



DECEMBER 2024

Cut Carbon Note

Impact Report

Issued by Calvert
Impact Climate, Inc.



Calvert
Impact™

Buildings are a challenge and opportunity

The buildings where we live, work, and play are some of the biggest sources of carbon emissions. According to the National Renewable Energy Laboratory, commercial and residential buildings account for 40% of the nation's energy use and 35% of its carbon emissions.¹ The Cut Carbon Note[®] issued by Calvert Impact Climate, in collaboration with PACE Equity, aims to change that by financing efficiency upgrades that reduce building emissions and by incentivizing property owners to adopt more sustainable building designs.

The Cut Carbon Note[®] is an asset-backed, investment-grade-rated, fixed income product that finances energy efficiency and renewable improvements – like HVAC, lighting, insulation, and on-site solar – for commercial, industrial, and multi-family buildings across the country. This financing is originated via Commercial Property Assessed Clean Energy (C-PACE) programs in participating states. C-PACE programs facilitate attractive, long-term funding for green building upgrades that meet environmental standards. C-PACE programs are currently enabled in 40 states and DC, with additional states expected to launch programs in coming years.

Sixty percent of the assets in the Cut Carbon Note[®] portfolio go beyond C-PACE requirements and conform to the rigorous CIRRUS[™] Low Carbon Standard – a building standard developed by PACE Equity and the New Buildings Institute to raise the bar on commercial energy efficiency.

Ultimately, the Cut Carbon Note[®] program not only aims to decarbonize buildings now, but to change the way we build so that sustainability is a “no brainer” in every construction decision. The Cut Carbon Note[®] is a step towards transforming an industry that can help speed the transition to a clean energy future.

¹ “NREL Researchers Reveal How Buildings Across United States Do—and Could—Use Energy,” National Renewable Energy Laboratory. Available at: <https://www.nrel.gov/news/features/2023/>

² Statistic from https://imagine.gsfc.nasa.gov/features/cosmic/earth_info.html and calculation conducted using <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

The Cut Carbon portfolio results in

33% CARBON SAVINGS

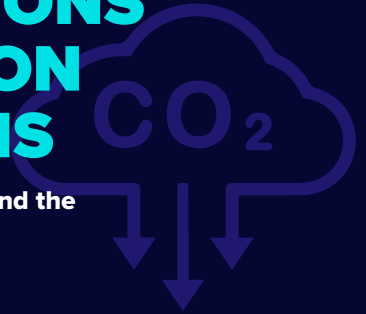
from the baseline building code.



Cut Carbon Note[®] investors are contributing to the reduction of greenhouse gas emissions by an expected

174,454 TONS OF CARBON EMISSIONS

equivalent to **driving around the Earth over 17,600 times.**²




Our investors are supporting community economic development through an estimated

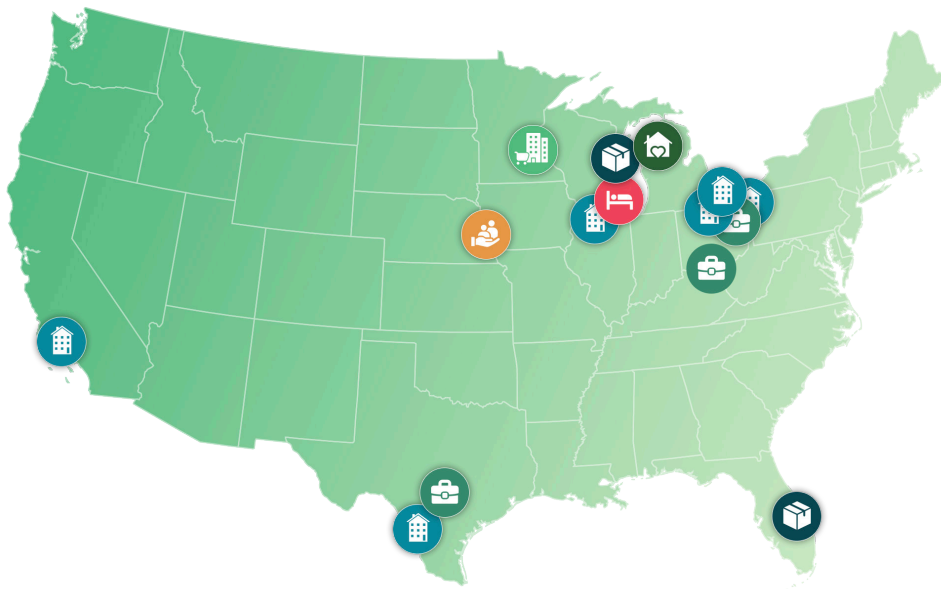
\$54.1 MILLION IN TOTAL ENERGY SAVINGS.




