existing apartments, particularly through programs which provide financial incentives for sustainable development and property improvements.

As one of the largest Fannie Mae and Freddie Mac lenders in the industry, we are actively involved in the Fannie Mae Green Rewards and Freddie Mac Green Advantage programs, advising clients on implementing green solutions and obtaining green building certifications, effectively financing smarter, more efficient property improvements. Our active participation in these Green programs is just one of the ways in which we continually support environmentally-conscious solutions in the commercial real estate space.

In January of 2021, we structured Fannie Mae Green financing for the acquisition of Hampton House Apartments, a 163-unit apartment complex in Jackson, Mississippi. All the units qualify as mission-driven, affordable housing

[1] *"Importance of Green Building." Green Built Alliance, October 10, 2018. https://www.greenbuilt.org/about/importance-of-green-building/.*

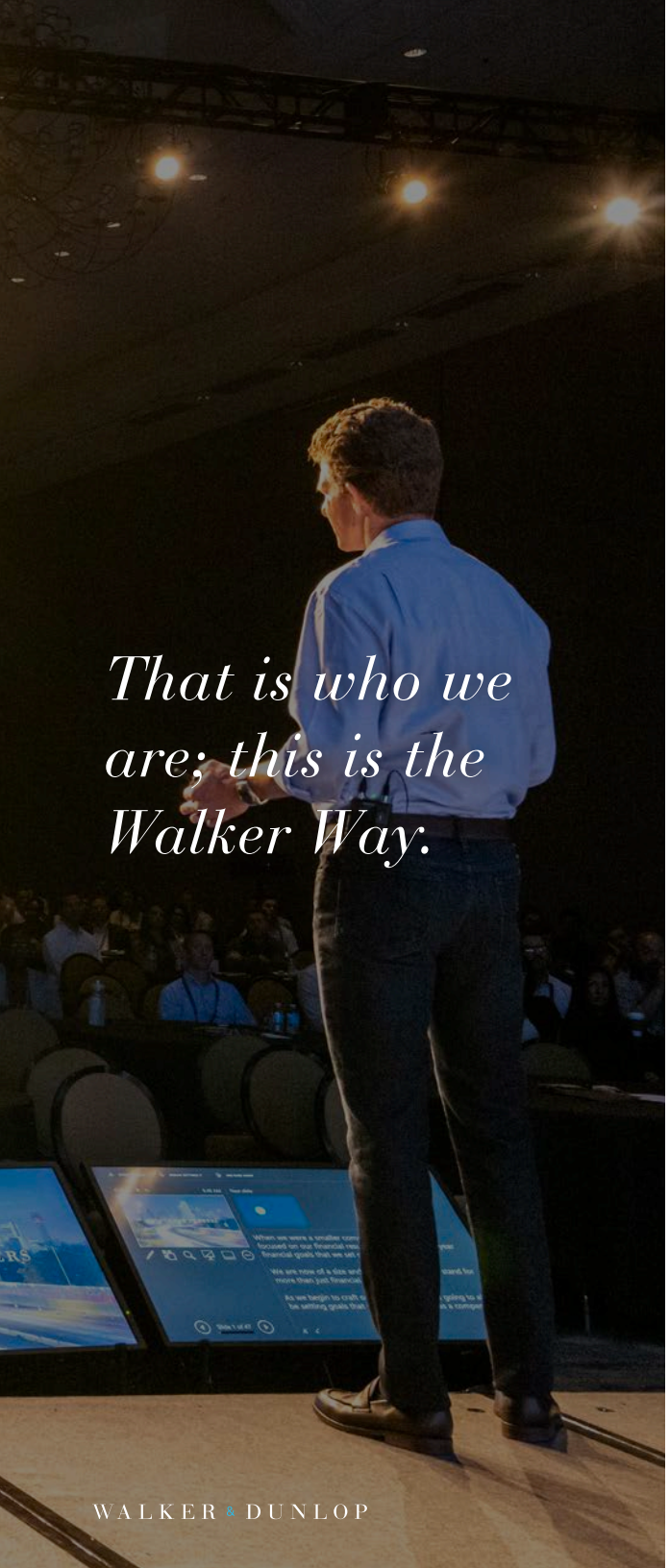
[2] *"World Green Building Trends 2018 SmartMarket Report." World Green Building Council. Dodge Data & Analytics, November 13, 2018. https://www.worldgbc.org/news-media/world-green-building-trends-2018-smartmarket-report-publication.*

[3] *"The Benefits of Green Buildings." World Green Building Council, n.d. https://www.worldgbc.org/benefits-green-buildings.*

CASE STUDY

under Federal Housing Finance Agency (FHFA) guidelines as part of Fannie Mae's Rewards loan program. The property was purchased by Highlands Vista Group (HVG), a real estate investment firm that targets well-positioned assets in steady submarkets and deploys a granular focus on income and expense management with the goal of maximizing long-term property values. The sponsor has a proven track record with extensive experience and targets secondary and tertiary markets throughout the Midwest and Southeast. We leveraged Fannie Mae's Green Rewards program for the deal, implementing property improvements to create significant energy and water savings that will benefit the environment and generate long-term cost savings for HVG. These modifications included the installation of Energy Star smart thermostats, LED lighting, and low-flow fixtures throughout all units, reducing energy and water consumption by 30% and resulting in estimated annual cost savings of $45,000 per year. Through the Green Rewards program, HVG was able to provide an affordable and more sustainable community for its residents while also benefiting from an interest rate reduction from Fannie Mae.

