

2023 - 2024 ESG IMPACT REPORT



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Introduction

CAHEC's Environmental, Social, and Governance (ESG) Impact Report provides content and context towards our accomplishments and goals in being a sustainable, resilient, and purposeful organization. Through concentrated efforts, we seek to further leverage our core values, while meeting the evolving preferences of sustainability-conscious stakeholders.

The following provides detailed analysis of the voluntary ESG frameworks that CAHEC has chosen to report on, our accomplishments within these frameworks (July 1, 2023 - June 30, 2024), and our future initiatives.



Message from our President & CEO

Dear Stakeholders,

CAHEC is pleased to share its second annual ESG Impact Report – highlighting our voluntary commitment to adopt GRI, SASB FN-AC, and UN SDG standards - with current and prospective stakeholders. This publication provides context around CAHEC’s efforts in furthering its vision of thriving communities with affordable housing and equitable opportunities for all.

An organization’s annual report on ESG activities should be more than an illustration of their progress. Rather, its overarching essence should be the character, values, and perseverance behind those who drive and execute a story. The ability to identify opportunities, further strategies, and maximize impact – all in conjunction with one’s vision - is paramount.

CAHEC’s commitment to ESG is anchored by our overarching values and drive towards being the premier community investment organization in the South. We work on it constantly and some days are better than others. As shared by Tom Hanks in *A League of Their Own*, *“It’s supposed to be hard. If it wasn’t hard, everyone would do it. The hard is what makes it great.”*

We appreciate your joining us on this journey and we look forward to sharing future successes!

Sincerely,



Dana S. Boole
CAHEC President & CEO

About CAHEC

Investing in communities since 1992

CAHEC is a community investment organization operating in the South and Mid-Atlantic. As of June 30, CAHEC's (including affiliates) portfolio spans syndication (raised \$3.3 billion of equity towards the financing of 849 communities), lending (including our CDFI has lent \$152 million), preservation (rehabilitated 185 communities), general partnerships (owns 234 communities), property management (oversees 357 communities), and charitable initiatives (granted \$18.1 million to residents and communities) in 13 mid-Atlantic and southern states.

Vision & Mission



We envision thriving communities with affordable housing and equitable opportunities for all. Our mission is to strengthen communities by providing affordable housing and creating opportunities for growth and revitalization through collaborative partnerships, innovative investments, and supportive service initiatives.

Diversity



We are committed to building a workplace where diversity, equity, inclusion, and belonging are pillars to the foundation of our community. We believe our company thrives only when all employees do, and acknowledge that our efforts to dismantle racism, sexism and other barriers require consistent effort.

Sustainability



Our vision is driven by embedding social impact in our culture. Whether it's the residents, general partners, investors, or employees we serve (stakeholders), our corporate culture is the lynchpin that secures our commitment to providing sustainable products, services, and outcomes.

