

## SASB Index and Responses

Throughout this report, we reference topics and metrics contained in the 2018 Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standards for the Financial Sector. The tables below provide the SASB topic, SASB Code, a description of the accounting metric and a disclosure of our performance relative to the metric. In some instances, we provide additional descriptions and reference our website or SEC filings to provide more information on the topic. While there are other SASB financial services standards that contain information that may be relevant to a portion of our operations, we have determined the standards for Commercial Banks are most applicable for our core business. Additionally, we referenced certain metrics in the standards for Mortgage Finance and Investment Banking and Brokerage that are applicable to FHLB Dallas.

**A limited assurance engagement was performed by PricewaterhouseCoopers LLP (PwC) on the metrics identified by the “\*” symbol. See PwC’s [Report of Independent Accountants](#) on page 66.**

## Management Assertion

Federal Home Loan Bank of Dallas’ management (the “Bank,” “FHLB Dallas,” “we,” “us” and “our”) is responsible for the completeness, accuracy and validity of the metrics, as identified by the “\*” symbol, included in this 2023 Environmental, Social and Governance Report, as of or for the year ended December 31, 2023. All hyperlinks included herein were effective prior to the issuance of this report. Management asserts that the specified metrics are presented in accordance with the assessment criteria set forth on pages 58 to 65. Management is responsible for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the specified metrics.

### SASB Metrics and Responses

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Commercial Banks Standard Disclosures			
<b>Data Security*</b>	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	See description under <b>Data Security</b> below.

### Data Security

**[FN-CB-230a.2](#)** Description of approach to identifying and addressing data security risks.

FHLB Dallas’ cybersecurity program is managed by the Bank’s Chief Information Security Officer with oversight from the executive management team and Board of Directors. Our approach to cybersecurity relies on having the right people, processes and technology in place to identify, protect, detect, respond and recover from cyber threats/incidents.

Our cybersecurity program aligns with industry standards, specifically the National Institute of Standards and Technology (NIST) Cybersecurity Framework and the NIST 800-53 control framework. The effectiveness of our cybersecurity program is measured through internal and external audits, regulatory oversight from the FHFA and other third-party control and compromise assessments such as yearly penetration tests.

The maturity of our program is measured through third-party and self-assessments against frameworks such as the Federal Financial Institutions Examination Council’s (FFIEC) IT Handbook.

Our cybersecurity program includes processes and technologies that enhance our protection, detection and response to cyber threats by utilizing automation, threat intelligence feeds, robust incident response procedures and frequent vulnerability scans and remediation.

Our Vulnerability Management Group (VMG), which is comprised of members from IT Security, IT Infrastructure and Operational Risk Management, meets regularly to discuss details of our vulnerability management program including, but not limited to, current threats and vulnerabilities, patching status, upcoming technology changes and current issues or concerns, if any.

Our Incident Response policies and procedures are invoked in the event of a security breach or incident and which provide, among other things, guidance for the purpose of managing and executing the appropriate level of communication to the executive management team, the Board of Directors and/or our regulator. In addition, throughout the year, our Chief Information Security Officer updates the Board of Directors and relevant Board and management committees regarding our cybersecurity program, current risks and metrics, external-threat landscape evolutions and security awareness training.

The Bank's vendors are subject to a formal vendor management process, which includes an assessment of vendor risks (including cybersecurity risks) and ongoing monitoring. When warranted, the Bank seeks independent third-party reports, such as SOC 1 and/or SOC 2 reports, for further evaluation. Our risk assessments adhere to our Enterprise Risk Management Framework, a framework approved by the Board of Directors, and are utilized as part of the Bank's annual risk assessment process.

FHLB Dallas also maintains a culture of multichannel security awareness that is promoted on a continuous basis by distributing Bank-wide awareness campaigns, event-driven awareness promotions and awareness communications to specific groups. Our training covers policies, procedures, best practices and awareness regarding threats in the current threat landscape.