We strive to partner with clients like HVG who are dedicated to providing affordable and sustainable housing and maximizing the long-term value of their properties. To that end, we continue to prioritize green financing to help our clients achieve their sustainability goals. We are committed to developing and implementing environmentally conscious practices across all aspects of our business and will continue to support green financing solutions that drive positive environmental impact.



SOCIAL

DIVERSITY, EQUITY, AND INCLUSION

Diversity, Equity, and Inclusion

At Walker & Dunlop, we treat all individuals with respect and dignity and create opportunities for our employees to thrive. Through a growing range of initiatives, we work to ensure a safe and supportive work environment across all our offices and to actively expand the range of perspectives and experiences that contribute to our shared success.

Under the leadership of our CEO and a group of employees from all levels and backgrounds, our Council on Diversity, Equity, and Inclusion (DE&I) formally kicked off in 2018 with the long-term goal to transform our workforce and leadership in the next 15 years and to be an industry leader in performance and inclusion. In 2020, we hired a Vice President of Diversity, Equity, & Inclusion (DE&I), reporting to Executive Vice President of Human Resources, to spearhead the creation of new programs and enhance existing initiatives that reinforce diversity, equity, and inclusion. As outlined in our *Drive to '25* ESG goals, by 2025 we plan to increase the proportion of women in management positions to 35%, up from 25% in 2020, and the proportion of minorities in management positions by 25%, up from 11% in 2020.

Our ongoing DE&I efforts include the development of a growing number of Employee Resource Groups (ERGs), increased collaboration between employee initiatives and our highest-level executives, and mindful incorporation of inclusion goals in regular executive initiatives.

2025 Goal ***Increase the proportion of women in management positions to 35%, up from 25% in 2020***

2025 Goal ***Increase the proportion of minorities in management positions by 25%, up from 11% in 2020***

Our seven ERGs are W&D+ (LGBTQIA+ alliance group), MERGE (Minority Employee Resource Group for Empowerment, Engagement, and Elevation), W&D Black Empowered Network, Unidos@WD (Latinx resource group), Military and Veteran Resource Group, WoWD (Women of Walker & Dunlop), and Caregivers Resource Group, which each strive to support our employees personally and professionally by ensuring they find a place of belonging and shared experience in the workplace.

We conduct annual surveys to assess our inclusiveness from the perspective of our employees. In 2020, 73% of respondents felt they can be themselves at work, whereas in 2021, 90% of respondents felt that way. In 2020, 84% of our employees agreed that people at Walker & Dunlop are treated fairly regardless of their age, 91% agreed that people are treated fairly regardless of their gender, and 93% agreed that people are treated fairly regardless of their race. In 2021, those percentages went up to 94%, 93%, and 95% for age, gender, and race, respectively. It is important to highlight that these scores typically decrease as companies grow in size; yet our scores increased synchronously with our growth in size, suggesting a promising trend for our workplace inclusiveness. We compete for the best-qualified candidates for each position. As U.S. demographic statistics trend toward a more racially, ethnically, and gender diverse employee and client population, we will continue to lead as a best-in-class employer by ensuring our personnel efforts are applying best practices to recruit, support, engage, and retain a diverse employee base.

For us, diversity is ensuring that we have employees with different backgrounds, perspectives, and experiences in order to bring diversity of thought, which is vital at every level of the business. We embrace a culture of growth, learning, and tolerance. We have embarked on two equity audits: one through Management Leadership for Tomorrow (MLT)'s Black Equity at Work Certification, of which we are an inaugural corporate sponsor, and another through COQUAL with a broad focus. Part of our COQUAL audit includes completely anonymous virtual focus groups where each employee could safely share their feelings and experiences. These sessions specifically focused on inclusion, belonging, and the factors that influence someone's ability to grow and succeed in their career. We listened to all the feedback from these sessions, using direct employee feedback as a critical part of our effort to build a more diverse and inclusive workplace, really examining our company's culture always in the effort to improve. Senior Management is engaging with our Council on Diversity, Equity, and Inclusion to understand the findings and build the recommendations into our business plan.

OUR ERGS

W&D+

MERGE³
EMPOWERMENT • ENGAGEMENT • ELEVATION

UNIDOS
AT WALKER & DUNLOP

MILITARY & VETERAN
RESOURCE GROUP

BLACK
EMPOWERED
NETWORK

WOWD
WOMEN of WALKER & DUNLOP

Caregivers
RESOURCE GROUP

We continued our commitment to train our managers and employees to develop their skills around inclusivity and building diverse teams through Kahilla's four-part course — "Brave Spaces: Equitable and Inclusive Allyship in Practice." This course helps managers and individual contributors to deepen their understanding and practice of equity and inclusion by creating inclusive practices and procedures within our organization. The goal is this will lead to increased employee inclusion, belonging, innovation and retention, while preparing executives and managers to lead in a more complex, inclusive environment. The training was open to all employees and we have had 400-650 employees participate in each of the sessions.

We are interested in cultivating a vibrant culture not only here at Walker & Dunlop but also within our surrounding communities to create a diverse pipeline of future employees and leaders. We have partnered with North Carolina Central University (NCCU) School of Business to launch its forthcoming real estate MBA program. NCCU, a top historically black university, prioritizes the development and growth of talented minority students – a mission that aligns with our commitment to forming meaningful relationships with organizations providing innovative opportunities to diverse communities.