About CAHEC

2023 - 2024 Company Overview



\$3.3 Billion Under Management



36 Communities / 1,837 Units Syndicated

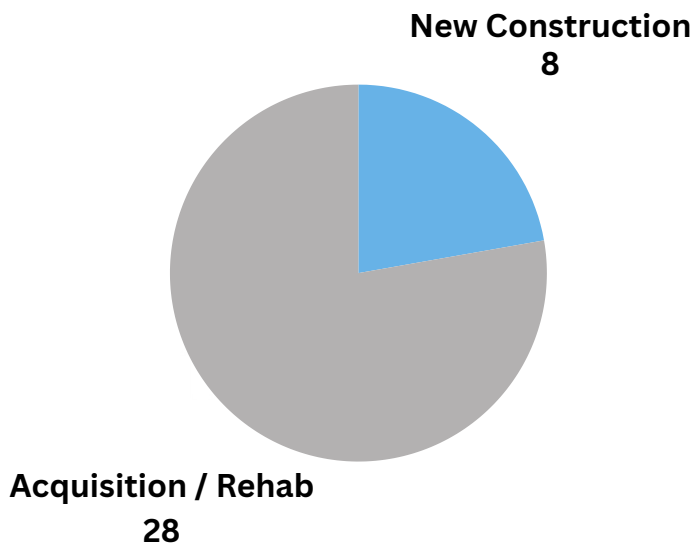


4,600 Residents Served

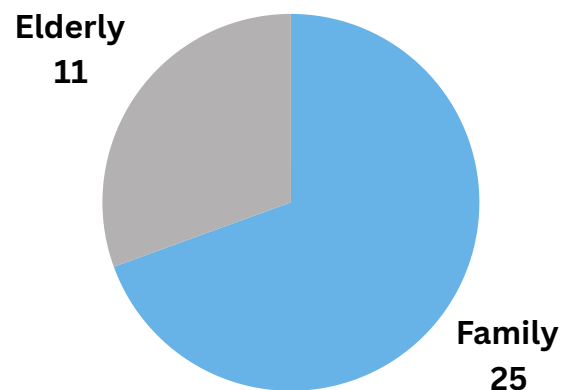


\$785,000 in Community Investment Grants

Construction Type



Tenancy Type

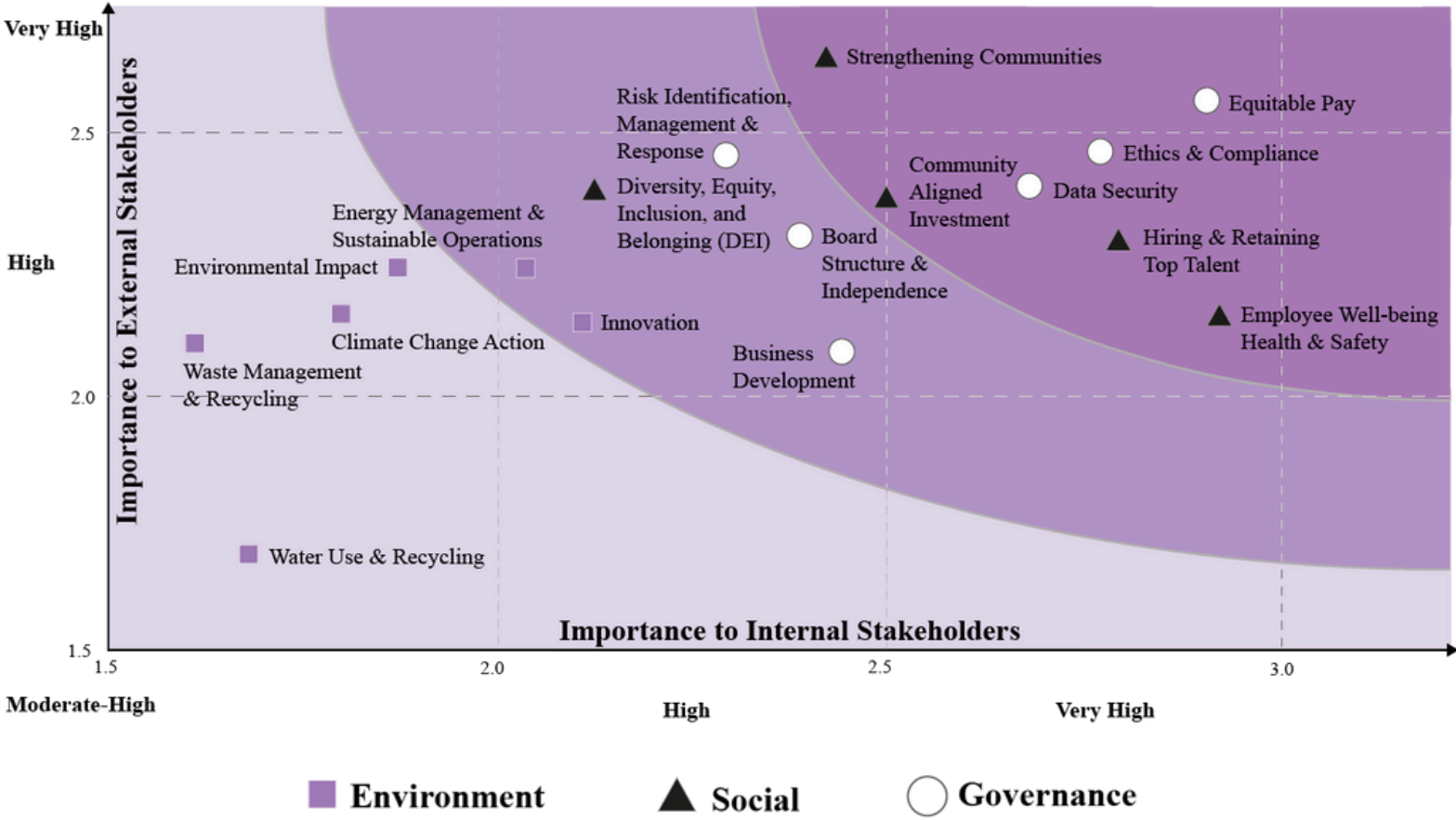


ESG Foundational Principles

Materiality Assessment

Our unwavering commitment to social impact and sustainable investment is integral to our corporate values. As a precursor to last year’s Impact Report, we undertook a comprehensive assessment in partnership with a highly experienced third-party consulting firm. Through this process, we identified ESG factors material to our vision and stakeholder interests. This assessment has served as a guidepost for our ESG journey and has helped shape current and future ESG initiatives.

CAHEC’s Materiality Matrix



ESG Foundational Principles

2023 - 2024 Goals

After completion of the materiality matrix, the focus of our 2022-2023 Impact Report was to identify ten overarching goals that would be used to shape our path forward in ESG reporting. These goals will appear repeatedly - both in this and future reports - as we further our vision of creating positive impacts and ensuring CAHEC is an organization that listens, is resilient, and remains relevant.

Materiality Topic	Highest Ranked Material Subtopic
Ethics & Compliance	Conduct business with integrity and uphold ethical principles in all situations
Strengthening Communities	Enable the development of affordable housing
Employee Well-being, Health & Safety	Endorse a culture which leads at a pace consistent with being an effective, relevant, and dynamic organization in a rapidly changing environment
Equitable Pay	Uphold labor and compensation standards in the workforce, including minimum wage, overtime pay, provision of benefits, and wage nondiscrimination
Energy Management & Sustainable Operations	Comply with all environmental regulations and standards
Data Security	Uphold a comprehensive cybersecurity program to protect CAHEC's internal office environment and operating locations
Hiring And Retaining Top Talent	Introduce additional benefits and management training to retain top talent
Board Structure & Independence	Be intentional about introducing Board of Directors members with diverse perspectives
Diversity, Equity, Inclusion, and Belonging (DEI)	Ensure a steady flow of quality and diverse candidates for critical leadership positions
Business Development	Seek opportunities in syndications, property management, and preservation to improve growth and efficiency

2023 - 2024 Reporting

Reporting Frameworks Overview

In the 2022-2023 Impact Report, we committed to evaluating reporting frameworks that align with stakeholder goals and objectives. We have carried out our commitment by aligning with the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and United Nation's Sustainable Development Goals (UN SDG) standards for the 2023-2024 reporting year. We selected these frameworks based on relevance to our business and importance to our stakeholders.