Consistent with SEC guidance, we disclose any material cybersecurity incidents and risks in our public filings. We do not have any material data breaches to report for the year ended December 31, 2023.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Commercial Banks Standard Disclosures			
<b>Financial Inclusion &amp; Capacity Building*</b>	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	<p>This metric has been modified. Because FHLB Dallas is not regulated by an FFIEC regulator, the CRA definition of "loans qualified to programs designed to promote small business and community development" does not apply to FHLB Dallas. FHLB Dallas makes loans only to members and housing associates. However, funds provided under the FHLB Dallas loan programs discussed below are used by members/housing associates to promote small business and community development.</p> <p>Modified Metric: (1) Number and (2) amount of loans outstanding to members and housing associates through FHLB Dallas programs that promote small business and community development.</p> <p>There were 449 Community Investment Program (CIP) and Community Investment Cash Advances totaling \$277.9 million outstanding as of December 31, 2023. As of that same date, there were 185 outstanding Small Business Boost (SBB) loans totaling \$11.9 million. SBB loans are offered separately from the Bank's advance products.</p>
<b>Financial Inclusion &amp; Capacity Building*</b>	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	<p>This metric has been modified for the same reason that the metric in FN-CB-240a.1 was modified.</p> <p>Modified Metric: (1) Number and (2) amount of past due and nonaccrual loans to members and housing associates through FHLB Dallas programs that promote small business and community development.</p> <p>FHLB Dallas had no past due or nonaccrual CIP or Community Investment Cash Advances as of December 31, 2023. As of that same date, FHLB Dallas had no past due or nonaccrual SBB loans.</p>
<b>Financial Inclusion &amp; Capacity Building</b>	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	This metric is not applicable to us. Unlike a commercial bank, FHLB Dallas does not provide retail checking accounts. We provide accounts only to our member financial institutions.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Commercial Banks Standard Disclosures			
<b>Financial Inclusion &amp; Capacity Building</b>	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	This metric is not applicable to us. We do not provide retail services. We provide services only to our member financial institutions.
<b>Incorporation of Environmental, Social and Governance Factors in Credit Analysis</b>	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Unlike a commercial bank, which lends to consumers and businesses, FHLB Dallas lends to bank, saving institution, credit union, insurance company and Community Development Financial Institution members as well as housing associates, including state and local housing authorities and serves as a liquidity provider in the U.S. financial system. Its credit exposure is in financial services, not to any specific measurable industries.
<b>Incorporation of Environmental, Social and Governance Factors in Credit Analysis</b>	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FHLB Dallas closely monitors members' credit profiles and performs credit analysis using public and private information, including members' regulatory reports. ESG factors have not been reflected in the reports or in a manner that can be evaluated by credit analysis.
<b>Business Ethics*</b>	FN-CB-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	The Bank incurred no monetary losses during the year ended December 31, 2023, as a result of legal proceedings associated with the issues listed in FN-CB-510a.1.
<b>Business Ethics*</b>	FN-CB-510a.2	Description of whistleblower policies and procedures	See description under <b>Business Ethics</b> below.

## Business Ethics

**FN-CB-510a.2** Description of whistleblower policies and procedures.

The Bank's Whistleblower Policy is approved annually by the Audit Committee of the Bank's Board of Directors. The Whistleblower Policy outlines the Bank's philosophy with respect to ethical issues and whistleblower protections as follows:

FHLB Dallas is committed to the highest possible standards of ethical, moral and legal business conduct. The maintenance of these high standards is essential to assure the proper performance of the Bank's business and the maintenance of confidence in the Bank by its members and the public.

In maintaining these high standards and the Bank's commitment to open communication, employees are encouraged to report concerns regarding questionable accounting, internal accounting controls, audit matters and/or other matters as outlined in this policy. Any person may submit a good faith complaint, report or concern regarding such matters without fear of dismissal or retaliation of any kind.

No employee of the Bank or person acting on behalf of the Bank in attempting to comply with the Whistleblower Policy shall be: (i) dismissed or threatened to be dismissed, (ii) disciplined or suspended or threatened to be disciplined or suspended, (iii) penalized or any other retribution imposed, or (iv) intimidated or coerced, based to any extent on the fact that the employee has reported an incident or participated in any investigation in accordance with the Whistleblower Policy.

The Bank also maintains other related policies including the Anti-Fraud and Anti-Money Laundering Policy (Anti-Fraud Policy), which is approved annually by the Bank's Board of Directors. The Anti-Fraud Policy identifies the Bank's Director of Compliance and Regulation as the Bank's Anti-Money Laundering Compliance Officer under FinCEN regulations and as the Bank's Fraud Officer under FHFA regulations. The Anti-Fraud Policy also outlines the Bank's policies related to fraud and Bank Secrecy Act/Anti-Money Laundering reporting, periodic fraud and AML risk assessments and related internal controls.

We use a confidential reporting system, EthicsPoint, where employees can confidentially report online or via a hotline 24 hours a day, seven days a week.