The Cut Carbon Note® Portfolio

The wide variety of properties in the portfolio generate significant energy savings and carbon emissions reductions across 9 states. Together, these buildings will generate tangible social and environmental impacts in their local communities.

-  Assisted Living
-  Hotel
-  Industrial
-  Mixed Use
-  Multi-family Housing
-  Non-profit
-  Office
-  Certified CIRRUS Low Carbon Building



<p>Euclid Office Building</p>  <p>Euclid, OH</p>	<p>Coliseum Building</p>  <p>Minneapolis, MN</p>	<p>Kenwood Place</p>  <p>Cincinnati, OH</p>
<p>Meadow Valley</p>  <p>Traverse City, MI</p>	<p>Nebraska MultiSport Complex</p>  <p>Omaha, NE</p>	<p>One South Main Tower</p>  <p>Laredo, TX</p>
<p>Painesville Tower Student Housing</p>  <p>Painesville, OH</p>	<p>Residences at Agora</p>  <p>Cleveland, OH</p>	<p>The 70th Apartments</p>  <p>Cleveland, OH</p>
<p>The Allen</p>  <p>San Antonio, TX</p>	<p>The Marlow</p>  <p>Milwaukee, WI</p>	<p>Town 9 Industrial Building</p>  <p>Germantown, WI</p>
<p>Coleman Yards</p>  <p>Rockford, IL</p>	<p>LactaLogics</p>  <p>Port St. Lucie, FL</p>	<p>Townhomes on Nemo</p>  <p>West Hollywood, CA</p>



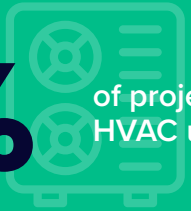
60%
of the portfolio is certified CIRRUS™ Low Carbon



40%
of the portfolio is multi-family housing

Portfolio Impact Summary

 **87%** of projects involve electrical upgrades

 **80%** of projects involve HVAC upgrades

 **53%** of projects involve plumbing upgrades

8.8 MIL kWh in annual electricity savings, equivalent to over 839 households with a \$0 electricity bill for one year

 **5,900** METRIC TONS CO_{2e} in annual Carbon savings, equivalent to driving a passenger car for over 1,375 years

 **4.1 MIL** GALLONS in annual water savings, enough to provide a household with a \$0 water bill for over 37 years

UTILITY MONITORING UPDATE

A major differentiator of the Cut Carbon Note® is that each property will be subject to ongoing utility monitoring, allowing investors to see actual carbon, energy, and water savings, compared to engineering estimates. The Cut Carbon Note® is the only C-PACE product that offers this feature. Utility monitoring commences after the sustainability upgrades are complete and benchmark comparisons are possible after 12 months of data has been collected. Five properties were enrolled in utility monitoring as of December 15, 2024. We look forward to sharing performance results with investors in future impact reports.



CASE STUDY



PORT ST. LUCIE, FLORIDA

LactaLogics

LactaLogics provides human milk-based nutrition for premature and at-risk infants who need supplementation. Their mission is to increase the number of newborns who receive an exclusive human-milk diet through human donor milk. Based in Port St. Lucie, FL, LactaLogics is converting a two-story building into a state-of-the-art human milk processing facility. The planned renovations will transform the property into a fully operational, large-scale manufacturing plant leveraging proprietary processing technology to ensure a reliable supply of critical nutrition to at-risk infants.