This report will provide additional details about the selected reporting frameworks and which standards within those frameworks we have aligned. In addition, appendices located at the end of this report provide further reporting specifics. All ESG reporting from our organization, including the details located in this report, are voluntary.

Moving forward, CAHEC will continue to focus on non-financial disclosures that differentiate our business and communicate our progress.



2023 - 2024 Reporting

GRI 2: General Disclosures, GRI 3: Materiality Topics, and SASB FN-AC

CAHEC is committed to addressing the wide range of sustainability issues affecting the communities we support. To that end, we have aligned to specific GRI and SASB standards.

The GRI Standards represent global best practice for publicly reporting on a range of economic, environmental, and social impacts. Specifically, CAHEC has voluntarily chosen to report on GRI 2: General Disclosures and GRI 3: Materiality Topics. GRI 2 reporting contains information on reporting practices and organizational details, including activities, governance, and policies. GRI 3 reporting contains information on CAHEC's material topics and how we manage them. Please visit Appendix A for reporting specifics.

The SASB Standards allow organizations to better identify, manage, and communicate the material information about sustainability-related risks and opportunities they face. Specifically, CAHEC has chosen to report to SASB FN-AC (Financial - Asset Management & Custody Activities) framework for this reporting cycle. Please visit Appendix A for reporting specifics.



2023 - 2024 Reporting

UN SDGs

CAHEC understands our duty to help mitigate the numerous global issues impacting the communities we serve. To be impactful stewards and continue pursuing social responsibility, we have aligned our goals to [The United Nations Sustainable Development Goals](#) (UN SDGs), a universal framework for achieving 17 desired global outcomes by 2030. Aligning to the UN SDGs guides our efforts to further integrate sustainability and inclusion into our business and continue to provide affordable housing for our communities, while keeping sustainability at the forefront of our efforts. Please visit Appendix A for additional information about our organization's UN SDG reporting.

Materiality Topic	Highest Ranked Material Subtopic	UN SDG Alignment
Ethics & Compliance	Conduct business with integrity and uphold ethical principles in all situations	16
Strengthening Communities	Enable the development of affordable housing	1, 10, 11
Employee Well-being, Health & Safety	Endorse a culture which leads at a pace consistent with being an effective, relevant, and dynamic organization in a rapidly changing environment	3, 8
Equitable Pay	Uphold labor and compensation standards in the workforce, including minimum wage, overtime pay, provision of benefits, and wage nondiscrimination	5, 8, 10
Energy Management & Sustainable Operations	Comply with all environmental regulations and standards	7, 11, 12, 13
Data Security	Uphold a comprehensive cybersecurity program to protect CAHEC's internal office environment and operating locations	16
Hiring And Retaining Top Talent	Introduce additional benefits and management training to retain top talent	4, 8
Board Structure & Independence	Be intentional about introducing a Board of Directors (Board) members with diverse perspectives	5, 8, 10
Diversity, Equity, Inclusion, and Belonging	Ensure a steady flow of quality and diverse candidates for critical leadership positions	5, 8, 10
Business Development	Seek opportunities in syndications, property management, and preservation to improve growth and efficiency	8, 12

ESG Initiatives

In addition to our aforementioned ESG reporting frameworks, CAHEC has completed work to further demonstrate our unwavering commitment to social impact and showcasing that sustainable investment is integral to our corporate values. Some highlights include:



01 — Strengthening Communities

To further our investment and preservation activities, CAHEC enhances its communities through various innovative initiatives including wellness and educational opportunities, donations and sponsorships, and our annual Partners Conference. During this reporting cycle, CAHEC committed \$785,000 in annual community investments, which includes \$60,000 in nutrition assistance and \$20,000 in secondary-education scholarships.



02 — Partnership with NCSU

CAHEC collaborated with graduate students from the Enterprise Risk Management (ERM) initiative at the NC State University (NCSU) Poole College of Management. This ERM practicum focused on CAHEC's strategic priority of strengthening the impact of cost-effective environmental efforts at our affordable housing communities. The practicum included interviews of internal and external stakeholders and concluded with a deliverable outlining strategic and environmental opportunities for CAHEC to explore.



03 — Business Ethics & Compliance

CAHEC fosters a business environment that encourages the highest standards of integrity. CAHEC complies with applicable laws and regulations and expects its Board, officers, and employees to conduct business in accordance with the letter, spirit, and intent of relevant laws and to refrain from illegal, dishonest, or unethical conduct. CAHEC employees are expected to model CAHEC Values of Integrity, Excellence, Innovation, and Fun.

The Horizon

CAHEC is committed to expanding our ESG reporting year-over-year. Our materiality assessment will guide us as we continuously assess the goals and objectives of our stakeholders to determine future reporting frameworks. Areas we're researching for potential growth over the next few reporting cycles include:



Enhanced Investment Policy



Refresh Materiality Assessment to Align with Current Business Operations



Expanded Reporting Frameworks and/or Rating Organization Alignment to Allow for Continued Opportunities to Benchmark with Peers.



Summary

In our 2022-2023 Impact Report, we pledged to assess reporting frameworks that align with stakeholder goals and objectives. For the 2023-2024 reporting year, we have fulfilled this commitment by adopting the GRI, SASB FN-AC, and UN SDG standards. These frameworks were chosen for their relevance to our business and significance to our stakeholders.

Thank you for your continued support in our efforts to being a sustainable, resilient, and purposeful organization.