Our employees are required to review the Whistleblower Policy annually and attest that they have done so with an online signature. They are also required to annually review and acknowledge the Anti-Fraud Policy. Employees are notified when the Board approves updates to these policies and are provided a summary of changes through notices on the Bank's intranet site. Required annual training modules for all employees include the Anti-Fraud and Anti-Money Laundering training and Annual FHFA Notification training.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Commercial Banks Standard Disclosures			
<b>Systemic Risk Management</b>	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	This metric is not applicable to us. According to the Basel Committee on Banking Supervision's assessment methodology, FHLB Dallas is not considered to be a G-SIB. Accordingly, we do not have a G-SIB score.
<b>Systemic Risk Management*</b>	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	FHLB Dallas is no longer required to perform mandatory stress testing under the U.S. Dodd-Frank Act. We are required to maintain capital levels consistent with the requirements described in the Bank's 2023 10-K ( <a href="#">See page 70 of the 2023 10-K</a> ). We perform capital planning primarily through our strategic planning process and updates to our strategic business plan each year.
<b>Checking and Savings Accounts</b>	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	This metric is not applicable to us. Unlike a commercial bank, FHLB Dallas does not provide personal or small business checking or savings accounts. We provide accounts only to our member financial institutions.
<b>Loans by Segment</b>	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business and (c) corporate	This metric is not applicable to us. Unlike a commercial bank, FHLB Dallas does not make personal, small business or corporate loans. We make loans only to our member financial institutions.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Investment Banking & Brokerage Standard Disclosures			
<b>Employee Diversity &amp; Inclusion*</b>	FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals and (4) all other employees	See <b>Chart A</b> and <b>Chart B</b> .

Workforce categories from our workforce management system are aligned with categories as defined by the 2006 EEO-1 Component 1 Job Classification Guide.

- Those included in the Executive Management Team category include those aligned with the EEO-1 category Executive/Senior Level Officials and Managers.
- Those included in the Non-Executive Management Team category include those aligned with the EEO-1 category First/Mid-Level Officials and Managers.
- Those in the Professionals category include those aligned with the EEO-1 category professionals. This category includes professionals and sales workers.
- Those in the All Other Employees category include those aligned with the EEO-1 categories that include administrative and support workers and craft workers.

### Chart A

Count of gender and racial/ethnic group representation for (1) Executive Management Team, (2) Non-Executive Management Team, (3) Professionals and (4) All Other Employees.

Gender	Race/Ethnicity	Executive Management Team	Non-Executive Management Team	Professionals	All Other Employees	Count
Female	Asian	0	5	11	0	16
Female	Black or African American	0	4	14	2	20
Female	Two or More Races	0	1	0	0	1
Female	White	3	15	13	3	34
Female	Hispanic or Latino	0	2	3	3	8
Male	Asian	4	11	25	1	41
Male	Black or African American	0	6	6	1	13
Male	Two or More Races	0	0	2	2	4
Male	White	3	17	22	7	49
Male	Did not specify	0	0	3	0	3
Male	Hispanic or Latino	1	3	9	2	15
<b>TOTAL</b>		<b>11</b>	<b>64</b>	<b>108</b>	<b>21</b>	<b>204</b>

Gender and race ethnicity are self-reported by employees and recorded in our workforce management system at the time of onboarding. The category of two or more races reflects employees who self-reported representation of more than one race listed in Chart A. American Indian or Alaska Native; or Native Hawaiian or Other Pacific Islander are not listed in the chart because no employees self-reported in those categories.

**Chart B**

Percentage of gender and racial/ethnic group representation for (1) Executive Management Team, (2) Non-Executive Management Team, (3) Professionals and (4) All Other Employees.

Gender	Executive Management Team	Non-Executive Management Team	Professionals	All Other Employees
Female	1.47%	13.24%	20.10%	3.92%
Male	3.92%	18.14%	32.84%	6.37%

Race/Ethnicity	Executive Management Team	Non-Executive Management Team	Professionals	All Other Employees
Asian	1.96%	7.84%	17.65%	0.49%
Black or African American	0.00%	4.90%	9.80%	1.47%
Two or More Races	0.00%	0.49%	0.98%	0.98%
White	2.94%	15.69%	17.16%	4.90%
Hispanic or Latino	0.49%	2.45%	5.88%	2.45%
Did not specify	0.00%	0.00%	1.47%	0.00%

Percentages may not total 100 percent due to rounding.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Mortgage Finance Standard Disclosures			
<b>Lending Practices*</b>	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	<p>This metric has been modified because we do not make mortgage loans to retail customers.</p> <p>Modified Metric: Percentage of residential mortgage loans purchased by FHLB Dallas that were made by members to low- and very low-income borrowers and families in low-income areas.</p> <p>During the year ended December 31, 2023:</p> <ul style="list-style-type: none"> <li>• 3 percent of Mortgage Partnership Finance® (MPF®) loans purchased were to very low-income borrowers.</li> <li>• 14 percent were to low-income borrowers.</li> <li>• 6 percent were to families in low-income areas, which exclude very low- and low income borrowers so as not to double count loans.</li> </ul>