In addition to manufacturing, the building will also house LactaLogics' donor support, screening, research and development, and executive teams, fostering collaboration under one roof. The facility will also feature efficiency and specialized processing equipment. Glenn Snow, CEO and co-founder of LactaLogics, **said of their new facility**, "This new facility stands as a testament to the individuals who have helped this mission. It will empower generous mothers with surplus breast milk to safely support infants in need. For the first time, at-risk infants will have access to human milk, from premature birth until mom can successfully meet her breastfeeding goals."



The equipment shown in the photo, taken from LactaLogics' R&D which runs at the Tetra Pak Pilot Plant in Denton, Texas, is representative of the new equipment being installed, financed through the C-PACE financing.



\$554,099

in annual electricity savings



The carbon emissions reduced by the building upgrades annually is equivalent to taking

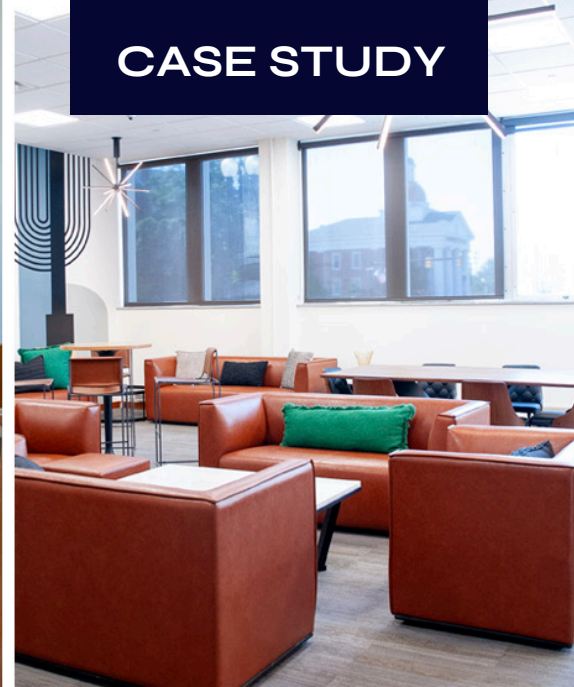
534 CARS

off the road per year for 30 years.

PAINESVILLE, OHIO

Painesville Tower Student Housing

Lake Erie College, a private liberal arts college in Ohio founded in 1856, is converting a former Chase Bank office building into new housing for their students called The Tower. According to Renew, the developer focused on the adaptive reuse of historic buildings. The Tower's eastern wing was built in 1957, while the western wing was constructed in 1965. The building will have 172 bedrooms and conference space. Suites range from single bed studios to eight-bedroom apartments with shared living, kitchens, and bathrooms. Each resident will enjoy amenities including a state-of-the-art student fitness center, yoga space, a business center for study, and a roof deck overlooking the adjoining square. The project is located in an Ohio Community Redevelopment Area and received a Historic Tax Credit allocation. The Tower is located near the downtown area and less than a mile from Lake Erie's main campus, with Laketrans providing transportation to the campus via a free shuttle bus. The Tower will also be open to the public and hold restaurants and a retail space in the future.



\$34,303

in annual electricity savings



The carbon emissions reduced by the building upgrades annually is equivalent to taking

25 CARS

off the road per year for 28 years.

Methodology

The Cut Carbon Note® impact assessment methodology aligns with the International Capital Market Association’s (ICMA) Green Bond Principles. Specifically, we follow the principles of transparency, accuracy, completeness, and consistency in our impact calculations and reporting. [See S&P Global Ratings' Green Transaction Evaluation for Series 1.](#) The Cut Carbon Note® impact framework also aligns with the Operating Principles for Impact Management, with our latest Impact Disclosure at calvertimpact.org/impactdisclosure.