More Information:

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APPENDIX A

Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
General Disclosures	Organizational details	The company's legal name is Community Affordable Housing Equity Corporation (CAHEC). CAHEC is a non-profit corporation with headquarters in Raleigh, North Carolina. CAHEC operates in the United States of America.		2-1	
	Entities included in the organization's sustainability reporting	<p>CAHEC's Impact Report focuses mostly on CAHEC's syndication business and charitable activities.</p> <p>CAHEC does have audited consolidated financial statements, but CAHEC is not required to file on public record. These audited consolidated financial statements are at the Community Affordable Housing Equity Corporation level, consolidated within entities and equity fund partnerships.</p> <p>CAHEC consists of multiple CAHEC-affiliated entities. CAHEC is required to consolidate with those entities because of CAHEC's controlling interest in those entities. Besides equity funds, many of the CAHEC-affiliated entities are non-profits who have boards and are independent other corporations. Because CAHEC's Board of Directors appoints the boards of the CAHEC-affiliated entities, there is a controlling interest for CAHEC, and CAHEC is required to consolidate those CAHEC-affiliated entities into CAHEC's consolidated financials. Additionally, due to CAHEC control of the general partner entities, CAHEC is required to consolidate the equity funds into CAHEC's financials.</p> <p>Up to this point, CAHEC has not merged with, disposed of, or acquired an entity.</p> <p>The material topics and disclosures in this standard and reported in the Impact Report are geared towards the syndication arm of the business, but they can be viewed as representative of the broader CAHEC organization.</p>		2-2	
	Reporting period, frequency and contact point	The reporting period for this report is July 1st, 2023 through June 30th, 2024. This report is published annually. Please contact Amy Cross at across@cahec.com for more information about CAHEC's Impact Report.		2-3	
	External assurance	There has been no external assurance sought.	1	2-5	
	Activities, value chain and other business relationships	<p>CAHEC's primary business line is the financing of affordable housing projects that generate tax credits. Various business lines within CAHEC provide real estate syndication opportunities for affordable housing projects, lending services to these projects, financing for economic development, and philanthropic services targeting low-income households.</p> <p>CAHEC's value chain primarily includes investors and developers. Our investors are primarily banks, insurance companies, and government sponsored enterprises (GSEs). Developers are downstream recipients of CAHEC's services. Residents of the affordable housing developments CAHEC funds are also indirectly downstream recipients of CAHEC's services, with CAHEC-controlled general partner entities acting as the intermediary.</p> <p>CAHEC's 'suppliers' are mainly third-party relationships with accountants and attorneys. Other notable business relationships include our partnerships with Housing Finance Agencies (HFAs), which allocate tax credits at the state level.</p> <p>Significant changes from the previous reporting period to the current reporting period is not applicable because this is the first reporting period CAHEC is reporting in alignment with GRI.</p>		2-6	

APPENDIX A

Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
General Disclosures (Cont.)	Conflicts of interest	<p>Prior to becoming a member of CAHEC's highest governing body, the Board of Directors, each member goes through an independence test, involving outside council, to confirm there are no conflicts of interest. A Board member can have a business relationship with CAHEC, and if they are a business partner, CAHEC, with outside council, examines the magnitude of the relationship to determine if there is a conflict. The examination includes investigating what kind of owner they are, percent ownership in the company, the magnitude of financial interest between CAHEC and the prospective Board member's organization, etc.</p> <p>If there is even a perceived conflict of interest, that individual will not be a board member. If there is a board member with a business relationship, that member will abstain from voting or discussions pertaining to their represented business, as applicable. CAHEC's Conflict of Interest Policy, which is reviewed annually, is shared with all board members and employees to help avoid conflicts. Vendor risk assessments prior to engagement are conducted with all potential vendors as another method of preventing conflicts of interest.</p> <p>Board members fill out questionnaire's annually to ensure nothing has changed with their relationship with CAHEC in the past year. If a board member does have a question regarding conflict of interest, they can disclose those questions on the questionnaire, and CAHEC will investigate if there is a conflict. If there is a question that comes up during the member's tenure, that individual may be asked to step down from their seat on the Board. These practices are in place for all of the CAHEC-affiliated entities' boards.</p>	5	2-15	
	Communication of critical concerns	With constant engagement and discussion occurring between the CEO and the Board of Directors, the highest governance body is engaged and passionate about maintaining CAHEC's goals, missions, and values. CAHEC has a crisis communication plan that may be executed if needed for immediate action. No items of a critical nature were reported to the board during this reporting period.		2-16	
	Remuneration policies	CAHEC's Board of Directors are not compensated monetarily. CAHEC covers retreat and travel expenses, but there is no stipend or pay for board members. Board participation is a voluntary commitment.		2-19	
	Process to determine remuneration	In 2023, there was a refinement of the compensation platform. The Talent Management Committee (TMC), which includes board members and stakeholders, works with the CEO to interview third-parties that would provide competitive market surveys and how they would structure an enhanced compensation system. The TMC is active and engaged in the process of compensation roll outs for CAHEC.		2-20	
	Annual total compensation ratio	<p>The annual total compensation of the highest-paid individual is \$702,151.81. The median annual total compensation is \$103,787.42. The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees, excluding the highest-paid individual, is 1:6.6.</p> <p>The percentage increase in annual total compensation for the highest-paid individual is 3%. The median percentage increase in annual total compensation for all employees is 3%. The ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees, excluding the highest-paid individual, is 1:1.</p> <p>CAHEC reported on all employees employed from 07/01/23 through 06/30/24. In that time frame we had 61 employees. There are also terminated employees included on this list. Based on that information and removing the highest-paid individual, the median fell at the 30th employee and the 30th percent increase. Compensation was based on total gross compensation from 07/01/23 through 06/30/24.</p>		2-21	