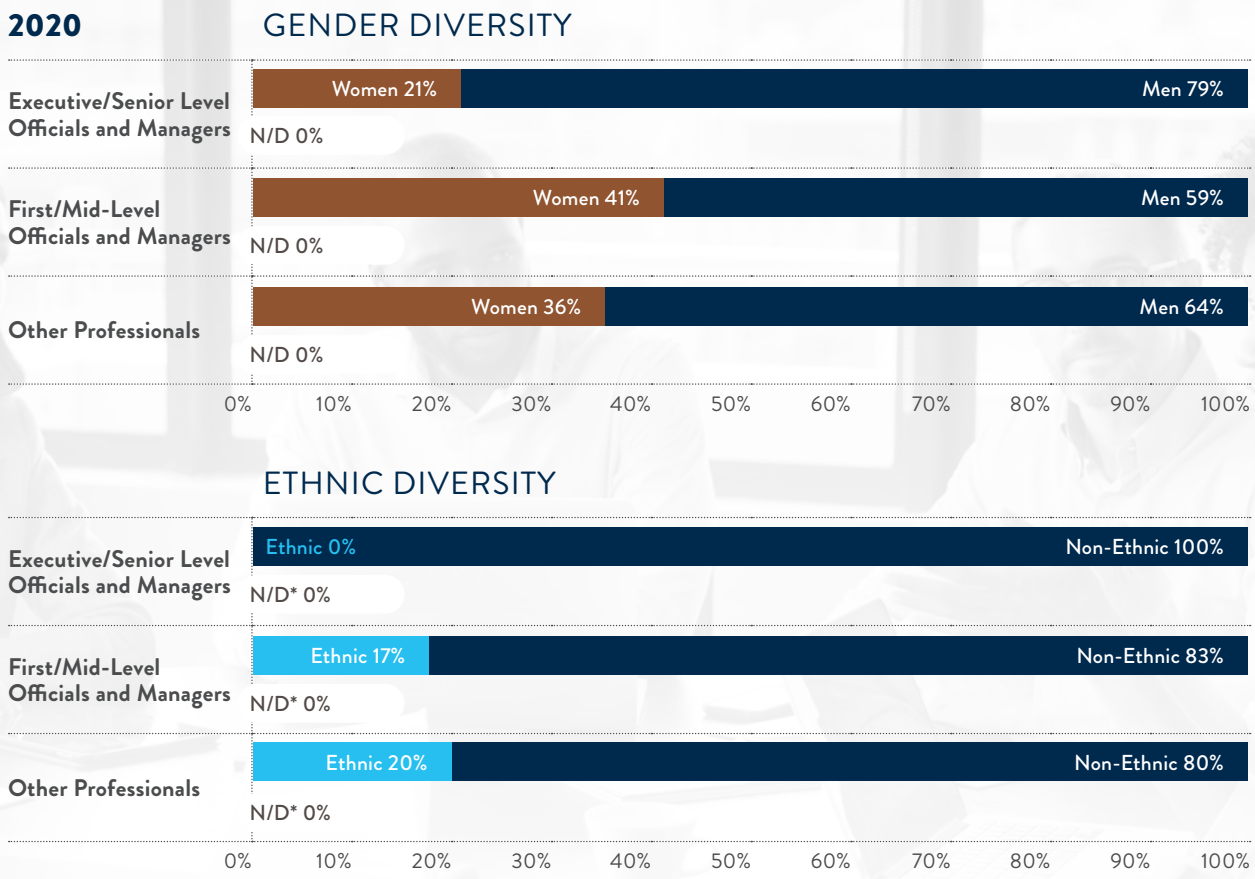
Beyond academic institutions, in partnership with some of the biggest names in the business such as KKR, Freddie Mac, and Fannie Mae, we launched CRE UNITED, an alliance dedicated to increasing minority participation in commercial real estate and growing assets under management by minorities. This partnership will enable the development of comprehensive solutions and strategies to deliver meaningful, industry-wide advances in diversity, equity, and inclusion.

To learn more about our diversity, equity, and inclusion efforts, view our DE&I brochure.

Equal Employment

Walker & Dunlop strives to be a great place to work for all. We are committed to providing a caring working environment in which all individuals are treated with respect and dignity and given the opportunity to flourish both personally and professionally - regardless of race, religion, gender (including identity, expression, pregnancy, and sexual orientation), country of origin, family status, or other personal characteristic supported through our Equal Employment Opportunity standards. Beyond the words printed in our Employee Handbook or stated by our CEO, Willy Walker, when he welcomes employees through our New Employee Orientation meetings, Walker & Dunlop invests significant resources to make us a best-in-class employer. We are working to be a more diverse and inclusive company and change the face of commercial real estate finance in the coming decades.

Percentage of Gender and Racial/Ethnic Group Representation for (1) Management and (2) All Other Employees[1]



[1] *Following the EEO-1 definitions of Executive/Sr. Level and First/Mid-level*

* *N/A = not available or not disclosed*

Gender Pay Gap [13]

All Walker & Dunlop Employees: 74%.

The 26% difference is the raw gender pay gap when comparing the mean salary between men and women at the company. This gap reflects our current organizational structure that has men over-represented in both senior positions and areas of the business that are commission-based. By 2025, we plan to increase the proportion of women and minorities among top company earners to 15%, up from 9% and 6%, respectively, in 2020. This will be a key driver in our efforts to decrease this pay gap over time.

2025 Goal

Increase the proportion of women and minorities among top company earners to 15%, up from 9% and 6%, respectively, in 2020.

Equitable Compensation

We are committed to vigilant review and purposeful efforts to achieve pay equity. We participate in annual external compensation benchmarking studies to ensure our pay is competitive to market and conduct regular internal pay equity analyses to identify potential pay gaps based on gender or ethnicity. We review pay to comply with our Equal Employment Opportunity (EEO) standards in other ways, including through ongoing review when positions are opened and during promotion cycles. Our recruiters and managers receive dedicated training on our EEO standards, including on pay equity.