All figures provided in this report are expressed as cumulative over the weighted average life of all properties in the portfolio, unless otherwise specified. Energy, water, and emissions savings figures are calculated based on rigorous project-level engineering analyses conducted by independent third-party firms. These analyses model expected resource savings based on the specific efficiency measures being implemented and the existing energy baseline for each building. Baselines are determined using building codes and energy source mixes in the state where the project is located. The engineering methodology and firm conducting the analysis for each project are disclosed in [Annex A of the prospectus supplement](#) for transparency. All properties are or will be enrolled in ongoing utility monitoring to track actual performance over time versus engineering

projections. Once properties are fully enrolled in this service, metering data updates will be made available semi-annually to validate projected savings.

By leveraging qualified independent engineers and semi-annual metering, our impact assessment methodology aims to provide accurate, complete, and consistent data on the sustainability benefits delivered by efficiency upgrades through Cut Carbon Note® funding.

External data sources were also used for this report. For the portfolio impact summary, the annual electricity equivalency stat was sourced and calculated from the [US Energy Information Administration](#). The annual Carbon savings equivalency stat was sourced from the [US EPA "Greenhouse Gas Equivalencies Calculator - Calculations and References."](#) The lifetime water savings equivalency stat was sourced from the [US EPA, "How We Use Water."](#) For the Case Studies the annual carbon savings equivalency stats were sourced and calculated from the [US EPA "Greenhouse Gas Equivalencies Calculator - Calculations and References."](#)

For questions on this methodology or impact data, you can contact us at impact@calvertimpact.org.

Table 1: Cut Carbon Portfolio Green Bond Data

The following data is being provided as a recommended impact reporting practice for Green Bonds under the ICMA Green Bond Principles Impact Reporting Guidelines.

Project Name	Location	Signed Amount (\$)	Share of Total Project Financing (%)	Allocated Amount (\$)	Gross Building Area (GBA) ft2	CIRRUS Standard Met	Annual Electricity Savings (kWh)	Annual Carbon Savings (tons CO2e)	Annual Water Savings (gallons)
20-41 Nebraska Multisport	Omaha, NE	\$2,883,031	100%	\$2,883,031	N/A	No	155,331	99.9	N/A
21-50 Concord - 1 S. Main	Laredo, TX	\$3,577,294	100%	\$3,577,294	157,664	No	305,424	162.9	691,000
21-57 Renew - Painesville	Painesville, OH	\$2,224,103	100%	\$2,224,103	78,980	Yes	178,573	108	N/A
21-58 Renew - Agora	Cleveland, OH	\$2,231,866	100%	\$2,231,866	73,669	Yes	73,080	40.2	185,176
21-64 Renew - 70th	Cleveland, OH	\$1,357,597	100%	\$1,357,597	79,145	No	249,755	171.7	N/A
22-11 Van Buren - The Marlow	Milwaukee, WI	\$2,423,704	100%	\$2,423,704	45,089	No	823,866	596.4	49,500
22-25 Headwall - The Allen	San Antonio, TX	\$1,559,719	100%	\$1,559,719	32,583	Yes	57,071	21.3	N/A
22-30 MAN Holdings - Euclid	Euclid, OH	\$1,563,355	100%	\$1,563,355	163,789	Yes	1,264,392	292.8	N/A
22-46 Midland Atlantic - Kenwood	Cincinnati, OH	\$1,263,141	100%	\$1,263,141	63,358	Yes	55,417	49	N/A
22-47 Wallick - Oakleaf (2nd Funding)	Traverse City, MI	\$6,170,121	25%	\$6,170,121	177,269	No	319,960	365.1	522,994
22-62 F Street - Germantown	Germantown, WI	\$4,535,000	100%	\$4,535,000	374,804	Yes	564,070	891.2	N/A
22-66 Seward - Coliseum	Minneapolis, MN	\$2,126,454	100%	\$2,126,454	79,700	Yes	465,659	203.5	N/A
23-19 Jeffers - Colman Yards	Rockford, IL	\$10,974,995	100%	\$10,974,995	159,816	Yes	1,153,112	603.7	2,614,000
23-76b Carlyle Group - Nemo (Cut Carbon)	West Hollywood, CA	\$2,739,607	85%	\$2,739,607	8,798	Yes	17,560	4.8	14,000
23-87a LactaLogics - HQ (Cut Carbon)	Port St. Lucie, FL	\$6,970,458	77%	\$6,970,458	58,623	No	3,129,238	2,289.9	N/A