APPENDIX A

Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
General Disclosures (Cont.)	Statement on sustainable development strategy	One of CAHEC's future goals is to create an investment policy that prioritizes CAHEC's specific objectives with respect to sustainable investment and sustainable development. CAHEC intends to align the investment policy closely with the United Nations' Principles for Responsible Investment (PRI), outlining CAHEC's efforts and methodologies to prioritize sustainable development.		2-22	
	Membership associations	CAHEC participates in a significant role in the following organizations and associations: Affordable Housing Tax Credit Coalition (AHTCC) Carolina Council for Affordable Housing (CCAH) Consortium for Housing & Asset Management (CHAM) Georgia Affordable Housing Coalition (GAHC) Institute of Real Estate Management (IREM) National Affordable Housing Management Association (NAHMA) National Association for Home Builders (NAHB) National Association of State and Local Equity Funds (NASLEF) National Council of State Housing Associates (NCSHA) National Housing & Rehabilitation Association (NH&RA) New Markets Tax Credit Coalition (NMTC) North Carolina Housing Coalition (NCHC) Virginia's Council for Affordable & Rural Housing (VCARH) Women's Affordable Housing Network (WAHN)		2-28	
	Approach to stakeholder engagement	CAHEC engages with stakeholders, such as investors and financial institutions, developers, government agencies, residents and tenants, as well as the Board of Directors. CAHEC finds tremendous purpose in stakeholder engagement. This in part because CAHEC's core mission is to provide housing and help those communities who are in need. CAHEC values stakeholder engagement so they can 1) enhance the positive impact of their projects from valuable stakeholder feedback and input, 2) have informed decision-making that incorporate diverse perspectives, insights, and expertise, and 3) provide transparency and accountability, which is increasingly important as CAHEC progresses, grows, and expands into the affordable housing development and management service lines. CAHEC seeks to ensure meaningful engagement with stakeholders by always keeping them involved and giving them a place to voice their perspective and insight. CAHEC values the diverse representation of the stakeholders, and CAHEC is passionate about ensuring that diversity, collaborative decision-making processes, and accountability are at the forefront of stakeholder engagement.	1, 6, 10, 12, 17	2-29	

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Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
General Disclosures (Cont.)	Process to determine material topics	<p>A third-party consultant conducted an ESG materiality assessment for CAHEC in 2022. This was a formal exercise aimed at engaging internal and external stakeholders to understand how they think different ESG issues will impact CAHEC's current business and future success and how CAHEC may impact the economy, environment and people in turn. The insights gained guided CAHEC's ESG strategy and communication to help drive the development of a focused and intentional ESG program and disclosures. Presentation of these material topics can be found on p. 7 of this Impact Report.</p> <p>The processes and inputs used to arrive at the ESG topics material to CAHEC include 1) an inventory of potential material ESG topics from Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), and United Nations Sustainable Development Goals (UN SDGs), 2) review of CAHEC's documents and current initiatives, 3) an analysis of potential ESG topics from peers, 4) industry trends and analysis and 5)vetting of topics with stakeholders.</p> <p>The third-party consultant conducted 25 interviews with 16 internal stakeholders, 4 external stakeholders (non-investors), and 5 external stakeholders (investors).</p>		3-1	
	List of material topics	<p>The topics most material to CAHEC are:</p> <ul style="list-style-type: none"> Ethics & Compliance Strengthening Communities Employee Well-being, Health & Safety Equitable Pay Energy Management & Sustainable Operations Data Security Hiring And Retaining Top Talent Board Structure & Independence Diversity, Equity, Inclusion, and Belonging (DEI) Business Development <p>Please see CAHEC's Materiality Matrix, which can be found in the ESG Accomplishments section of this report for more information on CAHEC's material topics.</p>		3-2	
	Management of material topics	<p>CAHEC focused the development of their Impact Report to align with the results of the materiality assessment and therefore, the report is designed to communicate how CAHEC manages these topics. While we are continuously evolving our management of ESG issues, we are proud to have aligned our CAHEC material topics and goals with the United Nations Sustainable Development Goals to achieve peace and prosperity for people and the planet.</p>		3-3	