[13] Gender pay gap calculated using Bloomberg's Gender Equality Index methodology: Includes all employees at Walker & Dunlop as of 12/31/20 and their income for the year-ended 12/30/20 regardless of when an employee started working at the Company during the fiscal year.

EMPLOYEE RECRUITMENT, ENGAGEMENT & RETENTION

Employee Engagement

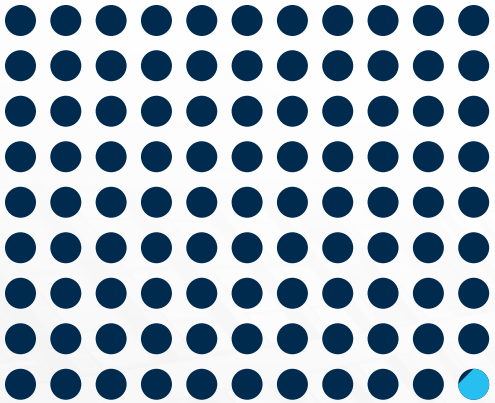
We pride ourselves on having big company capabilities with a small company feel, where our employees are part of the W&D family. Our teams and departments work well together based on relationships founded in deep respect. We've been recognized repeatedly as a Great Place to Work by Fortune Magazine and The Washington Post. Annually, we participate in a company-wide employee engagement survey conducted by a third party, which focuses on the employee experience, corporate culture, and various metrics that make an organization a "great place to work." In 2020, 408 employees participated in the survey, a 47% participation rate. 97% of the respondents indicated that, taking everything into account, they believe W&D is a great place to work. This was a 2% increase over 2019. The results of the survey illustrated that our employees believe management has a clear view of where the organization is going and is honest and ethical in its business practices, people are willing to give extra to get the job done, and that our customers would rate the service we deliver as "excellent".

Periodically, we've supplemented this annual survey with employee engagement surveys created and facilitated internally to support the organization at the department or office level.

We have leveraged survey results to enact positive change across the organization. In response to our employees' feedback received through these surveys, we've identified new ways to reward and compensate employees, continued to build transparency in communication, and updated our feedback and review process to be more employee driven.

We have established new projects and communities, such as WoWD, the Council on Diversity, Equity, and Inclusion, and Caregivers Employee Resource Group, to adapt to the evolving needs of our employees and the company as a whole.

2020 Employee Distribution



Full Time: 981 Employees
Part Time: 7 Employees

Each circle represents 10 employees

Employee Turnover Rate

2020
Voluntary: 6.4%
Involuntary: 3.7%
Total: 11.1%

2019
Voluntary: 7.7%
Involuntary: 3.4%
Total: 11.1%

2018
Voluntary: 8.0%
Involuntary: 3.0%
Total: 11%

2017
Voluntary: 6.0%
Involuntary: 2.0%
Total: 8%

COVID-19 Response

In response to the COVID-19 pandemic, we swiftly pivoted to adapt to the new workplace demands and needs of our team, led by a COVID-19 Task Force composed of our Chief Human Resources Officer, our Senior Vice president of Office Services, our General Counsel, and our Special Assistant to the CEO. The COVID-19 Task Force played a crucial role in ensuring business continuity, providing frequent updates, and ensuring the mental and physical safety of all our employees. We reevaluated the rewards and perks that we believed would be most meaningful to our employees, centralizing our focus around wellness, virtual connection, compensation, and time to recharge. We added free online courses to our Virtual Wellness Program that include strength and conditioning circuits, instructor-led stretching, guided meditation, and Pilates. In an effort to energize our spirit and connection, we sent t-shirts, snack packs, and books to employees as well as Halloween candy to W&D families. To acknowledge the draining experience of working from home, we established policies prohibiting Thursday afternoon meetings, closed our offices for two extra days at year-end, and elongated Martin Luther King Day and Presidents Day to four-day weekends.

We engaged in clear, thoughtful, and supportive communication to ensure we were investing in resources that connect and empower our employees. We held management webinars and virtual social events to celebrate company-wide and employee accomplishments. We created an Innovation Lab to bring employee voices to life and expanded the role of our ERGs to support employees through virtual events and activities to engage those with unique challenges during the pandemic. The COVID-19 Task Force also developed a mental health toolkit, which provided employees with resources for coping with coronavirus, domestic violence, grief, and loss; managing stress and depressions; and building resilience. Beyond the toolkit, we provided virtual mental health resources through Cigna and Lincoln Employee Assistance Program.

In light of the economic difficulties posed by the pandemic, we created the COVID Assistance Program, a $25,000 company-funded grant program to assist employees facing financial hardships due to COVID-19. The COVID Assistance Program provides eligible employees with $1,000 to help cover unexpected expenses due to COVID-19. In addition to monetary aid, employees within the company were able to donate their PTO to other employees that needed it due to COVID-related conditions such as illness and family needs. Every employee is also granted 14 hours of PTO to receive their vaccinations, if they choose to do so, covering any vaccination side effects that might prevent employees from working.

As we re-opened over 40 offices for employees to return on an optional basis, we imposed strict guidelines to ensure the safety and protection of all employees working in-person, including daily health surveys and frequent interactions with property managers at all offices across the country. While riddled by strenuous challenges, this past year confirmed the resilience and fruitful relationships upon which Walker & Dunlop's culture is built, as our employees and business emerged from 2020 stronger than ever before.