Table 2: Cut Carbon Portfolio Expected Impact Data

Project	EE Baseline	Energy Engineer	Site EUI	Energy and Operational Savings/ft2	Weighted Average Life	Carbon Savings Over WAL	Energy and Operational Savings over WAL	Carbon Count	kWh Savings Over Wal	KBTU Savings Over WAL	Lifetime Water Conservation (gallons)	Intalled Solar Capacity (kWp)	Annual Solar Production (MWh)	CPACE Scope
20-41 Nebraska Multisport	EICC2018	Rivion	N/A	\$0.00	34	3,436	\$1,724,270	0.03468	5,338,726	18,215,722	N/A	N/A	N/A	Electrical/Lighting
21-50 Concord - 1 S. Main	Existing / Texas Code (IECC 2015)	Rivion	262.5	\$0.25	26	4,187	\$1,494,062	0.04554	7,849,397	26,782,125	17,758,700	N/A	N/A	HVAC, Electrical/Lighting, Plumbing, EIFS, Windows, and Elevator
21-57 Renew - Painesville	2017 Ohio Code (2012 IECC w/amendments)	Glen Heitkamp	77.3	\$0.28	28	3,024	\$960,494	0.04856	5,000,044	17,230,948	N/A	N/A	N/A	HVAC, Electrical/Lighting, Roof, Insulation, Windows
21-58 Renew - Agora	2017 Ohio Building Code w/Amendments	Rivion	33.3	\$0.13	29	1,166	\$449,475	0.01801	2,119,320	7,231,034	5,370,104	N/A	N/A	Building Envelope (including Roof and HVAC), Lighting/Electrical, Plumbing
21-64 Renew - 70th	2017 Ohio Code (2012 IECC w/amendments)	Rivion	34.8	\$0.38	28	4,859	\$1,365,730	0.12647	7,068,067	21,525,348	N/A	N/A	N/A	HVAC/Building Envelope, Lighting/Electric, Plumbing/Dom Hot Water
22-11 Van Buren - The Marlow	2015 IECC w/ Wisconsin Amendments	Rivion	91.4	\$2.62	30	17,892	\$5,627,030	0.24607	24,715,980	223,809,360	1,485,000	N/A	N/A	Insulation, building envelope, windows, elevator, HVAC, plumbing, and electrical/lighting
22-25 Headwall - The Allen	2018 IECC	Rivion	30.2	\$0.27	26	550	\$333,685	0.01366	1,472,432	5,025,427	N/A	N/A	N/A	HVAC, Thermal & Moisture Protection, and Electrical/Lighting
22-30 MAN Holdings - Euclid	N/A	Helio-Scope	N/A	\$0.17	25	7,321	\$1,410,718	0.18732	31,609,800	N/A	N/A	1,160	970	Solar PV Array
22-46 Midland Atlantic - Kenwood	2012 IECC	Energy Concepts	57.4	\$0.12	28	1,372	\$319,878	0.03879	1,551,676	8,898,120	N/A	N/A	N/A	Windows, Roof, HVAC, Building Envelope, Plumbing, Electrical
22-47 Wallick - Oakleaf (2nd Funding)	ASHRAE 90.1-2010	Rivion	72.8	\$0.33	27	9,858	\$2,414,163	0.05917	8,638,920	106,918,596	14,120,838	N/A	N/A	Bricker/Stone Veneer, Thermal & Moisture Protection, Windows, Elevator - Machinery, cab, general Plumbing, HVAC, Electrical/Lighting, GC/Overhead
22-62 F Street - Germantown	IECC 2015 (ASHRAE 90.1-2013)	Glen Heitkamp	44.2	\$0.22	30	26,736	\$3,998,714	0.19652	16,922,100	112,680,210	N/A	N/A	N/A	Building Envelope; HVAC; Electrical/Lighting
22-66 Seward - Coliseum	Existing using ASHRAE 90.1-2004 defaults		65.1	\$0.68	20	4,070	\$1,466,155	0.09570	9,313,180	28,622,580	N/A	N/A	N/A	HVAC and Electrical / Lighting
23-19 Jeffers - Colman Yards	Existing Building Envelope Conditions and IECC 2018 for MEP	Glen Heitkamp	42.6	\$1.61	35	21,130	\$15,605,324	0.05501	40,358,920	277,645,130	91,490,000	N/A	N/A	Building Envelope, HVAC, Plumbing, and Electrical / Lighting
23-76b Carlyle Group - Nemo (Cut Carbon)	California Title 24 - CEC 2022	Glen Heitkamp; Robert Lawson	14.7	\$0.57	33	158	\$276,270	0.00175	579,480	65,248,524	462,000	N/A	N/A	Building Envelope; Electrical; HVAC; Plumbing
23-87a Lactalogics - HQ (Cut Carbon)	ASHRAE 90.1 2013	EE Consultants LLC	136.15	\$5.96	30	68,696	\$16,622,981	0.32851	93,877,126	323,980,755	N/A	N/A	N/A	Dematic Machinery - Process Equipment