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Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
Governance	Governance structure and composition	<p>The highest governance body, overarching all entities within CAHEC is CAHEC's Board of Directors. CAHEC's entities including CAHEC Management, Inc., CAHEC Properties Corporation, CAHEC Capital, Inc. and CAHEC Foundation have individual boards or advisory groups that support that function of the business but all are governed by the broader Board of Directors. The Board of Directors and the Chief Executive Officer have ultimate responsibility for overseeing the management of the CAHEC's impacts on the economy, environment and people.</p> <p>CAHEC's Board of Directors has four committees: Audit & Risk, Investment, Talent Management, and Governance. CAHEC's Board of Directors has three executive members and six non-executive members. All Directors are independent, except for one member. None of CAHEC's Board participants are CAHEC employees. CAHEC's Board of Directors is 22.22% female, and 22.22% non-white. The skillset and competencies the board members possess that are relevant to CAHEC include experience and background in compliance with investment tax credits, banking, academia and commercial experience in the affordable housing space, property development, and legal experience. Stakeholders are represented on the board as investors and community members and contribute meaningful inputs to CAHEC's strategy that reflects opinions of their stakeholder groups.</p>	5, 16	2-9	
	Nomination and selection of the highest governance body	<p>The nomination and selection process for the CAHEC Board of Directors is informal. The CEO of CAHEC is an ex officio member and does not vote. However, the CEO brings potential new members to the Governance Committee and moderates interactive discussion about the potential member. If there is approval from the Governance Committee, the Board will vote. The CEO strongly considers competency, relevant work experience, skillset, innovation, diversity of thought and passion when selecting candidates to bring to the Governance Committee and Board of Directors to fill board seats.</p> <p>CAHEC is constantly in contact with stakeholders, which primarily include CAHEC's developers and investors. Stakeholders are sent "post-closing" surveys after each closing for CAHEC to collect feedback. The representation of stakeholders on the Board is a key differentiator for potential new board candidates.</p>	5, 16	2-10	
	Chair of the highest governance body	The chair of the highest governance body is not a senior executive at CAHEC.	16	2-11	
	Role of the highest governance body in overseeing the management of impacts	The CEO seeks discussion and approval from the Board of Directors in developing and updating CAHEC's formalized mission and value statements, strategies, policies and goals. Progress is constantly being approved by the Board of Directors. The Board is involved in opportunities to ask questions about long-term corporate strategies. The Board of Directors meet five times a year, the Investment Committee meets as needed, the Governance Committee meets as needed, Audit and Risk Committee meets every meeting, and Talent Management Committee meets five times a year. Deal closing announcements are shared with the Board if the deal falls within a certain threshold, but the Board does not have to review the deals. When there are legal terms that reside outside of the threshold, the Investment Committee is required to review the deal, which is why all first-year board members are required to be on the Investment Committee.	7, 12, 16	2-12	
	Delegation of responsibility for managing impacts	CAHEC's Board of Directors interact directly with the Executive Leadership Team (ELT) on matters of organizational impacts and strategic discussion. The ELT, which consists of CAHEC's Vice Presidents and Senior Vice Presidents, have an opportunity to present at each Board meeting. The ELT participates in deliverables and are active in almost every meeting and committee (except for the Talent Management Committee and Executive Session). The business unit leaders in charge of CAHEC Management and CAHEC Properties also routinely attend board meetings and provide business updates. There are five board meetings per year where these groups interact, and on an ad-hoc basis outside of those meetings. The employee and board member in the CAHEC organization reports up to the CEO.	16	2-13	

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Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
Governance (Cont.)	Role of the highest governance body in sustainability reporting	CAHEC's material topics, reported information, and deliverables are reviewed and approved by CAHEC's Board of Directors. There is regular engagement with the CEO, Board of Directors, and the ELT. Constant transparency, discussion, and review is occurring between CAHEC and the Board to allow for strong collaboration and healthy dialogue about the future of the organization.		2-14	
	Collective knowledge of the highest governance body	All members of CAHEC's Board of Directors are actively working in their industry, so there is education and industry knowledge continuing to increase among CAHEC's Board of Directors given the nature of their roles. The board members are encouraged to bring this expertise and stakeholder representation to all meetings of the board. Many board members are actively attending conferences, seminars and webinars, as is the CEO, to create an environment of constant learning and continuous self-improvement.	16	2-17	
	Evaluation of the performance of the highest governance body	The Board members are on three-year terms, and there is a formal protocol for term continuance. The entire Board votes on term continuation of each member. There is no formal process for evaluating board member performance during their term, but the CEO encourages and assesses the effectiveness of members to maintain active engagement and participation, add value in discussions, and engage in conferences, training, and company retreats. The CAHEC Board of Directors maintain passion for serving CAHEC and the affordable housing industry, add value in discussions, and are interested in CAHEC's success and long-term corporate goals and strategy. The CEO is constantly evaluating the Board through each meeting and conference.	16	2-18	
Workforce Diversity & Engagement	Employee breakdown by employee type	See 'Employee Breakdown by Employee Type' table in Appendix B of this report.	5, 8, 10, 16	2-7	
	Employee breakdown by gender	See 'Employee Breakdown by Gender' table in Appendix B of this report.	5, 8, 10, 16	2-7	
	Employee breakdown by region and department	See 'Employee Breakdown by Region & Department' table in Appendix B of this report.	5, 8, 10, 16	2-7	
	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	See 'Percentage of Employee Levels by Gender and Diversity Group Representation' table in Section XX of this report.	5, 8, 10, 16		FN-AC-330a.1
	Workers who are not employees	CAHEC occasionally uses temp agencies for short-term, ad-hoc needs. However, CAHEC has no individual contract workers. CAHEC uses consultants, such as lawyers and accountants, for support as needed.		2-8	

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Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	CAHEC has zero licensed employees or identified decision-makers with a record of investment-related investigations, consumer-initiated complains, private civil litigations, or other regulatory proceedings.	8, 12, 16		FN-AC-270a.1
	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	There are no legal losses to report.	8, 12, 16		FN-AC-270a.2
	Description of approach to informing customers about products and services	In respect to CAHEC's marketing approach for informing customers about CAHEC's services, information is communicated via our website, marketing materials created for conferences, annual reports, and social media posts. CAHEC ensures that customers and partners are relayed accurate and transparent information regarding CAHEC's services and shared information.	12		FN-AC270a.3
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	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	AUM that employ the integration of ESG issues and screening: \$1,315,120,546 (100% AUM) AUM that employ sustainability themed investing: In the future, CAHEC intends to create an investment policy that formalizes priorities for sustainability themed investing.	9, 12		FN-AC-410a.1
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	CAHEC's business is dependent on affordable housing and the vitality of communities in which we operate. Therefore, ESG issues are always at the forefront of our investment strategies. More information about how we prioritize ESG can be found in CAHEC's Impact Report, available to all investors upon request. One of CAHEC's future goals is to formalize an investment policy that formalizes CAHEC's specific objectives with respect to sustainable investment and sustainable development. CAHEC intends to align our investment policy closely with the United Nations' Principles for Responsible Investment (PRI), outlining CAHEC's efforts and methodologies to prioritize sustainable development. Our approach to incorporating ESG factors into investment processes and strategies will be outlined in this policy.	8, 9, 12		FN-AC-410a.2
	Description of proxy voting and investee engagement policies and procedures	CAHEC is not a public company and therefore investee voting and engagement occurs at the project level and routinely rather than during an annual proxy session. CAHEC utilizes its Investment Committee of the Board to vote on potential projects and engage with investees on potential new endeavors.	9, 16, 17		FN-AC-410a.3