We plan to officially re-open all offices in the Fall of 2021, pending changes to CDC recommendations and the evolving COVID environment. We believe that being in the office with colleagues and team members is a significant part of what makes Walker & Dunlop a great place to work and has contributed to our success as a company, but we also recognize that many employees value the ability to work from home. To balance the importance of teamwork and collaboration in the office and our employees' desire to work from home on a part-time basis, we have implemented a new flexible work schedule that allows all employees to work remotely up to two days per week. Additional flexibility can be requested by individual employees based on health, personal, or family needs.

Additional Employee Benefits

We provide a competitive suite of benefits offerings, including medical, dental, and vision plans, HSA, FSAs, employer-paid life and disability coverage, employee assistance programs, generous leave programs, and 401(k).

In addition, W&D believes that a fit employee - physically, financially and emotionally - is a productive employee, so we maintain a robust health and wellness program. During the work week, we offer a variety of perks for keeping energized and healthy. We issue monthly monetary awards to employees for participating in their favorite wellness activities – earning up to $150 per month depending on their level of activity each month. In 2020, we paid $527,000 in wellness reimbursements. On average, 52% of employees participated in the wellness portal by logging wellness activities and 42% of employees earned wellness reimbursements.

We also strongly encourage a healthy work/life balance, offering flexible scheduling and a new teleworking policy that allows for remote work up to two days per week for every employee, with additional flexibility allowed to accommodate personal employee needs.

To meet a growing demand from our employees for ESG investments, we added two ESG funds as company-sponsored 401k investment options. The first fund is the ***BlackRock Advantage ESG US Equity Instl (BIRIX)***, an actively managed investment that provides broad allocation to U.S. equities and seeks attractive returns through both a traditional and ESG lens. It does this by investing in a portfolio of equity securities of companies with positive aggregate societal impact outcomes, as determined by BlackRock. The second fund, the ***Calvert International Responsible Index I (CDHIX)***, offers broad exposure to companies that meet The Calvert Principles for Responsible Investment (Calvert Principles). The Calvert Principles provide a framework for the evaluation of ESG factors and guide their active engagement efforts with company managements.

Talent Recruitment

Our company is made up of highly driven people. We find those people through a thoughtful recruitment process which includes leveraging our social media presence to give candidates a strong sense of our unique culture, engaging those candidates in carefully constructed phone interviews performed by experienced Talent Acquisition professionals, and functional interviews with several members of the hiring department. We strongly believe in the strategic recruitment, retention, and advancement of diverse talent at all levels of our business. We continue to build a pipeline of diverse talent through our formal college recruiting program and several strategic partnerships with organizations that allow a greater reach, including Project Destined, Sponsors for Educational Opportunities (SEO) Career, Mortgage Bankers Association's Commercial Real Estate Finance (CREF) Careers, MLT (whose CEO serves on our Board of Directors), Year Up, Project REAP, and Future Housing Leaders.

Performance Review Process

Historically, our regular performance review process consists of a mid-year review and a year-end review for employees and their managers. We have revamped reviews in 2021 and have rolled out the new 'Feedback and Review Process', which focuses on employee's growth and development. The new process allows employees to receive candid, constructive feedback from a variety of stakeholders.

Learning and Development

We support the ongoing development and advancement of our employees by offering a variety of learning initiatives, including in-house and external trainings, various management trainings, self-insight activities, and online business and software training. W&D also pays for professional licensing and industry memberships, as well as offers tuition reimbursement of up to $3,500 per year for undergraduate and graduate level courses or other continuing education for full-time and some part-time employees, depending on their scheduled hours. We spent approximately $240,000 on employee training in 2020. With the implementation of Workday Learning, an online training management system designed for workforce training and development, we will have a more formal tracking system to gauge the number of employees who complete training hours next year. With Workday Learning, all employees have access to countless trainings, videos, and other informational content for a variety of topics including career development, benefits and wellness, skill development, productivity, IT, and software, and many more.

COMMUNITY ENGAGEMENT

Philanthropic/Charity & Communities

At Walker & Dunlop, we are committed to make a lasting and meaningful impact on the communities in which we operate. In addition to our company efforts, providing employees with opportunities to give back to the community is an integral part of W&D's culture. We have set a 2025 goal to donate 1% of our pre-tax profits to charitable organizations.

Our primary unified charitable giving cause is ending homelessness and alleviating poverty in the U.S. Each year, we hold an annual fundraiser in support of our corporate charity partners who work towards eliminating the conditions that can lead to homelessness. W&D also offers a Matching Funds Program in which the Company matches employees' eligible charitable contributions of up to $1,000 per year. This includes matching our employees' volunteer time with a contribution of $50 per hour to their organization of choice. Between the Matching Funds Program, the annual fundraiser, and various philanthropic efforts throughout the year, W&D made $752,000 in charitable donations in 2020. Walker & Dunlop also empowers and encourages employees to make a difference in their communities. Beyond the company-sponsored events, employees are encouraged to participate in volunteer and fundraising events that align with their values. Recent examples of these activities include sponsoring Habitat for Humanity home builds in Baltimore, MD and Houston, TX, running a marathon to raise money for Fair Chance, collecting supplies for Interfaith Works, and building awareness for diabetes research in the Juvenile Diabetes Research Foundation (JDRF) Real Estate Games.