Calvert Impact is a global non-profit investment firm that helps investors and financial professionals invest in solutions that people and the planet need. During its 29-year history, the Calvert Impact family of organizations has mobilized approximately \$5 billion to build and grow local community and green finance organizations including through its flagship Community Investment Note® issued by Calvert Impact Capital, Inc., and other products and services. In 2023, Calvert Impact launched the Cut Carbon Note®, issued by Calvert Impact Climate, Inc., a product that aims to reduce carbon emissions and transform the way we build. Calvert Impact uses its unique position to bring the capital markets and communities closer together.

More at calvertimpact.org.



PACE Equity is the leader in C-PACE funding for development projects, helping customers achieve financial success while improving the planet. PACE Equity provides direct capital funding and end-to-end support to building owners, developers, and non-profits as they pursue C-PACE projects. Since 2014, PACE Equity has invested over \$600 million and funded more than 125 C-PACE projects across the United States. Its investments have reduced over \$1.1 million metric tons of carbon emissions and enabled over \$450 million in energy and operational savings.

DISCLAIMER: All information in this fact sheet is dated as of 12/15/2024. Calvert Impact, Inc., a 501(c)(3) nonprofit, sponsors the Cut Carbon Note®. The Cut Carbon Note® is subject to certain risks, is not a mutual fund, is not FDIC or SPIC insured, and should not be confused with any other Calvert Impact-sponsored investment product or any Calvert Research and Management-sponsored investment product. Calvert Impact Climate, Inc., a 501(c)(3) nonprofit organization, is the issuer of the Cut Carbon Note® and is separate and distinct from Calvert Impact, Inc. and Calvert Impact Capital, Inc., which are affiliated nonprofit corporations. Calvert Impact Climate, Inc. is solely responsible for payment of the Cut Carbon Note®. Calvert Impact, Inc. is not liable for the Cut Carbon Note®. The Cut Carbon Note® is not registered with the SEC and may either be registered or exempt from registration in the various states in which it is offered or sold. We will offer and sell the Cut Carbon Note® only in states where authorized, subject to any eligibility requirements in particular states. Past performance is no guarantee of future results. This is not an offer to sell you our securities and we are not soliciting you to buy our securities. The Cut Carbon Notes are subject to the terms, conditions, and risks described in the current prospectus and prospectus supplement(s), including risk of possible loss of the amount invested. Payment is dependent on Calvert Impact Climate's financial condition at the time payment is due. Any decision to invest in these securities should only be made after reading the current prospectus, prospectus supplement(s) and pricing supplement.