For MPF® loans, low-income and very low-income borrowers and low-income areas are defined by FHFA regulation and are described below:

- Low-income borrowers have income less than or equal to 80% and greater than 50% of the Area Median Income (AMI).
- Very low-income borrowers have income less than or equal to 50% of AMI.
- Census tracts in Metropolitan Statistical Areas (MSAs) and non-metropolitan areas of the 50 states, District of Columbia and Puerto Rico that have a median income less than or equal to the AMI are considered low-income census tracts. There are three paths an MPF® loan can take in order to be considered a loan in a low-income area. The first path does not have an income requirement, but the loan must be in a low-income census tract. The second path is for loans made to moderate-income borrowers ( $\leq 100\%$  of AMI) in a minority census tract (greater than or equal to 30% minority) where the tract median income is less than 100% of AMI. The third path is for loans made to moderate income borrowers in a designated disaster area.

Topic	SASB Code	Metric	FHLB Dallas Response
SASB Financials Sector: Mortgage Finance Standard Disclosures			
<b>Discriminatory Lending*</b>	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	<p>This metric has been modified because we do not make mortgage loans to retail customers.</p> <p>Modified metric: (1) Number, (2) value and (3) weighted average LTV ratio of mortgages purchased and held by FHLB Dallas that were issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660.</p> <p>We rely on the seller to provide accurate information at time of purchase.</p> <p>See tables below for metrics as of and for the year ended December 31, 2023.</p>

#### Summary of Mortgage Loan Purchases for the Year Ended December 31, 2023

FICO Bucket	Minority Designation	Number of Loans	Unpaid Principal Balance at Acquisition (In millions)	Weighted Average LTV
<b>FICO &gt; 660</b>	Minority	886	\$298	83.3%
	Non-Minority	1,768	\$554	79.7%
	Information Not Reported	411	\$137	81.4%
	<b>Total</b>	<b>3,065</b>	<b>\$989</b>	<b>81.0%</b>
<b>FICO ≤ 660</b>	Minority	57	\$14	77.1%
	Non-Minority	85	\$21	72.1%
	Information Not Reported	26	\$7	72.0%
	<b>Total</b>	<b>168</b>	<b>\$42</b>	<b>73.8%</b>
<b>FICO not available</b>	Minority	2	\$1	79.3%
	Non-Minority	3	\$1	74.5%
	<b>Total</b>	<b>5</b>	<b>\$2</b>	<b>76.0%</b>
<b>Total</b>		<b>3,238</b>	<b>\$1,033</b>	<b>80.7%</b>

## Summary of Mortgage Loans Held in Portfolio as of December 31, 2023

FICO Bucket	Minority Designation	Number of Loans	Unpaid Principal Balance as of December 31, 2023 (In millions)	Weighted Average LTV
<b>FICO &gt; 660</b>	Minority	4,672	\$1,259	80.7%
	Non-Minority	10,520	\$2,843	77.9%
	Information Not Reported	2,376	\$626	78.6%
	<b>Total</b>	<b>17,568</b>	<b>\$4,728</b>	<b>78.7%</b>
<b>FICO ≤ 660</b>	Minority	553	\$111	77.8%
	Non-Minority	653	\$153	75.3%
	Information Not Reported	226	\$39	75.4%
	<b>Total</b>	<b>1,432</b>	<b>\$303</b>	<b>76.2%</b>
<b>FICO not available</b>	Minority	36	\$4	83.8%
	Non-Minority	15	\$3	74.9%
	Information Not Reported	197	\$3	88.6%
	<b>Total</b>	<b>248</b>	<b>\$10</b>	<b>82.7%</b>
<b>Total</b>		<b>19,248</b>	<b>\$5,041</b>	<b>78.6%</b>

**Minority:** Race is American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, or Hispanic or Latino as reported by the Participating Financial Institution (PFI) at the time of purchase by FHLB Dallas.

**Non-Minority:** Race is White (Not Hispanic or Latino) as reported by the PFI at the time of purchase by FHLB Dallas.

**LTV:** LTVs are as of the loan origination date as reported by the PFI to FHLB Dallas at the time of purchase. For loans purchased during the year ended December 31, 2023, the LTVs were weighted by the unpaid principal balance (UPB) at the date of acquisition. For loans held in portfolio as of December 31, 2023, the LTVs were weighted by the UPB as of that date.

Borrowers are asked to disclose race and ethnicity on the loan application. We rely on the PFI to provide the information presented at the time we purchase the loan. If an applicant listed multiple races or ethnicities and one of those races or ethnicities met the minority criteria, then the loan is classified as minority. We rely on the PFI to provide race, ethnicity, LTV and the borrower's FICO score at the time we purchase the loan.