2025 Goal ***Donate 1% of annual pre-tax profits to philanthropic efforts***

Employee Volunteerism

In 2020, we made a concerted effort to connect with our communities during this trying year by holding our first virtual volunteer week. Specifically, we worked with organizations that align with our company's focus on ending homelessness: Back On My Feet, which combats homelessness through the power of running, community support and essential employment and housing resources, Community Solutions, which works toward a future without homelessness, in which poverty never follows families beyond a single generation, and Shelter to Shutters, which is dedicated to transitioning individuals from situational homelessness to economic self-sufficiency by engaging and connecting them to the real estate industry. We also partnered with Project Destined to volunteer at a Friendship Heights High School virtual event where a group of employees mentored students during an interactive competition to win student scholarships.

Company-sponsored volunteer events are scheduled in individual offices throughout the country by employees. Employees are compensated for their time for volunteering. Individual employees can volunteer up to 4 hours (paid) per month at an organization of their choice. Past company-sponsored events have included volunteering at food banks, Habitat for Humanity, cleaning up local parks, etc. Company-wide school supply drives and canned food drives are held each year. As we started to work remotely, we encouraged our employees to participate in Virtual Volunteering opportunities. In response to the COVID-19 pandemic, in April 2020, we reimbursed every employee $25 to pay it forward in their local communities through donations, meals for front line workers, tips for delivery drivers, or otherwise support and inspire. We also closed the offices early one afternoon in May to give employees time to give back to their communities through virtually helping non-profits, shopping for elderly neighbors, making face masks, donating suits to organizations dressing the underprivileged, and making meals for the homeless, etc.

2025 Goal *Every employee donates at least 20 hours of volunteer time annually*

COMMUNITY

Affordable Housing ($B)

Our business touches communities across the United States, and we are able to positively impact these communities through the financing we provide to much-needed affordable housing, senior housing, and healthcare properties. In 2020, we financed $11.4 billion of affordable housing. We have set a goal to originate $60 billion of cumulative affordable lending [1] between 2021 and 2025.

2025 Goal *Originate $60 billion of cumulative affordable lending15 between 2021 and 2025.*

[1] *Following the FHFA definition of affordable housing*

CASE STUDY

RITCH HOMES APARTMENTS

PROVIDING AFFORDABLE HOUSING FOR MANY YEARS TO COME

We maintain a fervent commitment to preserving and expanding the availability of affordable housing across the country, given the growing need for this asset class. In 2019, nearly 20.4 million renter households paid more than 30% of their incomes for housing, resulting in an increase in demand for smaller, more affordable homes. [1] The pandemic only exacerbated the rental affordability crisis, during which 52% of lowest-income households and 41% of all households lost wages. [2] In 2021,) we hired an Affordable Chief Production Officer to lead Walker & Dunlop's affordable housing financing efforts across all capital sources, including Fannie Mae, Freddie Mac, and private capital providers as we seek to expand our affordable lending footprint across the United States.

In February of 2021, we partnered with Standard Communities to close an affordable housing rehabilitation on Ritch Homes Apartments, a housing property in Washington, D.C. with 46 units, four of which were new construction. Walker & Dunlop structured $22 million in financing for the property's acquisition and considerable renovation. All units were previously subject to an expiring Section 8 HAP contract, which jeopardized the affordability of the property. We worked with the United States Department of Housing and Urban Development (HUD), the D.C. Housing Finance Agency (DCFHA), and Standard Communities to successfully extend the HAP contract and preserve the affordable housing units for the long term.

We helped negotiate multiple tax credit and bond regulatory agreements and coordinated with several government entities to ensure compliance with HUD's loan programs. And, to prevent complications from the expiring HAP contract, we worked on a tight timeline to rate lock and close the transaction in just 36 days. We arranged the financing through HUD's 221(d)(4) Substantial Rehabilitation program, and in conjunction with financing, Standard Communities secured a 4% Low-Income Housing Tax Credit

[1] *Marcia Fernald, ed. "The State of the Nation's Housing 2020." Joint Center for Housing Studies of Harvard University , 2020. https://www.jchs.harvard.edu/state-nations-housing-2020.*

[2] *Ibid*

CASE STUDY

(LIHTC) contract through the D.C. Housing Finance Agency. Since the LIHTC restrictions operate under a 15-year initial tax credit compliance period followed by an additional 15-year extended use preservation period, the affordability of the property is protected until 2050.

We are passionate about partnering with clients like Standard Communities whose mission is to create, preserve, and improve workforce housing nationwide. To date, Standard Communities has successfully preserved 12,000 apartment homes as affordable housing. We are focused on making additional key hires to our focused affordable housing team in 2021 and beyond. In addition, during 2021 we entered into an agreement to acquire Alliant Capital, an alternative investment manager focused on the affordable housing sector through low-income housing tax credit syndication, joint venture development, and community preservation fund management. In combination with our current leadership presence in the affordable housing finance space, this acquisition will make Walker & Dunlop a powerhouse in this important area of the market. Finally, we have set an ambitious goal to originate $60 billion of cumulative affordable lending volume over the next five years and are honored to continue expanding our role in supporting our clients in their efforts to alleviate the affordable housing crisis in America.