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Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	At this time, CAHEC is evaluating the available tools and data for calculation of these metrics.	7, 9, 12, 13		FN-AC-410b.1
	Total amount of assets under management (AUM) included in the financed emissions disclosure		7, 9, 12, 13		FN-AC-410b.2
	Percentage of total assets under management (AUM) included in the financed emissions calculation		7, 9, 12, 13		FN-AC-410b.3
	Description of the methodology used to calculate financed emissions		7, 9, 12, 13		FN-AC-410b.4
Business Ethics & Compliance	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	\$0.00	8, 16		FN-AC-510a.1
	Description of whistleblower policies and procedures	<p>CAHEC's Whistleblower Policy is a key part of the Employee Handbook and is reviewed with the Board annually to ensure their awareness and understanding of their role in the policies and procedures outlined in the document. Specific Board members have certain roles in the investigation and reporting processes which dictates the action(s) for which they are responsible.</p> <p>The policy is also reviewed annually with all employees and upon engagement of all new hires. The Whistleblower Policy is posted on CAHEC's internal portal, along with the name, email address, and phone number of each Board member, in case an employee wants to reach out directly to report a concern.</p> <p>Each of the CAHEC-affiliated entities receive the Whistleblower Policy and it is reviewed annually at the entity level as well.</p> <p>The different procedures to report a concern include via a phone call, anonymous reporting, writing a report, and emailing. There are no repercussions for the report of a potential concern from an individual, whether that report is made anonymously or not.</p> <p>Additional from the whistleblower and responsible business conduct policies in place at CAHEC, every two to three years, outside sponsors review CAHEC's business, benchmark CAHEC against peers, and provide comments on internal processes. CAHEC takes these recommendations into account for future business planning and improvement of procedures and processes.</p>	16	2-26	FN-AC-510a.2

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Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
Business Ethics & Compliance (Cont.)	Compliance with laws and regulations	<p>There were zero significant instances of non-compliance during the reporting period.</p> <p>There were zero fines paid for instances of non-compliance with laws during reporting period.</p> <p>Because there were zero significant instances of non-compliance during this reporting period, a description of the instances and methodology of determining instances as "significant" is not applicable.</p>		2-27	
	Processes to remediate negative impacts	<p>There has been no action taken against CAHEC for negative impacts, nor have any negative impacts that the organization caused or contributed to been identified. If such an event were to occur and remediation for negative impacts were required, the remediation would be performed at the project level. If there was a negative impact or incident to occur on a property, there is an assigned asset manager for each property who is responsible for appropriate issue resolution. CAHEC is not responsible for remedial funding; however, CAHEC works closely with its partners to remediate negative impacts using set-aside reserves or other available funding sources.</p> <p>The developments that CAHEC funds which utilize federal funding mechanisms undergo an extensive environmental review where compliance with federal rules and regulations are confirmed. These regulations and rules touch on resource and wildlife impacts and other potential issues that may contribute to a potential negative impact. When screening for the development of a new property, CAHEC takes into consideration and discusses potential environmental risk factors. These risk assessments include climate change impacts. Some examples of these climate change impacts include physical climate risks such as tornadoes, flooding, droughts, wind, or hail damage or other severe weather events that may negatively impact a development.</p> <p>Identification and resolution of grievances is managed at the project level by the General Partner/Managing Member (typically the developer or developer affiliated entity) of the ownership entity. The developers are responsible for responding to and resolving these instances. Developers are in required routine communication with CAHEC quarterly. However, in the case of grievances or incidents, these items are immediately reported to CAHEC along with the status of their remediation. Depending on the nature of a grievance or incident, CAHEC may share the report with related investors. In all cases, CAHEC advocates for avoidance of all negative impacts and timely resolution and remediation of reported grievances and incidents.</p>		2-25	

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Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
Business Ethics & Compliance (Cont.)	Embedding policy commitments	<p>CAHEC allocates responsibility to implement commitments for responsible business conduct across different levels within the organization by abiding by the delegation of authority protocols, as well as aligning to the AHIC guidelines for property investment. Any variances from guidelines are documented, defined, and provided to the credit committee team prior to approval of a project for investment. The CAHEC Feasibility Team reviews all project information, developing the relevant agreements, and aligning it to the AHIC guidelines for responsible investment practices.</p> <p>In terms of operational strategies, policy, and procedure, the credit committee approves projects, underwriting guidelines, variances, and post-closing consents. If a deal or decision reaches a certain set of criteria, depending on a dollar threshold, type, size, or whether it is new partner, approval goes up to the investment committee within the Board for approval. The criteria for this escalation of approval are documented within one of CAHEC's policies.</p> <p>As stated above, CAHEC implements its commitments with and through business relationships by performing risk assessments and complying with operating agreements and the corresponding requirements. There is due diligence documentation provided to investors, prior to a project initiation, and the properties have to provide performance information to CAHEC in order to reach closing. Guarantors and sponsors are required to provide on-going financial information, in alignment with agreement terms.</p> <p>Training on policies and procedures is mandatory for CAHEC staff members. Most of the training for these policies and procedures occurs as a part of the onboarding process, but recurring trainings (both formal and informal) on workplace safety and security and IT-related trainings are conducted frequently. There are mandatory annual trainings for Human Resources related policies and procedures. If there is a change in a policy, CAHEC staff members are notified, whether by a mass email, a portal post, or verbally in routine management meetings. The syndication business holds a standing meeting every two weeks and an agenda item is to discuss any syndication policy changes and review them together. If an AHIC guideline changes or new guidelines are published, these changes are also reviewed during management meetings. CAHEC takes pride in keeping their team members updated and committed to responsible business conduct in all they do for the organization.</p>		2-24	