GOVERNANCE

Board of Directors [1]

In March 2021, we appointed an additional member to our board of directors as an independent director, effectively increasing director independence to 77.8% and gender diversity to 22.2%

Independence **75%**

Gender Diversity **12.5%**

Ethnic Diversity **25%**

Total Diversity **37.5%**

Average Age (years) **56.5**

Average Tenure (years) **7**

Industry Expertise [2] **87.5%**

Independent Lead Director **Yes**

Annual Election of Directors **Yes**

[1] As of 12/31/20

[2] Commercial real estate, commercial lending, and investment advisory/Mergers & Acquisitions

GOVERNANCE AND BUSINESS ETHICS

Oversight of Corporate Strategy and Risk

Our Board of Directors regularly engages with members of Walker & Dunlop management to review short and long-term business strategy and performance in pursuit of our long-term objectives and sustainable shareholder value creation. During 2020, the Board of Directors held ten meetings, including four regularly scheduled meetings, at which time the Board's committees also convened. The Board continuously monitors risk oversight and designates one meeting each year at which the Board works with management to conduct an in-depth review of the Company's strategic plans and identify the principal issues and risks to accomplishing its strategy. While the full Board has primary responsibility for risk oversight, it utilizes its committees, as appropriate, to monitor and address the risks that may be within the scope of a particular committee's expertise or charter. For example, the Audit Committee oversees our financial statements, internal control over financial reporting, compliance with legal and regulatory requirements and the performance of our internal audit function. The Audit Committee also receives reports from our Chief Technology Officer and our Director of Information Security, at least quarterly, on information security and cyber security matters. Generally, the ongoing monitoring of risk and risk mitigation activities have been implemented under the oversight of the full Board, which will use the Board committees as appropriate to oversee management's monitoring and mitigation of risks identified by management that are consistent with the respective Committees' oversight authorities. The Board believes that the composition of its committees, and the distribution of the particular expertise of each committee's members, makes this an appropriate structure to more effectively monitor the risks that relate to the committees' respective oversight authorities.

An important feature of the Board's risk oversight function is to receive regular updates from its committees and management, as appropriate. For example, each year our senior management will work with the head of our internal audit function, who reports directly to the Audit Committee, to develop an audit plan designed to address key corporate governance controls, financial reporting and internal control risks and pre-implementation reviews of significant corporate projects. This plan will subsequently be reviewed by the Audit Committee, and our internal auditors will report the audit results to the Audit Committee on a quarterly basis, or more frequently as needed. The internal auditors also meet regularly with the Audit Committee in executive session. In addition, our General Counsel meets regularly in executive session with the Audit Committee and the Nominating and Corporate Governance Committee and provides them with regular updates regarding material litigation and legal and regulatory compliance matters.

The Compensation Committee is responsible for overseeing compensation risk, including evaluating and assessing risks arising from our compensation policies and practices for all employees and ensuring executive compensation is aligned with performance. The Compensation Committee is charged with monitoring our equity-based compensation plans, including employee benefit plans. The Nominating and Corporate Governance Committee oversees risk related to our overall governance, including Board and committee composition, Board size and structure, director independence and ethical and business conduct.

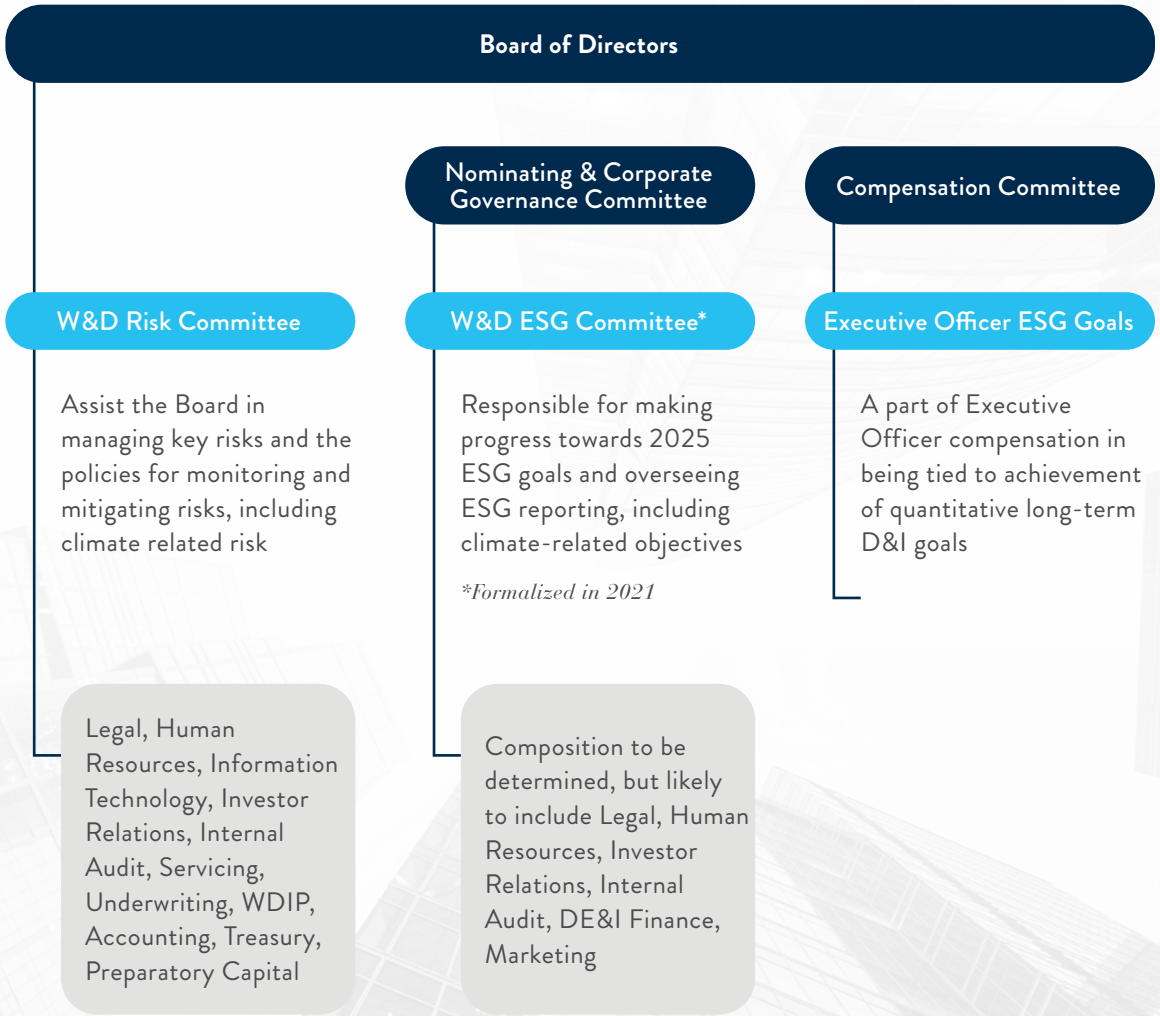
The full Board is kept informed of each committee's risk oversight and related activities through standard reports to the Board by each committee chairman, frequent non-member attendance at committee meetings and committee meeting minutes and resolutions which are made available to all directors. Strategic, operational, and competitive risks are presented and discussed at the Board's regular quarterly meetings. In addition to receiving direct information from its committees, the Board receives updates directly from members of management. For example, a committee of senior management comprised of the leaders of our balance sheet loan origination, loan underwriting, servicing, accounting, legal, human resources, investment advisory, information technology, investor relations, internal audit and treasury groups prepare a written report to the full Board at least quarterly, describing key risks faced by us and how they are addressed. Additionally, as needed between Board meetings, our Chairman and Chief Executive Officer, provides reports to the Board on the critical issues we face and the recent developments in our business units, including identified risks. For example, in response to the COVID-19 pandemic, our Chairman and CEO provided frequent reports to the Board regarding emerging risks to our business and how we were managing the impact of the pandemic on our employees, customers and other business partners, and the communities in which we operate.

In 2021, we initiated formal Board-level oversight of ESG matters at the Nominating and Corporate Governance Committee ("NCG Committee"). The NCG Committee is responsible for periodically reviewing ESG-related programs and material ESG disclosures as well as monitoring and managing how our ESG strategy impacts our various stakeholders. Finally the NCG Committee also supports the ongoing tracking and progress towards our ESG goals, as detailed in the *Committee's charter*. The NCG Committee is able to effectively manage our ESG efforts through periodic updates by members of senior management. The NCG Committee's oversight began with a formal presentation on our ESG framework and disclosures and a discussion on ESG reporting priorities during the May 2021 Committee meeting. The Committee will receive regular updates on ESG matters, including climate risks and opportunities, from various key stakeholders. In order to further support the Committee's oversight of ESG, we established an ESG Committee that that is comprised of members of management including our Chief Human Rick Officer, Chief Diversity Officer, Chief Marketing Officer, Head of Investor Relations, and other department heads. The ESG Committee directly manages our ESG policies and programs and reports on these efforts to the NCG Committee.

Furthermore, the full Board of Directors receives regular updates on our enterprise risk management program, including risks related to climate change, from the Risk Committee, a management committee that oversees our risk management activities.

For more information see our 2021 proxy statement.

Board Committee and Governance Committee Structure



ESG in Executive Compensation

Our Compensation Committee reviews and monitors (1) the development and implementation of goals established from time to time for our performance with respect to ESG initiatives, (2) the development of metrics to gauge progress toward achievement of those goals, and (3) our progress against those goals. In 2021, our Compensation Committee approved a compensation plan for our executive officers that provides for awards based on pre-determined Company, individual and diversity, equity, and inclusion (DE&I) goals set by the Committee. The individual performance goals include corporate leadership and strategic initiatives designed to support the achievement of our *Drive to '25* strategy, and they are collectively weighted at 15%. The DE&I goals are designed to support the ultimate achievement of the DE&I goals included in our *Drive to '25* strategy, and they are weighted at 10%. Specifically, the 2021 DE&I goals include: achieving year over year growth in the number of women and minorities in management positions; achieving year over year growth in the number of women and minorities included in our top 20% compensated employees; transitioning to gender and ethnically diverse sales pitch teams by the end of 2021; conducting a third-party audit of our corporate culture and equity and developing an action plan to address the audit findings; and expanding our vendor selection process to promote gender and ethnic diversity.

Code of Business Conduct and Ethics

View Our Code

Training

Our Business Ethics Code is acknowledged by all employees approximately annually and published at the same time as we publish all Employee Handbook policy updates. In 2020, all our new employees were trained on and acknowledged the Business Ethics Code. All other employees will acknowledge the Code when we publish our 2021 Employee Handbook policy updates, which reflect significant revisions driven by pandemic workplace transformations.

Anti-Bribery & Corruption Policy

View Our Code*

Please see page 9

Whistleblower Policy

View Our Code*

Please see page 3

DATA SECURITY

Description of approach to identifying and addressing data security risks

Data security risk assessments are conducted for service engagement, including, but not limited to, third party support, vendor connectivity, and systems handling sensitive data.

Operational procedures, management processes, structure of products, employee training, and use of technology are assessed, validated, and tested using industry-standard toolsets. Cyber risks are reviewed and discussed monthly at the Company's Risk Committee and quarterly at the Company's Audit Committee. Risks identified during any of these processes are documented, reviewed, and signed off on by senior leadership. Risks presenting a potential material impact to the Company are reported as required by relevant laws and regulations.

Training

Walker & Dunlop believes in continuing education for all of its employees and routinely educates its employees through focused education, training, and simulated exercises. 100% of employees are required to complete annual security training.

W&D

CONTACT

Ginna Semmes
Investor Relations, Walker & Dunlop
gsemmes@walkerdunlop.com
301-215-5506