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Topic	Sustainability Policies and Accounting Metrics	July 1, 2023 - June 30, 2024	UN SDGs	GRI	SASB
Business Ethics & Compliance (Cont.)	Policy commitments	<p>CAHEC has stated values that are shared universally throughout the business, and these values and commitments to achieving them can be found in the Business Ethics and Compliance section of this Impact Report located on p. 12. CAHEC also has an elaborate delegation of authority hierarchy, outlining which actions can be performed by whom. Policies are available to CAHEC employees in CAHEC's Employee Handbook, including information on delegation of authorities, IT-related information, and personnel responsibilities and actions with respect to basic human rights and respect in the workplace. CAHEC also has a syndication policy and procedure manual, outlining protocols for writing commitment letters and the due diligence process involved. One of the ways CAHEC incorporates due diligence into its business process is by requiring a vendor risk assessment before an engagement with a vendor. This due diligence includes background checks on partners involved in property transactions and a screening of company performance. For every property or project, there is an operating agreement which defines the terms of the partnership and outlines responsibilities and parameters for engagement. There is a similar agreement for investors, called fund-agreements, outlining specific rights and responsibilities. CAHEC has a fiduciary responsibility to investors to uphold the terms of not only the fund agreements, but also the operating agreements. These agreements are executed when the project closes into the fund. Whether the agreements are at the investor-level or the deal-level, they outline what CAHEC is able or unable to do. There are internal control measures for accounting, as well as across the whole syndication function that ensure policies are adhered to and proper precautionary measures are taken. Fund management teams work closely with investors, whereas risk management and acquisition functions work more directly with developers and closing properties. This separation of duties supports the internal control philosophy.</p> <p>CAHEC aligns investment and underwriting with the Affordable Housing Investors Council (AHIC) Underwriting Guidelines. These guidelines provide a structured framework for evaluating investment opportunities in low-income affordable housing. The AHIC guidelines impact human rights by ensuring equitable access to affordable housing for all. AHIC and the resources and guidelines it provides ensure fair treatment of residents, safe and habitable living conditions, and alignment with human rights principles. AHIC provides an investment benefit because they mandate responsible decision-making, assess project feasibility, and promote transparency and successful outcomes in affordable housing investments.</p> <p>CAHEC's policies are not publicly available. They are internal policies only available to CAHEC employees.</p> <p>The policy commitments, values, and standards which CAHEC aligns to are approved at the Executive Leadership Team level, including the CEO. Policy and procedure expectations and commitments apply to most all of CAHEC's activities and business relationships. CAHEC ensures that investment and activities surrounding syndication are in alignment with the AHIC guidelines, as well as abiding by internal policies, and executed operating or fund agreements.</p> <p>All CAHEC employees are provided with the CAHEC Employee Handbook when they start with the organization. The receipt of this handbook and provision of internal policies is documented for recordkeeping and consistency. CAHEC employees participate in frequent trainings and are expected to comply with all applicable CAHEC governance documents. All due diligence documentation, frameworks, standards, policies, and procedures are internally accessible to CAHEC employees who are impacted. Externally, documentation is posted to a portal or emailed. When CAHEC is doing a third-party review, the syndication policy and procedure is provided.</p>	16	2-23	

APPENDIX B

Employee Breakdown by Employee Type	
	Total*
All employees	58
Permanent employees	58
Temporary employees	0
Non-guaranteed hours employees	0
Full-time employees	58
Part-time employees	0

*Reported as of 12/31/2023 for the Raleigh, North Carolina office.

Employee Breakdown by Gender*		
	Male	Female
All employees	19	39
Permanent employees	19	39
Temporary employees	0	0
Non-guaranteed hours employees	0	0
Full-time employees	19	39
Part-time employees	0	0

*Reported as of 12/31/2023 for the Raleigh, North Carolina office.

Employee Breakdown by Region & Department*						
	Raleigh	Acquisitions & RM	Asset Management	Finance & Ops	Executive	Investor Relations
All employees	58	17	20	10	2	9
Permanent employees	58	17	20	10	2	9
Temporary employees	0	0	0	0	0	0
Non-guaranteed hours employees	0	0	0	0	0	0
Full-time employees	58	17	20	10	2	9
Part-time employees	0	0	0	0	0	0

*Reported as of 12/31/2023 for the Raleigh, North Carolina office.

Percentage of Employee Levels by Gender and Diversity Group Representation*							
	Gender		Diversity Group Representation				
	Male	Female	Asian	Hispanic or Latino	Black or African American	White	Two or more races
Executive management	3	2	0	0	1	4	0
Non-executive management	4	8	0	0	0	12	0
Professionals (Non-management)	14	27	1	4	13	22	1
All other employees	0	0	0	0	0	0	0
Total	21	37	1	4	14	38	1

*Reported as of 12/31/2023 for the Raleigh, North Carolina office.